

ESSAYS

ON THE SUBJECT

OF THE

SETTLEMENT OF THE GOLD-MINING POPULATION

IN

NEW ZEALAND.

No. 1.—(*“ Striving to better, oft we mar what’s well.”*)—ROBERT H. EYTON.

No. 2.—(*“ Carpe diem.”*)—F. W. HUTTON.

No. 3.—(*“ Ubi mel ibi apes.”*)—E. T. GILLON.

PRESENTED TO BOTH HOUSES OF THE GENERAL ASSEMBLY, BY COMMAND OF
HIS EXCELLENCY.

WELLINGTON.

—
1869.

ORDER OF REFERENCE.

Extract from the Journals of the House of Representatives.

THURSDAY, 15TH OCTOBER, 1868.—*Resolved*, “That a respectful Address be presented to His Excellency the Governor, praying him to recommend to this House that a sum of £100 be offered as Premiums for the best Essays to be written on the following subject: ‘The means for securing the Permanent Settlement of the Mining Population of New Zealand, and for fixing within the Colony the capital which is being constantly drained away from the Gold Fields, as shown in the great excess of exports over imports at the Ports of the exclusively Gold-mining Districts.’”—*(Mr. Potts.)*

ESSAYS ON THE SETTLEMENT OF THE GOLD FIELDS.

EXAMINERS' REPORT.

SIR,—

Wellington, 3rd May, 1869.

The Examiners appointed to decide upon the merits of the Gold Fields Essays, after fully considering those laid before them, to the number of forty-two, decide as follows:—

They consider that No. 41 in the schedule, bearing the motto "Striving to better, oft we mar what's well," is entitled to the first prize; that No. 26, with the motto "Carpe diem," is entitled to the second prize; and that No. 23, with the motto "Ubi mel ibi apes," is entitled to the third prize.

The above conclusions were fully arrived at by a majority of the Examiners.

I have, &c.,

ALFRED DOMETT,

Chairman of Board of Examiners.

The Hon. the Colonial Secretary, Wellington.

No. 1.

"Striving to better, oft we mar what's well."—*King Lear*, Act 1, Scene 4.

THE subject with which it is proposed to deal in the following Essay has been divided, by the terms of of the Resolution of the Assembly in which it is set forth, into two parts, namely:—(1) The permanent settlement of the mining population of New Zealand; (2) The means for fixing within the Colony the capital which is being drained away from the gold fields. It is probable that in the discussion of these two divisions it will be found that the one includes the other, and that the same course of action which will secure the permanent settlement of a mining population will secure also the permanent investment of capital. The second division, however, being of a more comprehensive nature than the first, relating, as it does, to investments of any kind in any part of the Colony, will require further discussion than is needful for the first part of the subject.

With the exception of the Auckland gold fields, which are still in their infancy, no mining industry of any extent, and claiming to be of a permanent character, has yet been established in New Zealand. The alluvial diggings which have been discovered and worked in Otago and on the West Coast can hardly with any propriety be termed mines, or those who work them miners. The absence, however, of any other large class of persons who gain their livelihood by extracting minerals from the earth leads to the conclusion that the mining population referred to in the formal statement of the subject in hand must be the alluvial diggers, who have in the last few years obtained such an immense amount of gold from different parts of the Southern Island. For the sake of convenience, I shall, in the following essay, observe a distinction between the alluvial digger, by whom I understand one who gathers gold from the surface and from later deposits only, and the alluvial miner, that is, one who works the deeper deposits, or deep placer mines as they are called.

HABITS OF LIFE AMONGST ALLUVIAL DIGGERS.

The question which it seems necessary to consider first is, whether the character and tastes of the alluvial digger are such as to afford a reasonable hope of securing him as a permanent settler, and whether, supposing this possible, it would be desirable. In order justly to appreciate the character of diggers generally, a glance at the peculiarities and prejudices commonly attributed to them will be needful; and we must duly weigh the truth of the rumours which assign to this class an unconquerable love of change and excitement, together with a reckless hardihood, and, in nine cases out of ten, isolation from all social ties. True as steel to his mates, the digger's sympathies are reported to go no further; all the world beside is to him fair game. As for any feeling of patriotism towards the country from which he draws his wealth, that is thought to be a rare thing indeed. Sensational public meetings, disturbances with the Government or anybody else, Fenianism, fighting, are supposed to constitute his delights. Let a new gold field be discovered in some other part of the world, and he will forthwith transfer his dauntless energies, his rough good-nature, and his craving for adventure, to the new spot. He is supposed to regard all other classes as outer barbarians; tradesmen as necessary evils, permitted to dwell among the tents of the diggers on sufferance only; capitalists, who seek to invest upon the field, as a prey sent by a kind Providence for his (the digger's) especial advantage; all Government officials as a kind of bugbear, whom he is bound to obstruct as far as possible in the execution of their duty, and to grumble at invariably. Such is the type of character commonly attributed to the alluvial diggers.

Now, although the above picture, together with the tales so frequently spread of the digger's failings for bucketfuls of champagne, and generally his capacity for "spreeing away" indefinitely large sums in infinitesimally small times, must be accepted with very considerable modifications, and by no means as literally true, we may nevertheless argue, from their common reception, that they contain at all events a considerable element of truth.

In the early days of California and Australia, the sketch was probably a very much nearer approach to actual fact than it is to-day, when past experience has enabled Governments to bring the gold fields effectually under the rule of law. When, however, the sudden fluctuations which take place in the population of existing fields are considered, and we recall the rush from Otago to the

West Coast three years ago, and the flocking thence to Queensland in February, 1868, and again to Auckland last year, it must be admitted that the restless spirit of the digger cannot be easily bound down to any given locality. That a proportion of these people, by no means inconsiderable, are of a totally different character, and acquire local ties which give them an interest in some particular gold field, is undeniable. But, broadly speaking, I cannot see how alluvial diggers can be regarded as other than a migratory population, who, when a field begins to show signs of exhaustion, as far as the easily obtained surface gold is concerned, or when another field, which on the principle *omne ignotum pro magnifico* promises larger returns, is reported to have been discovered elsewhere, prefer moving away to attempting the development of any other industry which their present field may offer of a more permanent though less exciting nature.

How great is the interval between a digger of alluvial gold and a real miner may be judged by comparing the habits of the former with the manners and mode of life of those who are engaged in the coal and iron mines of England. Rough and uneducated as the coal miner usually is, he is nevertheless persevering in his work. His life is, in fact, one long drudgery. Born on the spot where his labour lies, it is frequently the case, in the black country about Birmingham, that a miner has scarcely travelled five miles from his birth-place in his lifetime. His wages are small, yet he is sufficiently provident to lay by enough, in the shape of subscriptions to his club, to keep him in his old age. Such are the kind of men who are found necessary to obtain a moderate profit for capital employed in mining enterprises at home, or, in other words, whose labour is most efficient. Such, too, is the type to which the miner in New Zealand must approach, before our mineral wealth can be developed. There is no need of the roughness or want of education; but the feeling, whether instinctive or rational, of being a citizen of a certain district, and, more than all, the steady perseverance, are essential. It is true that excessive competition and a large population has in many cases at home brought the miner to a level which we should be very sorry to see him reduced to in New Zealand. Nor do I wish that the comparison drawn should for a moment be viewed in this light. All I desire to deduce is, that mining industries cannot be systematically worked, or lasting success of any kind be expected, unless those who are engaged in the working, whether or not they may be owners of the mine, are content to devote their whole labour, not for a year or two, but permanently, to the work, and to look upon the district where they are employed as their home. There is no reason, beyond the pre-existing monopoly of capital at home, why the English mines should not be worked upon the co-operative principle, by the same persons now employed in them. It is entirely owing to the lack, amongst gold diggers, of the perseverance and steadiness possessed by the English miners that they are unable to co-operate and form companies—except in comparatively rare instances—and thus give a sufficient security to men of property to enlist their assistance in the enterprises of the practical diggers. In Victoria and California we find that, with respect to deep placer mining and the working of quartz mines, the kind of co-operation to which I have alluded has been most successfully established, and proved for the manifest advantage of both miners and capitalists. The same system is being adopted naturally and with similar results at the Thames Gold Fields. The alluvial digger, however, as a rule, appears too clannish and jealous of outsiders to take so wide a view of his own interest, and conform to a practice which, though contrary to his prejudices, could not but benefit him largely. In order to judge of the practicability of overcoming this difficulty, it will be necessary to examine whether it results from the nature of a digger's employment, or whether it is the fault in the digger which renders alluvial diggings so precarious an industry.

NATURE OF ALLUVIAL GOLD FIELDS.

It is a noticeable fact, that of all the different alluvial gold fields which have from time to time been opened in the course of the world's history, none have been found permanent. Even in the time of Strabo the golden sands of Pactolus had dwindled to a mere legend. The land of Ophir, from which Solomon obtained his supplies of gold, has never even been certainly identified. "Gold mines," says Phillips, "were successively worked in Spain by the Phœnicians, Romans, and Moors; and although the amount at present obtained from that country is exceedingly insignificant, it at one period produced large quantities of the precious metal. Both Strabo and Pliny speak of Spain as being rich in gold, and mention various localities in which it was found." Passing on to later times, we find that the gold derived from Brazil and Peru has fallen to a very small quantity. In the present century, the California diggings have been discovered, and the surface alluvial deposits already show a greatly diminished yield. "The gold-yield of California reached its culminating point in 1853, and the exportation of treasure, which rose in that year to \$57,330,034, gradually fell until 1861, when it was \$40,639,080. About one-third of the gold annually obtained from California is the produce of quartz mining, while the remaining two-thirds are procured from the shallow placer and hydraulic mines." In the year 1866 the export had again increased to \$44,364,393. This was probably to be attributed mainly to the greater efficiency of the machinery employed in quartz and deep placer mining, and not to any increase in the yield from the alluvial diggings. In Victoria, I find from a table printed in the above quoted work, that the export of gold has gradually fallen, since the year 1856, from 2,985,695 oz. to 1,545,450 oz. in 1865; yet, during the same period, quartz mining has been annually advancing in that Colony. Even in New Zealand, the most recently discovered fields, it is found that the returns from the alluvial diggings are already fast decreasing; and it would seem to become constantly more evident that our surface yield will be well-nigh exhausted in a very few years.

The facility with which alluvial gold may be obtained, and the readiness with which it may be converted into cash, constitutes an all-powerful attraction for adventurers who have no capital beyond their sinews. On the other hand, when the lessons of history and experience noticed in the preceding paragraph, and the geological certainty that surface diggings are invariably a most transient industry, are taken into account, we cannot marvel if capitalists are very backward in staking their wealth in this species of investment. Besides this, however, it must be remembered that the digger, in most cases being an uneducated man, looks principally at the chance of success; whereas the capitalist, who is accustomed to take all chances into account, would not forget duly to weigh the chance of failure. The average earnings which alluvial diggers have made in Australia are not so much above ordinary wages

as to leave a very large margin of profit to capital, supposing that the whole yield had been obtained by means of paid labour. Phillips informs us that in the year 1863 there were 62,131 miners engaged in getting gold from the auriferous alluviums of Victoria, and the value of gold exported from the Colony was £6,508,264. Now, supposing that labourers could have been obtained at the rate of £2 a week, or £100 per annum, roughly speaking—a rate much lower than that at which it is possible to obtain workmen in the quartz mines of the same Colony—the cost would have been £6,213,100 for wages alone, leaving a very narrow profit to the employers. This is quite sufficient evidence to satisfy any one that alluvial diggings could not be worked through the instrumentality of paid labour. But even if this were not the case, the embarkation of capital in surface diggings, and the consequent advantage of systematic working, could have no effect in giving permanence to the field. All that would be achieved would possibly be a somewhat slower process of exhaustion, and a diminution of the percentage of loss.

