

The Hon. A. J. CADMAN to the Hon. the MINISTER OF MINES.

Re *Parapara*.

SIR,—

Avondale, Auckland, 12th April, 1902.

In response to your telegram dated the 11th April, I have the honour to submit the following proposals for consideration by the Government, viz.:—

- No. 1. That I can have one (1,000) thousand acres of the reserve, the area to be chosen later on when company ready to commence operations.
- No. 2. That all liability of the lease to be cancelled if gold is found thereon be abolished.
- No. 3. That the balance of the reserve be retained by the Government for the purpose of providing residence areas, sites for schools and other public buildings which will inevitably be required when the works proceed.

In so far as No. 2 is concerned, I have no desire to prohibit gold-mining entirely, but would ask that no one be allowed to mine, especially sluicing, except in places where it will not interfere with any portion of the works connected with the iron industry, and that no mining rights be given to any persons which will place them in a position later on to extort money from or levy blackmail upon those connected with the iron industry.

The demand for 1,000 acres may be deemed excessive, but the magnitude of the works to be erected, in order to comply with the Government requirements to obtain the bonus, makes it necessary to have a large number of different plants which will all have to be connected by tram-lines; these, together with the necessary roads and outlets from the mine and provision for extension in the future, will require a considerable area alone.

Outside these proposals I am quite satisfied to work under the present law, and I trust the Government will concur with me in considering the demands very reasonable, more especially in view of the great importance the establishment of an iron industry in our midst is to the whole colony, and bearing in mind the great concessions now being given by the new Commonwealth to rivals in Australia.

As I have arranged to leave for England by the end of this month, I would urge that the matter may be considered without delay, and the decision telegraphed to me.

Yours, &c.,

A. J. CADMAN.

The Hon. the Minister of Mines, Wellington.

The Hon. the MINISTER OF MINES to the Hon. A. J. CADMAN.

(Telegram.)

17th April, 1902.

IRON lease, Parapara: Letter posted agreeing to following conditions: (1.) Deposit £1,000 (one thousand pounds). (2.) Area of lease (1,000) one thousand acres. (3.) Lease not liable to cancellation if gold found thereon. (4.) Government to dispose of balance reserved area as it thinks fit. (5.) In all other respects lease to be subject to provisions existing law. (6.) Government to introduce Bill to give effect to proposals.

JAMES MCGOWAN.

Hon. A. J. Cadman, Avondale, Auckland.

The Hon. the MINISTER OF MINES to the Hon. A. J. CADMAN.

SIR,—

Mines Department, Wellington, 17th April, 1902.

I have the honour to acknowledge the receipt of your letter of the 12th instant, submitting proposals for the granting of a mineral lease to any company that may be formed by you for developing the iron industry at Parapara, and in reply to inform you that the Government agree to a lease on the undermentioned conditions:—

- (1.) A deposit of one thousand pounds (£1,000) to be lodged with the Agent-General in London to prove *bona fides*.
- (2.) A lease of not exceeding one thousand (1,000) acres of the area of two thousand one hundred (2,100) acres at Parapara at present withdrawn from mineral leasing to be granted.
- (3.) Any lease that may be granted not to be liable to cancellation should any portion of the land prove auriferous after the issue of the lease.
- (4.) The Government to reserve to itself the right to deal with the balance of the area referred to in such manner as it thinks fit.
- (5.) In all other respects the lease to be subject to the terms and conditions prescribed by section 90 of "The Mining Act, 1898."
- (6.) On acceptance of the terms now submitted and on payment of the deposit, the Government will undertake to promote a Bill to modify the conditions of the existing law relating to the granting of mineral leases, in so far as may be necessary to give effect to the foregoing proposals.

I have, &c.,

JAMES MCGOWAN,

Minister of Mines.

Hon. A. J. Cadman, M.L.C., C.M.G., Avondale, Auckland.

P.S.—As requested, I return the note of the 17th December, 1901, from Messrs. Francis and Johnson, solicitors, of London, which you forwarded with your letter of the 5th instant.