

There was considerable difficulty in arranging the terms of the lease. A large annual rental was first demanded, and two years' notice of intention to terminate the lease, the same as in the Coromandel case; but bearing in mind the complaints which had been made by the Provincial Government against paying £500 per annum rent for that field, for which they received but little in return, we considered it safer for the Government, and greater justice to the Natives, to agree to give the sum of £1 for each miner's right issued for the block. If the number of miners was small, the rent would thus be in the same ratio; and if large and the field valuable, then proportionably greater. We also found the question about kauri timber one which gave some trouble, the sum paid to Pito Taukaka and Riria Karepe being quoted by the opposition party. It was finally arranged that kauri timber was not to be used unless paid for at the rate of £1 5s. per tree.

The Natives were also aware of the fact that some town allotments at Kapanga had, on the first opening of the Coromandel Gold Field, been sold for high prices, and they wished to guard against the loss which would arise to them if the Government took possession of the town site, and allowed it to be built on under mining, residence, and business site regulations. A stipulation was therefore made that the Government would be allowed to lay out townships; but these were to be leased to the Europeans, and the Natives were to receive the rents accruing from the same, the Government however having the right to work the minerals beneath the town sites. It was probably as well that this provision was made; for if there had been no townships laid off by the Government, and no security for the erection of buildings previous to the title to the land being investigated by the Native Lands Court, the streets would not have been properly laid out, and everything would have been without plan or system.

We had also to take precautionary measures to prevent any ill feeling arising with the opponents to the opening up of the district; and having the town reserve properly defined, materially assisted in preventing encroachment on the lands of Natives other than the lessors.

The Natives were very particular that lands required for their own use for residence and cultivation should be reserved from gold mining, and the sacred places and burial-grounds were also carefully excluded from the agreements.

The question has been raised, as to why this and other subsequent agreements were made as between the Natives and the Governor of the Colony? The reason is in the interpretation clause of "The Gold Fields Act, 1866," it is set forth that the words "Crown Lands" shall be construed to mean and include, not only the Demesne Lands of the Crown in New Zealand, but also all other land whatever, over which the Governor shall by leave, agreement, or otherwise, have obtained power to authorize gold mining thereon. It was inferred from the wording of the Act, that the Governor had the power to enter into such agreements; if the wording had been "lands over which Her Majesty shall by lease, agreement, or otherwise have obtained power to authorize mining," there would then have been no doubt in the matter.

On the 30th July the Hon. Dr. Pollen issued a proclamation, constituting the lands mentioned in the agreement to be a gold field, and declaring the same open for gold mining on and after the 1st August, 1867.

I received instructions from the Hon. Dr. Pollen to proceed to Kauaeranga, or (as it was then first named) Shortland, and take temporary charge of the gold field. Mr. Alan Baillie, formerly Warden at Coromandel, was also instructed to assist me, and two policemen were also ordered to be stationed at Shortland until further arrangements could be made. A code of regulations was hastily drawn up so as to meet first requirements, and I left Auckland on the 1st August in the p.s. "Enterprise," with the above staff and about forty persons who were the pioneers of the gold field.

My first duty was to impress on the miners the absolute necessity for confining their operations within the limits of the lands leased for gold mining. This being accomplished, the next step was to commence the survey of the township, so as to be in readiness for the population which was shortly expected to arrive in the district.

The miners, as a rule, behaved well; one or two who trespassed on the forbidden Waiotahi Block were brought back to camp by the Native owners. At first the mining operations were unsuccessful, as every person searched for alluvial gold, and not for quartz reefs. However, on the 10th August, Messrs. Hunt, White, Clarkson, and Cobley found a very valuable gold-bearing leader in the Kuranui Stream. The gold in this was at first of very poor quality, although plentiful in quantity, and many doubted as to whether the stone contained any auriferous matter.

On Monday the 12th August the first miners' rights were issued, and there was a rush to Kuranui. At noon many persons returned dissatisfied (from that spot which has since yielded astonishing quantities of gold), and some even went the length of demanding back the money they had paid for their miners' rights. The stone was tested, and it being proved that it actually contained gold, the claimholders became satisfied, and many of them have since had no reason to complain of having pegged out claims at Kuranui.

At the same time Mr. Daniel Tookey, who had been prospecting in the district before, marked out a valuable claim near the mouth of the Moanataiari Stream.

On the 18th August the Honorable Dr. Pollen visited the gold field, and consulted with me about all matters connected with it, and expressed himself much pleased with the progress which had been made. My time was fully occupied during the month of August in endeavouring to arrange for the Waiotahi Block, and also in procuring the assent of the Natives to opening up the lands between Kuranui (northern boundary of blocks ceded on 27th July) and Te Mamaku. I succeeded in annexing the land between Kuranui and Opitomoko, which, with that previously leased, formed what is now known as the Karaka Block. North of this, again, the Ngatinaunau hapu of Ngatiwhanaunga agreed to lease the land now known as the Tararu Block, extending to Maeroero. There was considerable difficulty in arranging the boundary at that place. North of this, again, was a piece of land ending at Otoi, the ownership of which was disputed between Te Waka Tawera of Ngatimarau and the Ngatinaunau. The claims to this were so equally balanced that I made the following proposals:—

1st. To divide the land equally.

2nd. If first not agreed to, then to consider the whole of the claimants as joint owners.