It is obvious, then, that capital is practically excluded from a surface alluvial gold field, and, consequently, that the stability which it gives to any undertaking cannot here be brought about, inasmuch as a surface gold field cannot, from the nature of the case, last for more than a comparatively few years. To return then to the alluvial diggers, it is evident that capitalists cannot afford to keep them in any country even at a low rate of wages, and, consequently, that as alluvial diggers there is no hope of retaining them in the country. Now, we have before found that the majority of alluvial diggers are devoted to that one pursuit, and would refuse either to be employed by or to co-operate with capital in any other industry of a steadier character. Having no particular love for one country, they have no hesitation in moving away, as soon as they see a favourable opportunity. When the purpose for which they came has been attained, and the alluvial field exhausted, it is hopeless to think that a large proportion of them will be converted from the habits of years, as long as alluvial fields are to be found elsewhere. When the auriferous deposits of the world are exhausted, diggers will have to seek for another employment; as yet, however, two if not three continents known to be rich in gold remain comparatively untouched. The few who have been really fortunate in a country will frequently remain there, and turn their attention to deep placer and quartz mining; but those who have been unfortunate, or only moderately successful, are too glad to try their luck elsewhere. While they remain they give an immense stimulus to trade and colonization, by setting afloat large sums of money; and although there will be a depression on their departure, a considerable portion of the capital created will remain, and trade will never fall to its former dimensions.

In this light alone it appears to me can alluvial diggings be reasonably regarded as beneficial. Those who entertain any hope of rendering them a permanent industry must be disappointed. It may, indeed, be possible to substitute some other industry for that which is at an end, and the alluvial digging, though in itself it may be but a passing piece of fortune, may prove to be the forerunner of some species of employment which will give to the country a permanent mining population; but as far as the diggings and the diggers properly so called are concerned, as soon as the former are exhausted the bulk of the latter will leave us. New country alone will satisfy them.

I pass on, then, to consider what species of occupation it is probable will be found for a mining population in a country which has been previously worked by alluvial diggers.

PROBABILITY OF EXISTENCE OF GOLD MINES ON OR NEAR THE ALLUVIAL FIELDS OF NEW ZEALAND.

Up to this point I have spoken of surface diggings only, where nothing beyond the ordinary cradle is absolutely required by the miner to enable him to separate the gold from the wash dirt. We find, however, that on the three principal alluvial gold fields—exclusive of those of New Zealand—which have been opened in modern times, namely the Uralian, Californian, and Victorian, gold separated from its matrix, and therefore, in the alluvial form, has been discovered deep in the drift which overlies the bed rock, and often beneath strata of lava and the debris cast from extinct volcanoes. In order to reach these deposits, extensive workings, and the expenditure of a considerable amount of capital, become necessary. As an instance of the extent of the operations sometimes required in this species of mining, reference may be made to Phillips' account of the Maine Boys Tunnel, near Tuolumne County, California:—"Some idea," remarks this writer, "will be formed of the great Mining and Metallurgy of gold and silver, page 40. labour and expense of opening up a deposit of this kind, when it is stated that this tunnel was commenced in October, 1855, and that the pay gravel was not reached until March, 1860; the cost of working during this period having been about £9,500." There is therefore no impropriety in regarding the operations undertaken in these cases as belonging to a regular system of mining, and in drawing a distinction between alluvial digging and alluvial mining. On this latter industry many millions of dollars have been expended in California, both in the immediate working of the different mines, and also in forming aqueducts, often many miles in length, for the purpose of sluicing, and for use in the hydraulic process so commonly employed for cutting into and undermining the hills of alluvium. In Victoria, too, a similar expenditure has taken place, both in actual sinking and driving, and in obtaining a water supply. With regard to the latter, I learn from Mr. Phillips' work that in 1860 a first grant of £60,000 was appropriated by the Victorian Government, and that this was supplemented in 1861 by a further grant of £75,000. In both these countries, the yield of gold from this class of mines has been something unparalleled heretofore. That workings of this class can be regarded as permanent, I have no intention of affirming; compared, however, with the ordinary alluvial diggings, they offer stable investments for capital, and sure employment for labour. Of course the two classes of industry merge into each other, and the only real distinction which can be drawn is, that the one requires a preliminary outlay and the other does not. It stands to reason, however, that the former will offer a larger and more lasting industry than the latter, inasmuch as it has the detritus washed down during many ages to deal with; whereas surface diggings extend only to the deposits of the latest date.

I have found much difficulty in obtaining any detailed information as to the extent to which this species of mining has been followed on the alluvial gold fields of New Zealand. With respect to the Otago gold fields, a series of very useful reports is to be found in the Appendix to the Journals of the

Appendix to
Journals, 1865,
C. No. 4A.

House of Representatives for the year 1865. A later report, however, does not seem to have been published, and the lapse of nearly four years has in all probability effected a very material alteration in the general condition of the gold field. From these reports I gather that very extensive belts of the earlier auriferous deposits are to be found throughout the Otago gold fields. Mr. Vincent Pike, the Gold Fields Secretary, after speaking of the discovery of a belt of this nature in Gabriel's Gully, and of others elsewhere, writes as follows:—"These discoveries, taken in connection with those referred to in my former reports, and with others of daily occurrence, prove incontrovertibly that gold is distributed in greater or less proportion over nearly the whole of that portion of the Province which lies to the eastward of Southland and Lake Wakatipu. Indeed, it is now quite impossible to say where gold does not exist throughout the vast area thus indicated, and it is beginning to be understood by practical men as a fact, that the only limitations are men and water. Any one of our numerous—I had almost written 'too numerous'—gold fields contains sufficient payable ground for the constant employment, for very many years to come, of a much larger number of miners than are scattered over the whole Province. With the present limited mining population, the desirability of further discoveries is to say the least problematical. In the fierce excitement caused by a new 'rush,' valuable claims and mining properties are recklessly abandoned, or disposed of for a mere trifle; and the result is generally the disturbance of that settled industry which in the long run always yields higher remuneration, with a larger degree of comfort, than is possible in the blind scramble for new ground, wherein it too often occurs that, for every individual who succeeds in securing a rich claim, ninety-nine fail to obtain ordinary wages." This report concludes as follows:—"The gold fields have now passed through that probationary state when their capacity and extent was a matter of theory, and their continuance a doubtful question. Time has afforded a certain and satisfactory solution to these problems; and if the results of unsystematic labour and individual exertion, uninstructed by experience and unaided by capital, have been thus far profitable, it is evident that richer and more assured returns may be anticipated now that a vast amount of available information has been acquired, and confidence, begotten of knowledge, has been productive of such permanent and extensive mining operations as those for which the gold fields of Otago are rapidly becoming famous."

This is surely sufficient evidence that the alluvial diggings of Otago are not yet exhausted, or likely to be for many years. Passing on to the separate reports of the Mining Surveyors for the different districts, I find that works of a very extensive character had been undertaken in many instances, and that more were projected; the only limits to the yield of gold seemed to be, as Mr. Pike expresses it, "men and water," or, as it might be more widely put, "men and money;" yet, with a field like this awaiting development, we find that already, in the beginning of the year 1869, the returns for the Otago gold fields have for some time past exhibited a steady decrease. Instead of the "men" so much required increasing in numbers, they are on the decrease, and the West Coast diggings have inflicted a serious injury upon Otago.

From what data I have been enabled to gather by the kindness of persons who are well acquainted with the West Coast diggings of New Zealand, I should judge that a very similar state of things existed there to that found in Otago. A considerable extent of country has been worked by individual exertion in an inefficient kind of manner, by which much gold has been lost; but workings on a large scale, where capital is called in to aid labour, are comparatively few. Nevertheless, there appears to be ample room for capital. My informants tell me that there can be no doubt of the existence of extensive alluvial deposits of an older date than those found upon the surface, and that here, as in Otago, "men and money" are the only requisites for maintaining or even increasing the yield of gold from these diggings.

Here again we find that the discovery of gold fields in other parts has resulted in a diminished yield, and that the reports from Queensland, and the opening of the Thames Gold Field, have been sufficient to draw away large numbers of the diggers.

Before remarking on the state of things we have found to exist on these diggings, it will be advisable that I should say what has to be said as to the prospects of a gold-mining industry of a still more stable nature than that of placer-mining being developed on the alluvial gold fields. I refer, of course, to quartz-mining.

With respect to Otago, the reports from which I have before quoted leave no doubt that payable quartz reefs run through the diggings of that Province. Mr. Pike says, "The existence of a well-defined and connected series of quartz reefs has been proved beyond a doubt by the discoveries of the last twelve months. Most of them contain fine gold generally diffused through the stone, and averaging from 15 dwts. to 2 oz. to the ton. Capital, encouraged by a liberal application of the Gold Mining Leases Regulations, is now being invested in these lodes, and there is now a satisfactory prospect of quartz mining becoming a profitable and extensive institution in Otago." As to what advancement this industry has made since the above report was printed, I am totally in the dark, and can merely refer again to the fact that the gross yield of gold from the field has fallen off, and the mining population diminished. The only fact of which I have any cognizance is this, that about July, 1868, a gentleman from Otago informed me that he could purchase a quartz crushing machine which had been erected for a mine in that Province, and could transfer it with greater advantage to the Thames Gold Fields than he could re-erect or dispose of it in Otago. I do not of course attach much importance to this item of information, but it may be thought worthy of mention, as showing at all events that quartz mining was far less profitable in Otago than Auckland.

On the West Coast this species of mining seems to have been entirely neglected. Nevertheless, judging not merely from the past experience of other countries, but also from the nature of the case, it seems to be a warrantable conclusion, that where there is an alluvial gold field of such richness, there are also payable quartz reefs. It is stated, moreover, in the small handbook which has been published as an accompaniment to Dr. Hochstetter's Geological Maps of New Zealand, that in the West Coast ranges lie the rich lodes which have supplied the Canterbury and Nelson fields with their alluvial gold. I do not suppose that this statement is made on any other grounds than a legitimate geological deduction from the evidence afforded by the alluvial workings. I have heard it stated by diggers from the West Coast, that the mountains of this part of the country are altogether too rugged to admit of

quartz mining. That the natural difficulties to be overcome are very great, and that the outlay of capital which would in consequence be necessary to develop these mines must be something very large, are undeniable facts; but when we recall the amount of energy and enterprise which have elsewhere been expended on gold mining,—the years of labour, crowned at last with the richest result, of which we have read in Californian and Australian annals,—it can hardly be conceived but that, if the same energy and perseverance were applied to the West Coast of New Zealand, similar fortunate results would be attained. “Impossible” is a word which it is at all times rash to cast in the teeth of human industry, and in the present case I do not think it can imply more than that the development of these mines may have to be left until the available capital and labour to be found in or attracted to this country have considerably increased.

