

1876.
NEW ZEALAND.

GOLD FIELDS SETTLEMENT : TAXATION AND WATER RIGHTS.

(LETTER FROM THE OTAGO CENTRAL MINING ASSOCIATION : AND REPLY BY THE PREMIER.)

No. 1.

Mr. VINCENT PYKE to the Hon. the PREMIER.

SIR,—

House of Representatives, 25th July, 1876.

I have the honor to forward to you the copy of a resolution passed by the Gold Fields Committee of this day.

“That the letter of the President of the Central Mining Association of Otago to the Hon. the Premier, and the Premier's reply thereto, which have been referred to the Committee, be returned to the Premier, with a request that they may be laid on the table of the House, so as to place the Committee in a position to report to the House thereon ; and with a further request that they may be ordered to be printed.”

I have, &c.,

VINCENT PYKE,

Chairman, Gold Fields Committee.

The Hon. the Premier, Wellington.

No. 2.

Mr. JOHN EWING to the Hon. the PREMIER.

SIR,—

Encouraged by your kind recognition, in June, 1874, of the representations made to you by the Otago Mining Conference of that year, the Central Mining Association of Otago ventures to draw your attention to the position of the gold-mining interest at the present time, as affected by the proposed constitutional changes, and the actual and long-experienced hardships of oppressive taxation and disputed water-rights. The Association is actuated by the hope that you will be able to assure its members that the proposals to be submitted to Parliament will be beneficial to the gold miners and to the colony in which they are willing to settle, if allowed to do so on the same footing of equality as is afforded to colonists among all other interests.

1. We the more readily intrude upon you at the present time, because the action of the Government during the last session of the late Parliament directly challenged our criticism, inasmuch that it was stated repeatedly, by members of the Government and their supporters, that the perpetuation of mining taxation would be beneficial in the future, because it would be returned to the districts in which it was collected, together with a liberal subsidy for local expenditure.

The process by which the Government propose to define special gold fields districts, in which a contribution of special class taxation would be sufficiently beneficial to its contributors to justify its perpetuity, in the absence of any information or explanation from a member of the Government, is, we confess, beyond our comprehension.

For Otago, no district capable of definition could, we venture to think, be proclaimed a gold fields district in which the mining interest would be financially the paramount interest, unless, indeed, such district was of such limited area as to be, on that account, alone impracticable. At the same time, the mining population in any such district would in magnitude be out of all proportion to the agriculturists, pastoral tenants, and freeholders.

We venture to assure you that, so far from the miners wishing to evade local taxation for necessary works, they are quite willing to pay such equitable rate as may be agreed to by any local Government existing, or which may be called into existence, in which they are fairly represented ; provided that it is not specially collected from them as a class for the supposititious benefit of the population of all classes in, and to come in during the next few years, their district, county, or province.

As the miner has less title in the soil than the agriculturist or freeholder, it appears unfair to throw upon him an undue proportion of taxation levied for the improvement in value of private freeholds and the general public estate, shortly to be alienated to others who may have done nothing to render the country of value.

It therefore appears to the Central Association that the injustice of the special mining taxation at present collected, which they have so long urged upon your Government, being tacitly admitted by the sole plea now raised, that whatever special taxation may have been in the past, it will now be beneficial, because subsidized—and that this plea is, they hope, conclusively shown to be unsound—that your Government can no longer refuse to agree to the abolition of the gold duty, and the reduction of such items of gold fields revenue as are found to be most oppressive.

What the miners demur to is special treatment, tending to keep them apart as roving Ishmaelites, whom it is policy and equity alike to rob for the benefit of others whose avocations, being more general, are more strongly represented in the Legislature and public opinion of the colony.

The confliction of class interests, accruing from the disputed riparian rights of the colony, are too well known to you to render it necessary for us to recapitulate the evils, and the loss in value and security of mining property consequent thereupon. The decision in the *Maerewhenua* case (*Borton and McMaster v. Howe and others*), as also in the case heard in Dunedin before Mr. Justice Johnston (*Glassford v. Reid and others*), will be fresh in your memory.

The Association wish, however, to state an opinion, arrived at after careful inquiry and observation, that no solvent of the difficulty is to be found in the individual effort of any one gold fields member, however intelligent. They would most respectfully state their opinion that no satisfactory legislation can be arrived at unless based upon accurate knowledge, duly obtained, as to the real position of the water-rights in the colony in all their bearings as between class and class; and that progressive legislation should emanate from the Government of the colony only.

