

The only course which appeared open was to endeavour to effect a compromise with the Natives, and to enter into a fresh arrangement for the future working of the gold field.

On the 5th October I came to an understanding with Riria Paora Karape to pay her the rent of £500 per annum by quarterly payments, instead of annually as heretofore. I do myself the honor to enclose the agreement herewith.

It was then arranged that a meeting should be held on the 6th October to discuss the question of payment for the other blocks.

Pita and Tanewha urged that they should be paid from the 2nd November, 1861, stating that Mr. McLean promised that the terms were to be the same as those entered into with Colonel Wynyard in 1852 (Mr. Preece confirms this statement). I endeavoured to clear up this point by referring to the agreement of 1861, in which no stipulation for payment was made, it being then considered to be a subject for future arrangement whenever gold should be found in payable quantities.

The answer I received was, "This may be correct; but we never supposed that it would take upwards of eight months to try the land, or that we should have 500 diggers from Otakou to damage it." It was also suggested that these men must have abstracted considerable quantities of gold from the creeks in Pita, Patene, and Tanewha's blocks, as they were not merely prospecting, but actually mining for gold.

After some further discussion Pita said he knew Hastie had returned fifty-one as the number of men who had been at work on his block in the year 1862-3. He believed this was very incorrect, as he had seen more than 100 at a time there; however, this might be adopted as the basis for the three years commencing November, 1861, and terminating November, 1864. He would therefore take £153 and no less. After a very lengthened argument I managed to get him to consent to take £101 as compensation in full for all claims for head-money for persons mining on his land at Kapanga from the 1st November, 1861, to the 22nd July, 1864.

Tanewha demanded the sum of £150 for himself, and a similar amount for Patene Puhata. This was eventually reduced to £75 for each, making a total sum of £251 for the three blocks, up to the 22nd July last.

Considering the total absence of any returns of a sufficiently correct nature to serve as a guide for the computation of the amount of payment, and bearing in mind that 613 licenses were issued for the whole gold field, and that probably another 200 men have at various times worked there without licenses, I do not think that this arrangement can be looked upon as unsatisfactory. After deducting 251 from the total number it leaves 362 miners for Lydia's Block, setting aside the question of those who may have worked there and elsewhere without licenses, and for whom the Government would be liable for head-money whenever they mined on the other blocks. As far as Pita is concerned, all persons acquainted with the case say he has not been overpaid.

With respect to the payments to Patene Puhatu and Te Tanewha, I do not consider they have been too liberally dealt with. Their lands have been worked to a considerable extent, and they have made no complaint, and have received no compensation for damage done to their timber. On the other hand, Riria and Pita have received between them the sum of £600 for timber alone.

Pita advanced a claim for compensation for losses sustained by horses and cattle falling down mining shafts, but I would not entertain the question. He expressed an intention of writing to the Government on the subject; I told him he might, but he had no chance of receiving anything; that he must be well aware gold-mining operations could not be carried on without shafts being sunk.

I hope that if I have exceeded my instructions in making these payments, that on a review of all the circumstances of the case, and a due consideration of the following points, you will be pleased to sanction my proceedings:—

- 1st. The defects in the agreement of the 23rd July, 1862.
- 2nd. The Government having failed in their part of the agreement, as to keeping correct accounts of the number of diggers.
- 3rd. The long period which has been allowed to elapse before arranging the question.
- 4th. The total absence of correct data on which to calculate the amount of payment to be made.
- 5th. The clamorous demands of the Natives for payment without further delay.
- 6th. The very bad effect which any appearance of breach of faith would have on the Natives, and the probability of its preventing any future arrangement for the working of the other gold fields in the district.

After completing these negotiations, I entered into a new arrangement with the Natives for the working of the Kapanga, Ngaruheku, and Matawai Blocks, they consenting to give up the whole of their lands there for gold mining, excepting only pieces required for cultivations, burial-grounds, and sacred places. They agreed to take the sum of £1 for every license issued, and an arrangement was to be made to check the number of men and the time they were employed on each block, the money to be distributed among the owners in proportion to the number of miners and the time they worked on each piece of land.

The manner in which I propose to deal with this question is, that a regulation should be made that every miner's right shall bear the date of issue, and the name of the block over which the holder of it is authorized to mine for gold. Whenever the holder desires to remove to any block other than that for which his license shall originally have been granted, he shall not be allowed to remove to such new locality until he receives permission from the Commissioner to do so. The date of such authorized removal shall be indorsed on his miner's right or license, and entered on the Gold Fields Register. By adopting this system the Gold Fields Register would show the number of licenses issued, the block for which granted, and the date of removal to other localities. The amount due to each Native for his respective block could then be computed with the greatest ease. Another advantage is, that the Government are made only liable for the persons who take out licenses, and not for miners who work without that document.

The Natives have also a direct interest in assisting the police to prevent illegal mining. I would recommend that Pita, Taukaka, Kitahi te Tanewha, and Patene Puhata should each be authorized to