To what, then, do these considerations lead? It appears to me that the conclusions of Mr Pike with regard to the Otago field, are equally applicable to those of Canterbury and Nelson. Men of a class which is likely to give us permanent settlers and money in almost any quantity, are the requirements of the New Zealand gold fields. I have but little hope of ever inducing the majority of alluvial diggers to settle down finally in any one locality; and until there are good and certain wages, if not a fortune, to be found by miners who possess a greater stability of character than diggers, it is not to be expected that they will come hither. Nevertheless, as year by year capital tends to become more and more cosmopolitan, so also, with labour, constant communication, and, more than anything, accurate information, will produce their effects; and it is indubitable that in the course of time miners from other parts of the world will find their way to New Zealand, provided they can obtain an assurance of being able to benefit their condition. That proportion of diggers who choose to remain and settle down to permanent mining pursuits will form the nucleus round which the industry will gather. As a brief description of how these permanent mining operations are gradually developed, I do not think the following extract from Phillips’ before quoted work will be regarded as superfluous. (The remarks are made in reference to the Australian and Californian diggers.)

Mining and Metallurgy of gold and silver, page 130.

“Whilst the supply of shallow auriferous dirt was sufficient to supply employment for the whole labouring population, the gold produced was almost exclusively obtained either by solitary diggers, or by small private companies of working men, whose capital consisted rather in their united strength than in an accumulation of money. Things went on in this way until the richer and more easily worked alluviums had become partially exhausted, when it was found that, to carry on successfully the deeper diggings, combinations on a somewhat more extensive scale became necessary, and that capital and intelligence, as well as strength and endurance, were required by the gold miner. Whilst there was no difficulty in finding shallow claims that would pay from 25s. to 30s. per day to the hand, it was almost impossible to obtain the labour necessary to carry on either deep digging or quartz mining with any chance of success; but when these began to be worked out, this difficulty gradually disappeared, and attention became directed to operations on a more extensive scale, generally conducted either at the expense of a co-operative company or joint stock association. In this way the uses and exigencies of a newly discovered gold region rapidly change, and become more assimilated to those of more commercial and longer established communities.”

I have now discussed, as far as seems practicable with the information at present to be obtained, the possibility of finding an industry in New Zealand such as will give permanent employment to a gold-mining population; and I think sufficient has been said to prove that in Otago certainly, and on the West Coast probably, there exist supplies of gold virtually unlimited. For the gold fields of the North Island there seems to be no need of prize essays to point out the means of permanently settling a mining population. Short as has been the existence of the Thames Gold Field as such, there is no question that it is proved to be one of the richest gold-bearing districts in the world, and as far as mines of any kind can be said to be permanent, those of the Thames may be considered so. Even here, however, where the natural facilities offered to quartz miners are greater, perhaps, than on any former field, the expenditure of a considerable capital is necessary before a return can be realized. Machinery must be erected, if not immediately by the miners, by persons who have sufficient confidence in them to lay out their money, depending on the miners’ support. Months of work too often have to be undertaken before any auriferous quartz is struck. The same thing must be expected to occur wherever it is hoped to obtain gold from quartz. We come, therefore, to the conclusion, that, inasmuch as capital is necessary for the development of these mines, the only method of permanently settling a mining population in New Zealand, since it must be identical with the means for opening up mines, is through the investment of capital. As no other mining industries can be expected to give so large a return as gold mines, I have not thought it necessary to allude to the various discoveries of silver, copper, iron, and coal which have from time to time been reported in New Zealand, and of which the coal alone is to some extent being worked.

This point having been attained, it will now be practicable to bring the whole discussion under one head. The manner, however, in which the second portion of the subject has been set forth renders it necessary that, before proceeding further, I should make a short digression concerning the trade of this country.

PART II.

EXCESS OF EXPORTS OVER IMPORTS.

THERE appears to me to be a slight incorrectness, or at all events a tendency to mislead, in the second clause of our heading. It is required to find the means whereby that capital may be fixed in the Colony which is annually being drained away from the gold fields, as shown in the great excess of exports over imports at the ports of the exclusively gold-mining districts. Now we know that an excess of exports over imports does not necessarily show an export of capital. The question therefore arises, where is the point at which the disproportion becomes so great as to be in itself sufficient evidence that capital is being sent abroad? “The value in any country of a foreign commodity depends upon the quantity of home produce which must be given to the foreign country in exchange for it.” It might be possible

Stuart Mill’s Elements of Political Economy.

that a dozen of beer in Hokitika was worth more than an ounce of gold, and consequently that the importation of a small quantity of beer would only be paid for by the exportation of a large quantity of gold; yet, capital would not in this instance be exported, but consumed—unproductively it is true—in Hokitika. The statement should therefore have been, “The excess in value of exports over imports, as shown in the Customs Returns, &c.,” since it is clear that whatever goods are exported over and above what are required to pay for the imports constitute *surplus capital*, which is seeking *employment* elsewhere, and which can only be detained in the place whence it is sent by further development of *industry*, and consequently of trade. How great this excess is will be seen by the following table, compiled from the Government *Gazette* for last year, and showing the exports and imports for the first three quarters of the years 1867 and 1868 respectively, from the ports of Hokitika and Greymouth:—

			Quarter ending 31st March.		Quarter ending 30th June.		Quarter ending 30th September.	
			Exports.	Imports.	Exports.	Imports.	Exports.	Imports.
1867.			£	£	£	£	£	£
Hokitika	...	...	282,738	169,192	228,281	154,615	233,508	176,071
Greymouth	...	...	139,401	73,690	116,927	50,300	124,915	46,490
1868.								
Hokitika	...	...	163,896	147,162	163,831	105,307	155,090	61,557
Greymouth	...	...	89,518	64,112	97,790	24,165	97,950	45,142
Total Exports	...	...	675,553		606,829		611,463	
Total Imports	...	...		454,156		334,387		329,260
Total Excess	...	...		221,397		272,442		282,203

TOTAL EXCESS £776,042

The inaccuracy I have noticed is, however, comparatively small considered beside another element of fallacy which is contained in the statement of our subject. It seems clear that a considerable export of capital is taking place from the mining parts of New Zealand; and Mr. Potts assuming, it appears to me, that this capital leaves New Zealand, is anxious to get the means pointed out for fixing it in the Colony. For if the honorable gentleman was clear that the capital was already naturally fixing itself, there could be no need of inquiring how to fix it more securely. I conclude that such fixture only is sought as would render the fund in question profitable to New Zealand, and that use in our foreign trade would not be considered a disadvantageous mode of investment. Now it will be found, by a very brief glance at the commerce of New Zealand, that the above is precisely the manner in which the capital referred to is employed, and that the exportation is merely apparent.

There is no doubt that the gold, which constitutes the only important article of export from the gold district, is sent abroad—in fact, unless we have a Mint in New Zealand, it would be no use here: but it is equally certain that, before being sent away, it has been bought up by the various banks, and paid for in money or the equivalents of money. The question then is—What becomes of the surplus of the purchase-money after the imports have been paid for? First of all, it may be stated that the Customs Returns deal only with the wholesale prices of articles imported: if the retail prices were mentioned, that is, the price at which the producer of gold obtains his imports, the disproportion noticed between exports and imports would be very considerably decreased. In a gold district, too, the profits which storekeepers expect are usually considerably higher than in districts where more settled industries are followed. We have, therefore, as an item, the fund of profit for tradesmen. Again, the Customs Returns only take account of imports by sea, whereas a very considerable portion of the supplies for the diggers are sent by land. These supplies being paid for, the money passes into the hands of the farmers and graziers. Thirdly, some of the diggers are persons who have permanently adopted New Zealand as their country, and whatever funds they realize are invested here even now, either in gold mining or other industries. It appears to me extremely improbable that persons, who had a permanent stake in the welfare of the country, would seek to invest their money out of the Colony. I come therefore to the conclusion, that the only funds really sent abroad are the savings of those persons, diggers or others, who are leaving the Colony, and the profits of the foreign banks and merchants. The last items are evidently unavoidable, though they may perhaps be considerably reduced in time, as New Zealand home produce gradually increases and improves in quality, and as the people become more able to support banks of their own. As to the exodus of diggers, I have already said that I can see but little likelihood of finding a remedy. I do not, however, think that it is the wealthiest who leave; on the contrary, we may conclude that it is mainly those who have not met with much success who are the most ready to go.

This matter may perhaps be put in a still plainer light by looking at it from another side. A reference to the Customs Returns will show that at all other ports of entry save those of the gold-mining districts, the value of the imports is considerably in excess of that of the exports. Consequently, if Mr. Potts' hypothesis is correct, there is no escape from the conclusion that the non-gold-mining portions of the Colony are gaining capital to a very large extent.

When, however, we come to look at the amount of specie transported, either to or from the Colony, we find it comparatively insignificant. The conclusion therefore is, that the foreign trade of one part of New Zealand is made to equalize that of another. If, then, the exports from the gold fields were reduced, either the exports from the remainder of the Colony must be increased, or its imports reduced.

The origin of the mistake appears to me to be in the assumption that the trade of one port of New Zealand is disconnected with that of another. It is true that there are a number of small trading

centres in this Colony, but it by no means follows that they are absolutely distinct. The constant intercommunication which is maintained between the different ports virtually binds our foreign trade into one; and in speaking of the capital of the Colony, and considering whether New Zealand is gaining or losing capital, we must regard its commerce as indivisible. The reason for this lies simply in the fact that the cost of transporting money from Province to Province is less than the cost of transporting it between the different ports of this Colony and those of the countries with which we trade.

If, however, we come to speak of the capital of different districts, then I admit that the case is entirely altered. The interprovincial trade is the medium which adjusts and consolidates our foreign trade. If New Zealand had a metropolis of commerce, this would be plain enough, as the rate of exchange there would decide the rate for the rest of the Colony, and the other ports would in turn each act through this same channel. This, however, is not so. There is no one place through which the commercial pulse of the whole Colony can be felt, and it is consequently often assumed that no such pulse exists. The constant changes and counter changes in the interprovincial trade seem at the first glance to betoken a fluctuating and insecure state, whereas, in reality, they constitute the only steadying influence which exists. Precisely the same thing occurs, on a larger scale, between the whole group of Australian Colonies, and the foreign countries with which they trade.

To look at the whole matter broadly, we can only say that the Colony is paying away capital when the demand for its exports is falling, or when, on the other hand, its power of supplying foreign markets is so contracted as to raise the price at which it could profitably export its goods to that at which the foreign country could obtain its supplies from another source; in other words, when it happens that other countries are enabled to reduce their prices, or that we have to raise ours, then the profits of our trade will be falling, and capital will not reproduce itself at the same rate as before. During the last year, it is an unfortunate coincidence that this Colony suffered from both the causes named. The quantity of gold produced has decreased, and simultaneously the price of wool has fallen in the English market. The result is, that the purchasing power of New Zealand wool has been seriously affected; and although the actual money value of her gold is the same, yet the decrease in quantity of course diminishes the sum realizable from it, either in money or imports. Consequently we find, that during the year 1868 there was a considerable diminution in the gross imports of the Colony.

Sufficient has now been said to show that, as far as the Colony is concerned, there is no need to look for such a means of fixing capital as is sought for by Mr. Potts. The means are evidently identical with those for developing and settling the Colony generally, and may safely be left to the private enterprise of the colonists and settlers, unassisted by the honorable gentleman in question. Government dead-lifts are at all times most dangerous tools to handle, and if any notion of applying such was entertained, it is to be hoped that it will be cast aside; the negative method of reducing taxation is the only one universally salutary, and there is small hope or possibility of that being employed at present.

As regards the Middle Island gold fields, there is no question that they are losing capital as well as population, and I have already shown that the investment of capital is necessary to secure a permanent population. I have now, then, to discuss the means for securing, or at all events encouraging, this investment.

ESTABLISHMENT OF GOLD FIELDS.