We, therefore, venture to recommend that, in accordance with the recommendation of the Provincial Council of Otago, 1874, a Commission should be appointed, including the most expert legal officers in the Government service, and one at least of the most experienced Wardens on the gold fields, in order to place the only data upon which successful legislation can be based in the hands of your Government.

3. The Association regrets that the efforts made by your Government to amend the extremely faulty gold fields legislation in force have proved so signally unsuccessful. They would also ask to be allowed to point out that the reason appears to be that all amended legislation proposed has proceeded from irresponsible sources, and upon a foundation of theory, supplemented, it is true, by spasmodic practical advice of a desultory, and unfortunately too often of a conflicting, nature.

We cannot refrain from expressing our belief that a District Judge and two experienced Gold Fields Wardens, if allowed time and opportunity, could satisfy you that a new Gold Fields Act is a desirability, and, indeed, a most pressing necessity.

We also believe that the same gentlemen could frame such an Act as would give very general satisfaction, and be certain to work smoothly and on the whole equitably.

We have to ask you to excuse the freedom which we have used in approaching questions which we are aware are of great difficulty. We have been influenced by the belief that you are sincerely anxious to be placed in possession of practical views, stripped of fulsome pretence or theoretic delusion.

We have, &c.,

JOHN EWING, President,
(for Central Mining Association, Otago).

The Hon. the Premier, Wellington.

No. 3.

The Hon. the PREMIER to Mr. JOHN EWING.

SIR,—

General Government Offices, Wellington, 10th July, 1876.

I have the honor to acknowledge the receipt of your letter of 19th June, in which you bring under my notice various questions relating to the gold fields.

2. You do me no more than justice in supposing that I should be glad to receive the practical views of those who have personally acquired a knowledge of gold fields requirements. I may add that the Government fully recognize the great importance to the country of the mining industry.

3. I propose to send your letter to the Select Committee on Gold fields questions, with the expression of the hope that they will be so kind as to report upon its various points. Meanwhile I will very much confine my comments in reply to your letter.

4. Concerning your proposal to issue a Commission to investigate riparian rights on the gold fields, the Government postpone coming to a conclusion till the Select Committee reports thereon.

5. The Government recognize the necessity for consolidating and amending the laws relating to the gold fields. I quite concur with you that legislation on such a subject should not proceed from irresponsible sources: but the Government have had very much to depend on the aid of the Provincial Governments and the gold fields members, because, under the system of delegation, the Colonial Government had neither, direct control, nor were they able to rely upon actual official experience. This difficulty has constantly met the Government when they desired to legislate for the gold fields. As you are aware, the system of delegation will shortly be at end, and the Government will, during the coming recess, set themselves to the task of consolidating and amending the laws relating to the gold fields.

6. I regret that I do not quite agree with your remarks about the export duty. The Crown has the right to a royalty on the Royal metals; and no form of charge can be more convenient than one which falls only on those who are fortunate enough to obtain gold. The Financial Statement (a copy of which I have the honor to forward herewith) contains an expression of the views of the Government concerning gold fields revenue, and I trust you will think it, on the whole, a fair one. I say, on the

whole, because I am sure you will recognize that you must not bound your opinions by the wants of the Otago Gold Fields only. Under the new system, which will I hope prevail, each district will have to attend to its own wants; and there are few gold field districts which will be able to afford to dispense with aid from the gold fields revenue, including export duty. I think you will find that, under the Government proposals, the residents, including the holders of miners' rights, in gold fields, will have very substantial powers of self-government. We do not propose to give a power to tax mining property; and the whole of the gold fields revenue, including export duty, which we propose to surrender, will, I think, be too valuable a resource for the gold fields community, after due consideration, to be willing to forego.

John Ewing, Esq., Central Mining Association, Otago.

I have, &c.,
JULIUS VOGEL.

No. 4.

The Hon. the PREMIER to Mr. JOHN EWING.

SIR,—

General Government Offices, Wellington, 14th July, 1876.

Referring to my letter of the 10th instant, I have the honor to inform you that the Government have decided to propose that in those parts of the colony where mining property is now rateable, its liability to be rated shall be continued.

This provision is necessary to meet the case of the Thames Gold Fields, and I desire that you should be informed of it without delay, as the phrase used in my former letter, "We do not propose to give a power to tax mining property," may be regarded as not sufficiently explanatory.

John Ewing, Esq.

I have, &c.,
JULIUS VOGEL.

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