When we consider with what a small amount of trouble, comparatively speaking, the immense sums realized from the diggings of New Zealand have been obtained, it becomes a matter of surprise that so few of those who were thus enriched should have turned their attention to the further and more systematic prosecution of an industry so remunerative. There is no doubt that this neglect must be attributed to the habits of mind of the diggers, of whom, as has before been remarked, the large majority prefer to squander their earnings at once, and then remove to some other surface diggings, rather than save their money for the purpose of perpetuating the field on which they are placed, by the investment of capital and the employment of skilled labour. Sufficient has already been said to show that such investments for capital, to an almost unlimited extent, are to be found in Otago, and in all probability upon the West Coast. It remains to consider what will be the best means for the people of New Zealand to adopt, either through their Government or by private enterprise, in order to achieve the end in view.

INFLUENCE OF GOVERNMENT.

Colonial Government.

The first requisite towards the attainment of our object is evidently the diffusion of reliable information among those who are likely to undertake or assist in the task of opening up a new industry. The second is the sufficient protection from all unnecessary interference of any who actually engage themselves in the work. Here, it appears to me, the legitimate functions of the Colonial Government should end; the rest should be intrusted to private enterprise and the local Governments.

With respect to the first duty which I have assigned to the General Government, viz., the diffusion of information, I do not think it should extend beyond the instruction of the local Governments in any matters likely to be of a useful character. "Power," says Stuart Mill, "may be localized, but knowledge, to be most useful, must be centralized; there must be somewhere a focus at which all its scattered rays are collected, that the broken and coloured lights which exist elsewhere may find what is necessary to complete and purify them." The Geological Survey Department is the only make-shift which New Zealand possesses for an instructor of the whole Colony in mining matters. However, without grumbling at our tools, we may ask, what has become of the different Reports on the Gold Fields of New Zealand which have issued from this department? Have they been reprinted by the local bodies and widely diffused amongst the public? Have all items of local information which could in any way be useful been appended to these reports, and, in fact, everything

been done which could make them of somewhat more benefit to the public than mere official records? In some cases, I believe, a little has been attempted in the home circulation of any data obtained; but usually Government reports seem to be looked upon as purely official documents,—are sent the round of the newspapers, which usually suppress them, sometimes from short-sighted jealousy oftener from want of room,—are printed in the Appendix to the Journals or otherwise, and, having been read by any Government clerk who chances to be of an inquiring turn of mind, are duly filed and forgotten. In Otago there appears to be a thoroughly organized mining survey staff, and the information derived from this source is stated by Mr. Pike to be most useful to the miners. Why, then, should the outside public be excluded? The returns from the gold fields are falling off—why has this valuable information never been employed for the purpose of attracting hither labour and capital? Ballarat, in Victoria, has just sent, or is about to send, an agent home to England, furnished with the fullest information concerning the district, in the expectation of inducing monied men to embark in the mining ventures of that Colony. Why do not the several mining districts of New Zealand follow this example? To call the attention of local Governments to these and other kindred subjects appears to me part of the duty of the General Government. Nevertheless, as far as I can learn, as soon as the delegation of the Governor's powers under the Gold Fields Act to the Superintendent of a Province has been made, the Colonial Government thinks its task is done. Pamphlets from the Geological Survey Department are occasionally forwarded to the district, but practical advice and information as to what has been done in other mining districts, abroad or in New Zealand, is seldom or never transmitted.

Beyond this point, I do not think the Colonial Administration could, in justice to the agricultural districts of the Colony, be expected to incur special expenditure from the general revenue. To make a money grant of any kind, either in this or any similar case, would be an exceedingly unwise precedent to establish, for it may be easily foreseen that the custom once initiated, the different districts would each demand a like grant, and thus, in all probability, a considerable expense would be incurred. Even the expense, however, would be a small matter compared to the injury done to the Colonists themselves. Government grants in aid of industry have at all times a very strong tendency to cramp the self-helpfulness of the people. There is already, in my opinion, too little interest in the development of the country shown by the people of New Zealand; too great an inclination to lay everything that has to be done upon the Government; and to grumble at it, alike for everything that is left undone, and for raising money by taxes to meet the expense of anything it attempts to do. The people of New Zealand occupy a very similar position to that of the waggoner in the fable, who preferred calling upon Hercules to putting his own shoulder to the wheel; the only difference is that our Hercules is more ill-advised than the mythic one, and does sometimes attempt to help in his blundering manner, and is then grumbled at by Colonial waggons because he demands payment.

It seems, then, that as far as direct interference is concerned, it would be injudicious of the Colonial Government to take any active measures towards the development of new industries in the Colony. Indirectly, however, and through the medium of local institutions, the Government may exert an influence of the very utmost importance. It will be necessary, before proceeding to the discussion of this part of the subject, that I should shortly touch upon the management of local affairs in New Zealand; and in order to prevent confusion, it will be desirable at the same time to consider what the proper functions of these inferior organizations are with respect to the development of the country, and more especially, in reference to the subject of the present essay, how far they can assist in the permanent settlement of a mining population in New Zealand. These points being disposed of, I will return to that above mentioned—namely, the indirect influence of the Colonial Government towards the same end.

Local Government.

It will scarcely be thought necessary to demonstrate now-a-days that it is beyond the province of any Government whatever to take upon itself tasks which private enterprise is willing and equally able to perform. Nor, on the other hand, would it appear wise in a Government to undertake works of any kind because private enterprise is in a state of torpor; on the contrary, I should say that that would be the best possible justification for the Government remaining inactive, since the more it does the more it will be expected to do, and every step in this direction is a further injury to that self-reliant spirit which it is so difficult, and yet so desirable, to encourage in all countries. Nevertheless, it may be said that if the Government and the governed really constitute one body only, and the work of the former is undertaken, not only with the consent but with the co-operation, either by an increase of taxation or otherwise, of the latter, no harm is done by any task which the Government may enter upon. Thus there is no impropriety in a local Government providing a sufficient water supply for its district; the people consent and agree to a rate for the purpose, and the organization of the Government gives it an advantage over private enterprise. It would evidently be improper for the Government of a country to undertake tasks of this nature, because it represents numerous, and in many cases conflicting interests. Nevertheless, such works as telegraphs, postal services, main lines of road, &c., in which the whole State has a direct interest, may properly be carried out by the State Government. From these considerations may be deduced the principle that a Government is justified in setting about any work which is for the benefit of the whole of its constituents, provided such work is undertaken at the expressed desire of those constituents, but that no Government has a right to draw a distinction between different interests, or to favour one at the expense of another. This principle will be found equally applicable, whether it is viewed in connection with State, Provincial, Municipal, or any Governmental system. It is not easy to discuss a question of such magnitude in a few words; but I think it will be seen, without further amplification, that so far as a people like to look upon its Government as an instrument for any purpose, so far is the Government justified in carrying out the wishes of the public, but an instrument wielded by the people is the only true position for any Administration. When it becomes an originator, save in the matter of instruction and advice, it becomes also an usurper of a portion of the people's prerogative.

The next point is to apply this principle to the local institutions of New Zealand. Besides the ordinary tasks which have—wisely or unwisely—been intrusted to the inferior bodies here in common with those of England, such as the repair of roads, the maintenance of police and goals, and the making provision for education and works of charity, the work of colonization has been thrown upon their hands. As long as we adhere to a general term like “colonization,” it is evident that the whole of New Zealand, and each part of every Province, has an equal interest in the result. But when we come to examine the meaning of the word, it is found to be very different for different parts of the Colony. There are in New Zealand agricultural, pastoral, mining, and mercantile communities, and that which will promote the interest of one, will in most cases only confer upon the others the indirect benefits resulting from the general advancement of the Colony. To a certain extent, those divisions of interest coincide with the division into Provinces, and so far the work of colonization can be efficiently carried out by Provincial Governments. In every Province, indeed, there is the one division into the trading and producing classes, consequently into town and country populations; and it is on this rock that Provincial Governments have so frequently struck. But as far as the producing classes are concerned, there are several Provinces in each of which there is but one kind of producer, namely the farmer, and consequently but one interest to attend to in the matter of colonization. In the early days of the Colony the rough approximation to a plan for developing the country exhibited by the Provincial organization was sufficient, or at all events it had the advantage of being a great saving in expense—in those days a paramount consideration—on any more minute system which could have been introduced. But the influx year by year of a large population of different classes of people has rendered the difference of interests more and more apparent, and the Provincial Governments less and less competent as instruments of colonization. It becomes daily more evident that Provincial Governments should be confined to those fields of action which give a common ground on which the whole body of constituents can meet; but that wherever the interests of localities clash, there should be formed separate governments. Provincial Governments would then be limited, so far as diverse interests are concerned, to the same position as the Colonial Government, viz., that of instructors and arbitrators. A judicious cession by Provinces to districts of parts of their executive powers forms the necessary corollary to the Constitution; and it is only by voluntary working in this direction that the supporters of Provincial organization can place themselves in their proper intermediate position between Colonial and District Governments. Unless this is done they impose upon the Colony the duty of stepping in, in its office of arbitrator, to see that the districts get justice. Nothing could be more unfortunate than that the Colonial Government should have to occupy itself in this task, whereas nothing could confer greater strength upon the Provinces than that they should take the task upon themselves; instead of a fictitious semblance of local government they would then become an indispensable link in the downward series from colonial to true local government.

As matters now stand, however, that class which has the preponderance monopolizes the government—and that one is indubitably the trading class. It has been frequently said—and it is precisely the result which we should expect—that an unfair proportion of Provincial revenue is spent upon the chief towns. Whether or not this is the case, the numerous petitions which have at different times been laid before the House of Assembly, complaining of mismanagement on the part of Provincial Governments, against which the petitioners had no redress through the Provincial system, are in themselves sufficient evidence of a flaw in our Constitution. Granted that the petitioners were all wrong, that what they had called mismanagement was in reality a plan of administration worthy of Solomon, it would, nevertheless, be far wiser in the long run to allow these petitioners to manage their own local affairs, even though they did so in a manner which fell very far short of the great king's method. They would at once be changed from grumblers into actors, and, if the Provincial Government knew its own duty as instructors, into learners also. At present, however, the majority of New Zealand electors are grumblers and grumblers only, and that not only in the country, but in the towns; for the short-sighted policy of starving out-district and town alike of useful works, for the purpose of white-washing the poverty of the latter by the erection of extensive public buildings, is sufficiently evident to all. The inquirer need but look at the amount of interest displayed by the people in the elections for the Provincial Councils, to satisfy himself that the local Governments have not got the real and hearty support of the electors of New Zealand, and this alone I take to be sufficient evidence that they do not deserve it. A Government which crawls along without exciting the sympathy and co-operation of the people, can only be fit to excite their contempt.

It is by no means my intention to assert that this state of things arises from the one cause which I have alluded to as having given birth to the petitions of the out-districts. My belief is that it owes its origin mainly to the importation of a Constitution unsuited to the stage of advancement which the people had reached in political education. It would, however, be beyond the province of this Essay to trace out the effects of trying to build a house from the roof downwards. It is evident enough, that even though the roof may be supported by a vast balloon of British supremacy, there must be a difficulty about the adhesion of the lower masonry—in fact, that it will not cohere until we have built up to it in the ordinary manner; and that if in the meanwhile our balloon got adrift, there is a very great likelihood of a collapse. In fact, the Constitution of New Zealand seems little more than a piece of high-flown pedantry worthy of Abbé Sieyès.

From what has been said above, it appears that it is not to be expected from Provincial Governments, which have to preside over a number of different interests, that they should concern themselves more particularly about the development of one, and that if they take that task in hand—as they are frequently compelled to do—they are transgressing their proper functions, and doing an injustice to all other interests. This, therefore, leads us to the conclusion that the establishment of mining industries in New Zealand ought in the main to be left to those who are directly interested. When the local body—call it what we may—will not, by bestowing its attention on this subject, be neglecting others, it may properly enter upon the task. In cases, therefore, where districts coinciding in extent with the field of industry which it is desired to throw open have a local Government of their own, that Government is justified, at the people's request, in taking direct means to develop

the industry in question ; but unless this is the case, it will show far more wisdom on the part of those in power to leave the matter to private enterprise.

As to the practical means of developing mining industries which may be adopted by a local Government which really represents the people, I will assume, for the purpose of argument, that sufficient data have been furnished by the central Government (whether Provincial or Colonial) to establish the certainty, or at all events the extreme probability, that the locality in question contains mines of a payable nature, and that those to whom it would be of the greatest immediate benefit are willing to risk something in opening up these mines. First of all, I do not suppose that any one will maintain that it would be wise of a Government to engage itself directly in the work ; to stimulate private enterprise—either local or foreign—by the liberality of the terms which it offers, is all that it would be judicious to attempt. These terms may be the promise of a direct money reward, a guarantee of interest on outlay for a given term, an undertaking to expend a certain amount in the formation of a road to the mine, or any similar incitement.

It is, as has been said, for the central Government to instruct the local ; but it is for the latter to utilize, and follow out into detail, whatever information it may receive. In most instances it will be advisable to have the ground surveyed, and to obtain a report from a competent mining engineer. Estimates of expense of working, probable outlay before a return can be expected, and of profits, should be made where possible, and a statement of the terms offered to investors should be published. The whole matter should be kept in constant agitation, by laying whatever data are from time to time obtained, together with the terms offered, before those who are likely to embark in the enterprise. For this purpose agents should be appointed in different parts of the world, who will be required to use every effort in their power for advancing the development of the mines. The Government should carefully guard against a failure through the adventure being undertaken by incompetent persons. As far as the opening of the mine involves any expenditure of public funds, or the pledging in any way of the public credit, the Government is bound to satisfy itself that it receives a fair *quid pro quo*. Having once succeeded in establishing the nucleus, it will be for the Executive to open up roads over the district ; this, I understand, has been done in Otago to a considerable extent, and the same course is now being followed on the West Coast.

If it is found that the mines cannot be developed by the means indicated, it must be attributed to one of two causes,—either the information furnished is too scant, or the undertaking is of too speculative a nature. The former difficulty may be remedied by further investigation, but for the latter there is no remedy ; and a Government will not be justified, when they find that no private party will undertake the task, in risking the public funds on so very questionable an enterprise. With the advancement of the Colony the enterprising spirit will materially grow ; and if the Government in question remains satisfied that payable mines exist, they may with propriety renew their offer from time to time, and there can be no doubt that eventually it will be taken up. But to force the matter on prematurely by extravagant offers, or by the slightest over-colouring in any information which may be furnished, is to risk, not merely the public money, but the public credit. There is a happy medium between inactivity and *puffery*, which it is necessary that the Government should strictly adhere to ; and to my mind a slight leaning towards the former betokens a far safer condition, and a better ultimate prospect, than the utmost energy combined with a tendency to exaggeration, however small.

Having now discussed, as far as is necessary for the present object, the position which the local Governments of New Zealand should hold, as compared with that which they actually do hold, towards the development of mining industries, I return to the point alluded to in an earlier page—namely, the indirect influence which the Colonial Government may exercise towards the same end.

INDIRECT INFLUENCE OF COLONIAL GOVERNMENT.

If the statement that the people of New Zealand do not cordially support their present local Governments is in accordance with the facts of the case, it becomes at once evident that the form of those Governments is unsuitable. These forms may be too advanced for the present stage of popular political education in New Zealand ; or they may be too rigid in their nature to adapt themselves to new conditions, and to take account of the constant subdivisions of interests which must occur in a country which is being rapidly peopled, and in which industries of the most diverse nature are being developed ; or lastly, paradoxical as it may appear, these local institutions may partake of both these evils—as political organizations they may be too good, and yet, as machines for promoting industry and district colonization, they may be totally inadequate. On this subject I think sufficient has already been said to show that it is from the combination of the two causes named, that political impassivity is making such rapid progress in New Zealand. The electors are disgusted with Provincial Governments because they are unsuited to fulfil the functions of District Governments ; and the Provincial Governments, struggling to undertake a task which is beyond their rightful functions, are compelled to favour the predominating interest—that is, the towns.

Now it appears to me that if there is one task more than another which it is the duty of the Supreme State Government to undertake, it is that of watching over the development of public spirit in the Colony, or in other words, of superintending the political education of the people. It is quite clear, moreover, that oppression is not the best instrument of education which could be devised. If, therefore, it is seen that one part of the people or one interest is neglected, or the revenue raised from it spent on another interest, it appears to be the manifest duty of the Colony to interfere, provided that its interference be in accordance with a system, and not by mere caprice.

But apart from the question of oppression, it seems to me that if the feeling of discontent with the Provincial Government has gathered such strength in any district that whatever course the Provinces may pursue will be received with dissatisfaction, the cause of peace and order requires that that district shall be allowed to manage its own affairs. I do not think that any Government could have been more desirous to do justice than that of Canterbury to Westland in 1866-67, yet the result was such universal dissatisfaction, that the General Assembly had to step in and provide an organization more suited to the requirements, because to the desires, of the people. The inhabitants of Westland can

understand and appreciate their County system, whereas the Provincial organization was too distant, and necessarily too much engrossed with affairs in which this district was uninterested, to please them. There is no use in saying a district could be better governed by system A. if the people are strongly disposed in favour of system B. Granted A.s' greater flexibility, more efficient organization, broader principles, &c., if B. receives the cordial co-operation of the people, it is better for all parties that they should adopt it; and if it should subsequently be made clear to them by example and experience that A. is the better system, it will then be time enough to introduce A., and no risk will have been run of choking those feelings of patriotism and interest in public affairs which are indispensable to good Government in a free country.

To apply this to our mining population, I believe there is nothing which will be more likely to tie the better class of miners to the country than the fact of their feeling that they have a fair share in its government, and that, as far as practicable, they are allowed to manage their own local affairs without interference from any other class or interest. On the other hand, there is nothing so calculated to disgust miners with the Colony as to see that their interests are subordinated to those of the agricultural or other classes; that the gold they obtain, the revenue they bring in, the towns they create, are looked upon and valued solely as they affect those other classes; but that the well-being of the miners themselves, their political rights and organization, are beneath the attention of the Government.

PRIVATE ENTERPRISE.

Having now pointed out what appears to be the proper functions of Government with respect to the development of mining industries, it is needful that I should say a few words on private enterprise. It is, as I have before shown, unwise for a Government to interfere with the development of any one interest when it has a number of others committed to its charge. If, therefore, no local Government exists in the spot where the mining industry is to be thrown open, it will be for private persons to combine and take the matter up, the Government merely furnishing whatever information it can. The means which such an association may adopt will probably be very much the same as would have been taken by a local Government, if such had existed. These have already been spoken of, and there is no occasion to say more with respect to them. As a general rule, it may be said that, whether in mining adventure or any other branch of industry, private combination is a better instrument to work with than any Government organization; what is lost in system and official authority is gained in heartiness and a more direct control over the works. Every Government must have many duties to attend to even where the Government are mainly dependent upon a single branch of industry, and to call upon the Executive to interfere with the industrial occupation of the people is to risk the neglect of some other duty which more properly belongs to the Government.

CONCLUSION.

I believe that the whole subject proposed for this Essay has now been sufficiently although briefly discussed. In dealing with it, I have endeavoured to take as comprehensive a view as possible, not confining my remarks to the practical means which might be adopted for developing the mineral wealth of New Zealand, but also taking into consideration the political bearings of the question, and the attitude which should be assumed by the different Governments of the country, in order to give the greatest security and permanence to this and other industries. I will now recapitulate, as shortly as possible, the conclusions at which I have arrived.

It has been found that the great majority of alluvial diggers, partly on account of the migratory habit of life which has become with them a second nature, partly on account of the great hopes of gain which their present employment holds out to them, are not likely to turn their attention to any other industry than that which they are now following. On the other hand, it may be argued with certainty that the alluvial diggings, as distinguished from mines, of New Zealand, have no claim, any more than those of other parts of the world, to be regarded as permanent or likely to last more than a few years. Consequently, we may expect that, simultaneously with the opening of a new field in another part of the world, a large proportion of our digger population will leave us. It appears, however, both from the nature of the case and also from all the information which has as yet been made public, that there is a great probability even on the West Coast, and certainly in Otago, that quartz mining may be followed with advantage. There is also a probability that alluvial mining of the deep placer kind might be developed to a much greater degree than it has hitherto been. In order successfully to develop those mines which have been proved to exist, a more cordial co-operation between labour and capital must be established. This will gradually be brought about by the natural advancement of the Colony. When capitalists and labourers become satisfied that a profitable field is offered to them they will avail themselves of it, although the process may be slow. This brings us to the second part of the subject, viz., the permanent investment of capital. The manner in which this is set forth in the heading of the Essay is fallacious; for although capital may be exported from the mining districts, it is not divided from the general current of trade to and from the Colony. If this is true, it is evident that were it not for the export of gold from the mining districts, our importing power would be seriously affected, and our trade consequently diminished. As to the general question of the permanent settlement of mining districts and the investment of capital therein, the General Government can do but little directly beyond instructing the local Governments, and it is for the local Government to take all direct steps towards the end in view. These may be briefly summarized as follows: Being themselves convinced by practical observation, and by the information received from the Colonial Government, that they possess payable mines, the local Governments should lay that information before capitalists, and offer the most liberal terms possible consistently with their duty towards the whole of the public interests. Indirectly, the Colonial Government may exercise an immense influence, by seeing that equal justice is meted out by the minor Governments to all interests alike; and if this cannot be secured under present forms, by so altering them as to effect it. Unless this can be done, it is best that the promotion of all new industries should be left entirely to private persons.

In conclusion, I must say that it was with some surprise that I heard of the Resolution of the House in which the subject for this Essay was proposed, and it is with very little self-confidence that I have undertaken to write on it. It appears to me that if the legislators and Government of New Zealand had not a sufficient knowledge of their own functions and power to devise whatever means are necessary for the due development and welfare of the country, it was highly improbable that a single essayist would be able to instruct them. Unless the prizes are offered with the object of inducing the people of New Zealand to educate themselves so far as to be able to write an essay, it appears to me that it was scarcely a matter for the General Assembly to take in hand. If the honorable member for Mount Herbert really believes in the efficacy of prize essays, I think he should apply to those directly interested to offer a prize.

I fear New Zealand has a great deal more to dread from her different Governments undertaking too easily tasks which should be left to private persons, than from official indolence. The latter would work its own cure; the former tends to make the people more and more dependent, a tendency which, though its effects may not be easy to discover, will eventually produce the most wide-spread evils, and end in the paralysis of all honest public spirit. Generally speaking, it may be said that industries grown by the hotbed system of Government interference are liable to pine away when exposed to the open air. It was most easy for the British Parliament to create Provinces with a view to the local government of New Zealand, but it would be very difficult for it to find a remedy for the injury which has been thereby inflicted upon the out-districts, in the stunting of their industrial and political development. For whatever has been said or written of Centralism and Provincialism, a dispassionate observer cannot deny that it is a false issue which is raised; Provincialism, far from checking, is in itself a most unfortunate instance of centralization. If our statesmen can carry through any plan of self-government by which districts may be relieved from all interference not required for the general welfare of the Colony, I believe that, in spite of the mismanagement and impecuniosity which will probably ensue for some years to come, more will have been done towards the development of New Zealand's industries, mining included, than if the Government had expended millions in itself experimentalizing on behalf of the people.

No. 2.

Carpe diem.

THE problem of settling a mining population down to fixed industries is one that presents many difficulties. The roving and improvident disposition, deeply ingrained in the character of the true "gold digger," is one not easily overcome. He is naturally fond of change, and considers himself as belonging to no country in particular, but is ready, at a moment's notice, to follow gold wherever it may lead him, from Africa or British North America to the Fijis or China, deterred neither by heat nor by cold, by distance nor by savages. These are habits not taken up hastily, and therefore as easily abandoned, but are the growth of years, and from the constant association of large bodies of men, all deeply imbued with the same ideas, are thoroughly incorporated into the system.

It would therefore be idle to hope that any mere published regulations, or Act of Assembly, would so totally alter their habits as to make diggers anxious to forsake gold digging, and to settle down to farming or any other stationary pursuit. The speculative habits, also, that they have acquired during a long course of searching for gold, are not at all well adapted for success in agriculture, which requires the greatest prudence and economy to bring it to a successful issue; and the improvident disposition, principally occasioned by receiving large sums of money at uncertain intervals, without any ready and safe means of investing it at once, and without any inducement for them to do so, is sadly against success in any steady line of business. Those few, however, who, tired of the constant toil and wandering life of a digger, wish to marry and settle down to farming, have as good opportunities for obtaining land as others, and there seems to be no reason for supposing that a free grant of land, no matter under what conditions it was given, would avail much towards inducing miners to turn their attention to agriculture as a means of living. That experiment was lately tried in the Waikato, for by far the greater portion of the Militiamen had been diggers. These men had fifty acres each given them, for the most part of excellent agricultural land, and also pay and rations for three years, so that they had every chance of establishing themselves on a good farm if they had wished to do so; yet very few ever attempted to cultivate their land, most of them sold it for a few shillings an acre, and went off gold digging again. The failure of the experiment is notorious; and, if the scheme was originally an unwise one, it would be absolute folly to attempt it again.

Another industry which might perhaps be more largely developed is the cultivation and dressing of the native flax. Until, however, it is ascertained that a European market of large extent exists, and that the plant can be profitably cultivated, it is uncertain whether it will be permanently remunerative. Supposing, however, that such should be the case, it would not, in my opinion, by any means follow that it would be an attractive occupation for miners. It would not be sufficiently speculative; the nature of the operations would be so unlike those to which they had been accustomed, and the contrast between a noisy gold digging town and the comparative solitude of a flax swamp would be too sudden and too great. Land also would have to be given to cultivate and dry the flax upon, as it will probably take fifty acres of flax to keep one machine in constant employment; and therefore I do not think that flax-dressing would succeed any better than farming in inducing miners to settle down in the country. For these reasons I consider that it would be useless to try to change suddenly the miner into the farmer or flax-dresser. Nevertheless, as agriculture is the only settled occupation for which there is unlimited scope, that must be the object ultimately aimed at, but the means used to bring about the change must act indirectly and slowly on the character and habits of the miners.

It has been already said that the constant herding together of large bodies of men is the most important cause of a careless disposition, while the all but total absence of women on a gold field takes off one of the strongest and most natural checks on dissipation and recklessness. I look upon the

influence of large towns composed almost entirely of one sex, and all following one occupation, as of the greatest weight in forming the character of the miner, and I therefore consider that the grand principle to be always borne in mind is the establishment of several smaller towns in the place of one large one, as it strikes directly at the roots of those evils which are the greatest obstacles against permanent settlement. This, in the case of our present alluvial gold fields, could hardly now be attempted, but something, perhaps, might be done should other new ones be opened up. All alluvial fields contain a certain amount of gold, which requires a certain amount of work to be done in order to extract it, and the time it takes to exhaust the field will be inversely as the number of men employed on it. A field, therefore, that is capable of finding employment for 4,000 men for five years ought to employ 1,000 men for twenty years; and although the immediate benefit to the business men of the district would certainly be much less in the latter case than in the former, no one, I think, will doubt that the thousand men settled on the field for twenty years would be a far more lasting benefit to the country at large. In the first case, nearly all the inhabitants would leave as soon as the gold was exhausted, and a year or two more would probably see the place going back to a wilderness; while, in the latter case, most of the men, being settled for twenty years, would have married and brought up children; agricultural interests would have sprung up around, many of their sons would be following the plough, and, as mining pursuits grew less and less profitable, fathers would not leave their families, but would gradually take to farming or flax-dressing if suitable land could be procured in the neighbourhood. Now it would seem that simply enlarging the size of a man's claim fourfold would bring about this desirable result; and although I must not, of course, be understood to mean that quadrupling the size of a man's ground would make a diggings last exactly four times as long as it otherwise would have done, all will allow that it would have a decided tendency in that direction, and that the number of men on the field, and consequently the size of the town, would be less; both, in my opinion, being advantageous towards the ultimate settling of the miners. This suggestion, however, although perhaps useful for future gold fields, could hardly be adapted to our present ones, and is therefore practically of little importance, and we must look further for means to secure the settlement of the mining population.

Where, then, are we to look for an employment that will be attractive to the miner, yet of a more permanent and settled character than gold-washing; one that will still retain a dash of his darling speculation, while at the same time it will collect the men into small towns, containing, consequently, a larger proportion of women, and will thus gradually tend to induce them to marry and settle down, and in time will turn them or their sons into farmers? One occupation alone answers to all the conditions required, viz., regular vein or metal mining; and so we arrive at the conclusion that the only hope of ultimately inducing a large part of our wandering mining population to settle steadily down in the Colony is by finding them mining employment for longer times and in smaller numbers.

Can this be done? The question will be best answered by seeing in the first place whether there are any reasonable expectations of finding metalliferous lodes extensively distributed in the Colony; and then, if the result of this inquiry is satisfactory, to examine what is the best way of developing our hidden mineral wealth.

The laws that regulate the formation and distribution of metalliferous veins in the interior of the earth are so obscure, difficult, and complicated, that but little is as yet known about them. Much, however, has been accomplished in the way of collecting facts and observations; and although we may never be able to say exactly where mineral lodes will be found, or, when found, whether they will prove rich when sunk upon, yet it is certainly within the limits of human knowledge to be able, not only to point out districts in which they will almost certainly occur, but also to pronounce on the probability of their proving remunerative. Metalliferous veins are found in rocks of very different ages, and of very different composition, but there are some features that are common to all districts in which they are found, and wherever these features obtain, metals may be expected to occur also. These features or characteristics are the more or less indurated, metamorphosed, and fractured condition of the rocks, which are also generally pierced by igneous dykes; and it is only as a consequence of these characteristics that mining districts are almost always mountainous ones. Now all these phenomena are produced by one and the same cause, viz., heat, more or less intense, and more or less long continued; and it may be said that all districts that have undergone a sufficiently intense heat for a considerable period, and that have subsequently been denuded by water so as to expose their internal treasures, may be expected to contain metals.

There are two classes of rocks which we might naturally expect to have in general undergone this process of heating. First, the older ones, which must almost necessarily at some time or other have been thickly covered with younger formations, and must then have been subjected to the heat known to exist deep in the interior of the earth; and, secondly, those rocks of volcanic origin, whose very existence proves that heat was once comparatively close to the surface of the globe in the districts in which they are found; and consequently we can conveniently divide mining districts into these two classes,—

I. Those composed of the older metamorphosed rocks, such as granite, schists, slates, &c., &c.

II. Those composed of volcanic rocks often of a very recent age.

To the first class belong by far the greater number of the mining districts of Europe, North America, and Australia; and, with the exception of gold and silver, it may be said that almost all the most valuable mines are situated in them. Such are the mining districts of Cornwall, the Hartz, Lake Superior, South Australia, and Victoria. The number of mining districts belonging to the second class is much more limited, still seven of the most valuable of the metals—viz., gold, silver, mercury, copper, lead, zinc, and arsenic—are now being worked in them; and as it has a very important bearing on the chances of finding metalliferous deposits in the North Island of New Zealand, I will here briefly enumerate them.

Italy.—In Tuscany, copper is worked at Monte Catini, at Val Castrucci, and at Massa Maritima near Campiglia, in tertiary volcanic rocks; and near Schio, north of Vicenza, zinc, lead, and arsenic are found in a greenstone-porphry, also of tertiary age.

Grecian Archipelago.—In the island of Argentiére, anciently called Cemoli, silver mines were formerly worked in a trachytic conglomerate.

Hungary.—The gold, silver, and lead mines of Schemnitz, Kremnitz, &c., are in trachytic rocks that have lately been proved to be of Miocene date.

Algeria.—In the mines of Mousäia, in the Lesser Atlas, copper is worked in tertiary trachytic porphyry.

Cuba.—Rich and abundant copper ores are worked at Cobre, in tertiary basaltic rocks.

Mexico.—A trachytic porphyry of a late age is very rich in gold and silver, most if not all the mines being situated in it.

South America.—Many of the mines in Chili and Peru are situated in trachytic porphyry of unknown age.

California.—Volcanic rocks are common in California, and it is very probable that future research will add many of the mines, including the famous Comstock Silver Lode, to the list of those worked in volcanic rocks.

If now we place before us a geological map of New Zealand, we shall see that in the South Island a large district, occupying probably nearly two-thirds of the Island, and extending from Nelson to Stewart's Island, is composed of granite, schists, and metamorphosed rocks, answering in every respect to the description given of the first and most important class of mining districts, and we know that already in this district have been found—

Manganese ...	...	...	...	In all the Provinces of the Island.
Iron ...	...	...	...	In Nelson and Otago.
Chromium ...	...	...	...	In Otago.
Cobalt ...	...	...	...	In Nelson, Canterbury, and Otago.
Copper ...	...	...	...	In Nelson and Otago.
Lead ...	...	...	...	In Otago.
Tungsten ...	...	...	...	In all the Provinces of the Island.
Titanium ...	...	...	...	In Otago.
Antimony ...	...	...	...	In Otago.
Arsenic ...	...	...	...	In Nelson and Otago.
Silver ...	...	...	...	In all the Provinces of the Island.
Gold ...	...	...	...	In Otago.
Mercury ...	...	...	...	In Nelson, Canterbury, and Southland.
Platinum ...	...	...	...	In Nelson.
Tridium ...	...	...	...	In Nelson.
Osnium ...	...	...	...	In Nelson.

In the North Island, although the granites and schists are absent, we see a considerable quantity of slaty rocks, extending irregularly from the North Cape to Wellington, which have yielded manganese, cobalt, copper, lead, arsenic, silver, and gold; these rocks cover probably one-fifth of the surface of the Island. But of far greater importance is the large extent of volcanic rocks, forming a mining district belonging to the second class, of probably one-third of the whole Island, from Taranaki and Ruapehu to the extreme North. In this district the following metals have been discovered, principally at the Thames Gold Fields, iron, zinc, copper, lead, titanium, antimony, arsenic, silver, gold, and mercury; while an analysis of a lava from near Lake Taupo, made by Dr. Fehling, showed that it contained traces of tin.

We thus find that probably three-fifths of the whole of the Colony is occupied by rocks in which metals may be expected to occur, and that already in those districts eighteen different metals have been found, not in one locality only, but scattered from the North Cape to Stewart's Island; and we cannot fail to be impressed with the conviction, that at present we know hardly anything of the wealth beneath our feet. The conclusion appears to be almost irresistible, that vast but hidden mineral treasures exist in the Colony, and that could they be all discovered New Zealand would take the rank of one of the first mining districts in the world; and the question now arises, what are the best means for developing that hidden wealth?

In the first place, it must be remarked that, owing chiefly to the meteorological conditions under which New Zealand has been and is now placed, the finding of metalliferous lodes labours under great difficulties. The huge accumulations of moraine matter left by the retreating glaciers have covered up the rocks over large areas in the mountains of the South Island; while the mild and humid climate of both Islands, but more especially that of the North, has clothed the hill sides with a deep layer of decomposed soil, which rarely allows the true rock to be seen, except in the beds of the creeks, and supports a dense vegetation, which is difficult to penetrate, occasioning progress to be slow, while the fatigue is great, and at the same time it offers but little food for the support of adventurous explorers. In the North Island, again, some of the districts in which it is probable that gold and other metals exist, such as the country north-west of Lake Taupo, at the heads of the Mokau and Waipa Rivers, is in the hands of rebel Maoris, who will not allow it to be prospected. Doubtless, it is chiefly owing to these drawbacks that so few metallic veins have as yet been found, but partly also to want of knowledge of what to look for, and want of the stimulus of a certain reward on the discovery of the lode.

No body of men are so well adapted for opening up these hidden treasures as gold-diggers. Not only are they bold explorers and good bushmen, but they are also very intelligent and observing; and their long experience of prospecting, although generally in rather a different way from that to which I now refer, has given them that practised eye which is so necessary for recognizing the first small traces of a metal, and that acumen in following it up which is essential for the discovery of the reef from which it generally came. And now is the time, while diggers are still numerous in the Colony, to undertake a thorough exploration of its mineral resources.

It must not be thought from this that I recommend that the Government should spend large sums in fitting out exploring parties. Such, in my opinion, would not be the best means of opening up the

country; but they should render every assistance in their power to promote exploration. This assistance can be rendered—

1. By publishing geographical maps showing the districts in which metals are most likely to occur.
2. By making roads and bridle-tracks in mining districts.
3. By offering rewards for the discovery of metallic lodes.
4. By framing regulations that will enable miners to test and work the new-found lodes as easily and cheaply as possible, and that will also afford inducements for the men to settle permanently in the district.

With regard to the first, little need be said. The maps should each embrace districts of 500 or 600 square miles, and should be on a scale of two miles to an inch, which is sufficiently large to enable the miner to find out with tolerable accuracy his position on it, and yet small enough to be easily carried. The maps should show the physical features of the country, and on them should be marked all the places where metals have already been found. An index map of the Colony, on a much smaller scale, should also be published, showing the relative positions of the various districts.

With regard to the second, all those districts known to be metalliferous should have bridle-tracks cut from them in different directions for several miles, so as to encourage the extension of the district. When a new discovery was made, a properly qualified officer should inspect it; and if he reported that there were good chances of its proving a payable mine, a dray-road should at once be made to it: the general principle to be kept in mind being that the Government should help all new but hopeful undertakings, for as soon as a mine or district has been proved to be rich, it may be safely left alone, as private enterprise is sure then to do all that is required for it—probably better and more expeditiously than the Government could possibly do it; while, on the other hand, a rich, but unproved mine, if difficult of access, may easily languish and die for want of a little fostering aid from the Government, and perhaps a whole district may be thus abandoned and forgotten, instead of forming a flourishing town. If, however, it was found that private enterprise was not forthcoming to construct important works, the Government would be husbanding its resources and developing the energies of the country far more by guaranteeing a small dividend for a certain number of years, than by undertaking the construction of the works themselves.

With reference to the third point, paying exploring parties is open to several objections which the system of rewards is free from. Paid men, with no one to look after them, are apt to get indolent, and not to prospect the ground thoroughly; while, on the other hand, the expenses of an expedition are often too great for poor men to undertake, and a party of miners might be quite willing to go out for a three months' prospecting tour, but could not afford to do so. Perhaps this difficulty might be met by giving the reward to the payer of the party, leaving him to make his own arrangements with the men. In this way I believe many parties would be fitted out by storekeepers and others in mining districts, and the country would gradually get well explored. The rewards should not be excessive, but sufficiently large to stimulate research. Perhaps £500 for a gold-bearing reef, and £250 for one of silver, copper, lead, mercury, zinc, or tin, if more than twenty miles from any known mining district, and proportionately less if nearer, would be ample. On a discovery being reported, a Government officer should visit the spot, and if he pronounces it a true metalliferous vein or lode, with a fair prospect of proving remunerative when worked, the reward should be paid at once, without any condition as to its ultimately turning out payable; the fact of having proved that metals exist in that district being well worth the amount of the reward. I have not included coal with the metals, as I do not think that coal mining has sufficient attractions for diggers. It has but little speculation in it, and the bulk of coal is so large in proportion to its value, that it is only when near water communication or in settled districts that it could be worked to advantage.

The fourth point is the one that presents the most difficulty. Vein mining is a very different operation from alluvial washing, and takes both time and money to develop. I believe, however, that if accurate and reliable reports of the discoveries were published by the Government, and it were to render assistance by making roads, there would be no want of private capital for working any promising lode; and the Government should take care that the regulations were so framed as to afford every facility for labour and capital combining to work the mines by Joint Stock Companies. It would, however, be quite out of place here to enlarge upon this point, notwithstanding its importance, as it hardly comes within the scope of the essay, and I will only remark that, when framing these regulations, the experience gained at the Thames should be well considered.

The inducements that the Government could hold out to men to settle permanently down in mining districts are—

1. Selling to miners, or other *bonâ fide* settlers in the district, all land which is capable of being cultivated. If metals were reserved, there would be no necessity for keeping land from sale until it had been proved; and as in mining districts agricultural land is generally scarce, all that is available should be sold, but in small blocks and to different purchasers, and the immediate cultivation of it should be one of the conditions of purchase. The surrounding country might be leased or sold for runs—metals being in all cases reserved.
2. The establishment of schools. No greater inducement can be offered to married men to settle than the certainty of being able to educate their children near home; and this applies to other districts as well as mining ones.
3. The forming of savings banks in each district, so that the miners may have a safe and easy means of investing their earnings, instead of spending them at once in the public-house.

Both these things are very important, and no discouragement at first should induce the Government to close either the one or the other, for although neither schools nor banks may be much used at first a change will slowly but surely come, and that change will accurately mark and measure the growing inclination for a settled life arising in the population of the district.

Turning now to the second part of the subject, it is evident that the same principles which are the best adapted for inducing miners to settle down, apply equally to reducing the imports into mining districts, viz., the formation of small towns instead of large ones, and the selling of all available agricultural land in the neighbourhood; but to these we must add now, telegraphic communication between the mining districts and the mercantile ports. A large town producing only gold, and surrounded with but little agricultural land, is obviously obliged to import all the necessaries of life in exchange for its gold, and these imports will be brought from the nearest and cheapest market, in whatever country that market may be situated. Rapid communication between the consumer and the producer is of equal importance with cheapness of production; and it is more than probable that if telegraphic communication had been established between the West Coast gold fields and Auckland, a large portion of their imports would have been supplied from the Manukau instead of from Melbourne, and the gold would have been fixed in the Colony instead of finding its way to Australia. So far, however, was this from being the case, that West Coast news often first reached Auckland *via* Melbourne.

Small towns will import less, in proportion to their size, than large ones, as they will have greater facilities for producing in their neighbourhood a larger quantity of the necessaries of life; and if telegraphic communication was established between them and the principal mercantile ports in New Zealand, Australia would not be able long to compete in the race for the supply of any articles that New Zealand can produce, as its information would always be behindhand. This I look upon as the only legitimate way of checking foreign imports. Trade cannot be regulated or forced with impunity—neither can it be advantageously driven into particular channels. It must be allowed to take its own course unimpeded; but every assistance should be given to inter-provincial trade by enabling the wants of one part to be instantaneously known in all the others. No bolstering up by protective duties will establish permanently in the Colony a trade or industry for which it is not fitted by nature; for although it may, like a well-spun top, present for a time the appearance of stability, sooner or later a time must come when the conditions will change, and it will have to rely on its own resources, and the collapse which must follow will do infinitely more harm than if it had never been attempted to be established.

SUMMARY.

I have thus attempted to show that the roving improvident nature and speculative habits of the gold-digger are so deeply implanted in his character that it would be vain to expect that grants of land, even under the most favourable circumstances, would induce any large number of them to take to farming or flax-dressing, and in order to persuade them to settle down, means must be tried to change these habits slowly. The principal causes that tend to keep up this reckless disposition are the highly speculative nature of their employments, and the crowding together of large numbers of one sex having only one pursuit; and the best way of undermining and altering their character is to provide them with some congenial employment, less speculative and more permanent than alluvial gold-digging, and which, at the same time, is likely to form small but numerous towns. This employment can only be regular vein-mining, and there are many reasons for thinking that a large number of mining towns or districts might be formed in different parts of the Colony.

The means that the Government should adopt for opening up these mineral districts are—

- I. By publishing maps of the most likely districts;
- II. By making bridle tracks and roads in mining districts;
- III. By offering rewards for the discovery of metallic lodes;
- IV. By framing regulations to facilitate as much as possible the working of the lodes;
- V. By selling all the neighbouring agricultural land, reserving the metals;
- VI. By establishing schools and savings banks; and
- VII. By connecting the towns with the principal mercantile ports by means of the electric telegraph.

The effects of this would be, that many mining towns would arise in the country, which, surrounded as much as possible by farms, and connected with the mercantile centres by instantaneous communication, would reduce their foreign imports to a minimum; while at the same time the steady employment, the association with a proportionately larger number of women, and the facilities for educating their children and saving their money, would induce many of the miners to marry, and make that district their permanent home.

It must not be thought that these are theoretical principles only, that have never been tried. The experiment is now going on at the Thames; and although the Government have not as yet promoted it by any of the particulars here recommended, beyond the first offering of a reward of £5,000 for the discovery of a payable gold field, it is nevertheless turning out most satisfactorily for the Colony. Already settlements of a permanent character have been formed at Shortland, Puriri, Hastings, and Coromandel; and others on the sea coast and up the valley of the Thames will speedily follow; while, if the Government would cut bridle tracks to enable the miners to explore the interior of the country, there is little doubt but that still more would be established. Thus, without the benefit of roads, schools, savings banks, or agricultural land for sale, the discovery of metallic veins and lodes in the North Island is rapidly inducing a large number of miners to settle down permanently amongst us, many of them being married men with their wives from Victoria, and the large number of women, children, and weather-boarded houses on the field is remarked by all. Why should not this be extended to other parts of the Colony? I can see no reason why it should not. It only wants perseverance and prospecting, both of which can be had if fostered by the Government. The present opportunity should be seized, while a large body of men, admirably adapted for the work, are still in the Colony, but who, in a few years, may have gone, and the present chance of developing our mineral resources may be then indefinitely postponed. "*Carpe diem.*"

No. 3.

"Ubi mel ibi apes."—*Plantus*.

To argue fairly, or with effect, it is above all things essential that the subject should be clearly defined, and that, when certain premises are laid down, they should be of such a character as to render it possible to accept them without challenge. Arguments based on a mistaken assumption of facts, and conclusions deduced from premises which are fallacious, must, of necessity, be alike worthless and deceptive. The course of such a discussion must be unsatisfactory, and the conclusions arrived at are not likely to be more correct than would be the verdict of a jury required to try some involved civil case, in which the issues submitted bore no relation to the facts disclosed in evidence, or were totally irreconcilable with them. Now, in the subject prescribed for this Essay, there is an assumption which cannot be reconciled with fact. The *Gazette* states the subject to be "The means of securing the permanent settlement of the mining population of New Zealand, and for fixing within the Colony the capital which is being drained away from the gold fields, as shown in the great excess of exports over imports, at the Ports of the exclusively gold-mining districts." Such is the theme; but while the first subject—the means of settling the mining population—is a clear and intelligible issue, the second subject to be treated of in the Essay is neither one or the other. The assumption is that an excess of exports over imports, at certain places, shows a drain of capital from the Colony; but this assumption is so evidently incorrect, and so contrary to fact, that it is utterly impossible to argue fairly on such premises. If the naked fact of the imports at certain ports being less than the exports, shows anything at all in relation to the financial condition of the Colony as a whole—if any reliable conclusion on the subject can be drawn from the fact—the *prima facie* deduction is directly opposed to the assumption of the theme for these Essays, if, by the term "capital" realized and appreciable wealth is meant, and not undeveloped wealth; of course, every ounce of gold raised and exported is so much taken from our mineral stores; but the idea that the drain of capital alluded to, can mean a diminution of the actual amount of gold in the bosom of the earth, is so manifestly absurd that such an interpretation need not be more than alluded to. A drain of capital from the Colony, or the gold fields, must be taken to mean a lessening of the appreciable national wealth—a process which, if allowed to continue unchecked, would, in the end, result in national bankruptcy. Do the facts stated show that such a process is now going on in this Colony? It is true that at the ports indicated the only export is gold, and the limitation of the comparison between exports and imports, to the gold-mining ports, would seem to indicate an idea that it is the peculiar nature of the article exported which makes its export injurious to the Colony. Such an idea might have met with support some centuries ago, but it is scarcely maintainable at the present day. It entirely overlooks the broad distinction which exists between money (or gold) and money's worth, and the fact that the process of buying and selling is but a species of barter—the exchange of a certain amount of metal for a certain amount of some other commodity. It was such an idea which led to the old system of measuring the wealth of individuals or States by the actual amount of the precious metals in their possession, instead of by the true standard—the quantity of their disposable products, and the number and value of the articles with which they can, if need be, buy the precious metals. It was the prevalence of this idea, as to the special or factitious value of gold, which dictated the policy, as obvious as it was once universal, of attempting to increase or preserve national wealth, by forbidding the exportation, but encouraging the importation of the precious metals. Cicero* alludes to the prohibition of the exportation of the precious metals from Rome during the Republic; and this prohibition was frequently renewed, though with little effect, under the Emperors. Probably no State in modern Europe but has, at some period, indulged in similar prohibitions. England did so prior to the Conquest, and several enactments of the same kind were passed at various subsequent periods. As late as 1512 an Act (3rd, Henry VIII., cap. 1) declares that any person carrying over sea any coins, plate, or jewels, shall forfeit double their value. If the fact of the export being gold makes an excess of exports over imports show a drain of capital, then the remedy is plain and simple, in theory if not in practice—to forbid the exportation. Practically, of course, such a thing would be impossible; but those who look on gold as differing from wool as an export, or rather at the export of the one article having a different effect on the financial condition of the Colony to the export of the other, and who base arguments on such comparisons as that of the present theme, seem to ignore the fact—the all-important fact—that every ounce of gold raised represents an actual increase in the national capital, equal to the excess of its value over the labour or cost of its production—that for every ounce of gold exported, an equivalent, in money, is brought into the Colony, and that if the production of the gold has yielded a profit to the miner, the actual wealth of the Colony has been correspondingly increased. The fallacy of any comparison of the kind made between exports and imports is at once seen from the fact that, while the gold exported figures in the exports, the money imported to pay for the gold is not in any way included in, or represented by, the imports. These imports consist of consumable goods of foreign manufacture, and their value, at the place of production, is sent out of the Colony in money, and sent without appearing amongst the exports. The fact that the value of exports exceeds that of imports, goes therefore to show that what in the "mercantile system" of political economy was termed the "balance of trade" is largely in favour of the Colony. Lord Bacon, and other believers in this once universal but now entirely exploded theory, measured the progress of national wealth entirely by this "balance of trade," and assuming that where the exports of a country exceeded the imports, the difference was represented by an influx and accumulation of money, they accepted such a difference as the best and most convincing proof of national prosperity. It took a long time, and much labour, to show the fallacy of this very natural theory; and even within the last century finance ministers used, as the "correct thing," when making financial statements, to refer to the excess of exports over imports as proof of the prosperity of England. This theory, and the one already alluded to as having suggested the prohibition of the export of the precious metals, arose from exactly the same causes—a tendency to ascribe a factitious

* "Exportari aurum non oportere, cum sæpe antea senatus, tum me consule, gravissime iudicavit."—*Orat. pro L. Flacco*, sec. 28.

importance and value to the metals themselves, a mistaken estimate as to what really constitutes national wealth, and a proneness to mistake effect for cause.

Having thus briefly alluded to the reasons which render any such comparison as the one instituted, of little value as showing the progress of national wealth, it may be well to show why the comparison is especially worthless in the present case, apart altogether from the deduction which is drawn from it. In the first place then, it is necessary to find out the ports in question and defined as “those of exclusively gold-mining districts.” These may be taken to be Westport, Brighton, Greymouth, Hokitika, and Okarita, all ports of one of the three great gold-producing areas of the Colony. The comparative figures representing the value of exports and imports from these ports during the year 1867 (the last year for which we have full returns), stand as follows:—

	Exports.	Imports.
Westport	£343,644	£66,040
Brighton	177,826	1,596
Greymouth	508,973	223,703
Hokitika	996,128	654,191
Okarita	38,859	3,223
	£2,065,430	£948,753

Giving an excess in the value of exports over imports of £1,116,677. But these figures, while reliable as showing the amount of gold exported within the knowledge of the Customs authorities, do not show the actual imports, but only those from beyond seas. No notice is taken of the immense quantity of goods imported to Westland, coastwise, from Otago, Wellington, Nelson, and Auckland. This quantity is very large, as may be inferred from the large number of commercial travellers employed in seeking orders, the large fleet of vessels employed in the coasting trade, and the lists of their cargoes, published from time to time in the shipping columns of the newspapers. The statistical tables issued by the Registrar-General, however, afford no means of obtaining information on this point, the port at which goods are originally received from beyond seas receiving credit for their value as imports to the Colony, and no notice being taken of subsequent removals coastwise to other ports. The tables showing the vessels entered and cleared at the different ports do not even include coasting vessels, so that no approximate estimate can be made on the subject. While therefore the ports of the exclusively gold-mining districts are debited with their total exports, they do not receive credit for anything at all approaching the total quantity of goods imported for the use of, and consumed by, the people employed in creating the export. On this ground alone any comparison between the two sets of figures is necessarily worthless for any practical purpose, but especially worthless as a ground on which to base an argument as to the financial condition of the Colony as a whole. If any comparison between the value of exports and imports could afford reliable indications on such a subject, it must not be a partial comparison, but a fair one of the totals for the whole of the Colony. If, then, we make such a comparison, and accept the premises that an excess of exports proves a drain of capital from us, it is not unnatural to assume that an excess on the other side should show an influx of capital, and if so, then New Zealand should certainly be in a happy financial position, as the total value of the imports during 1867 was £5,344,607, while the exports during the same period only represented a value of £4,644,678. If comparisons of this kind afford a reliable test of the progress of the Colony in acquiring national as well as individual wealth, then our progress must be highly satisfactory, or else the assumption of the theme for these Essays is a fallacious one. That the latter is the case admits of little doubt, and the mistake seems to have arisen from a misconception of the elements of the wealth of a nation, as well as from a hasty and superficial consideration of the whole subject. To the question, “What is wealth?” nine men out of ten would probably reply,—“Money,” and it is to this tendency to confound the representative with the represented, or rather to altogether ignore the existence of the latter, that the many popular but erroneous ideas on the subject are due. It does not at all follow that the nation or the colony possessed of the largest quantity of coin or gold is the wealthiest, for gold is by no means the sole element of national wealth. It is but the representative of wealth, and it is itself a marketable commodity, the value of which varies in proportion to the amount of other things for which it can be exchanged. The real wealth of a country, or of a people, may be said to consist, primarily, of the amount of productive labour possessed or contained; and it matters little, if at all, whether this labour results in the production of wool, gold, or grain. Political economists, indeed, incline to the belief that agriculture is the only legitimate source of a nation’s wealth. Practically, however, it matters little what the product is, so long as its marketable value exceeds the cost of production. So long as the productive labour of the Colony does this, so long will the Colony increase in prosperity; for as a nation or a people consists of a mass of separate individuals, the labour which is profitable individually, must of necessity be profitable collectively. Everything that a man makes, without lessening the makings of those around him, is a contribution to the national stock; and where the people of a country are individually prosperous and profitably engaged, the country must itself be accumulating wealth, even though temporarily deficient in the representative of that wealth—money. To settle permanently in the Colony the temporary population now engaged in it in mining pursuits, implies therefore a large permanent addition to the productive powers of the Colony; and if the individuals composing this population can be settled here with profit to themselves, the terms of that settlement cannot be really unprofitable to the country—the individual gains from the settlement representing but so many additional items in the catalogue of the national wealth. If we can convert the wandering diggers who now visit our shores to extract wealth from our soil, and who go elsewhere to spend it; if we can convert these men into permanent settlers, we need not fear any drain of capital, or resort to such comparisons as the one instituted in the subject prescribed for these Essays, to prove its existence or non-existence. The means of securing the permanent settlement of the present mining population is the real subject at issue, and in endeavouring to indicate the best means of securing this “consummation most devoutly to

be wished," the remainder of the theme may be dismissed from further consideration as embarrassing, deceptive, and entirely unnecessary.

Before entering on the question of what we must do to induce the miners now temporarily located amongst us to adopt this Colony as their future home, it is necessary that we should arrive at a clear understanding of what the elements are of which the mining population is composed, of the object which the miners have in view in coming to this Colony, and the reasons which induce them to go elsewhere to spend the money made here. Before prescribing for the apparent disease, it is advisable to inquire into the cause of the disorder, and to direct the remedy to a removal of that cause, rather than to dealing with the effect. First, then, as to what the miners are. Miners for gold, unlike miners for other metals, are not, as a rule, men who have from youth been brought up to the occupation. The number of those who have been so trained is very small indeed, and the great mass of the gold-mining population is like an army—made up from recruits drawn from all grades in society, from all trades, and from almost all professions and occupations. These men have usually to serve a long and severe apprenticeship to the work of digging; but however long that apprenticeship may be, few diggers regard digging as their settled occupation. The professional man who abandons his profession, the tradesman who abandons his craft, or the husbandman who abandons his cultivation of the soil, for the miner's pick and shovel, does not do it with a deliberate intention of devoting the remainder of life to the new pursuit. Digging is too uncertain a pursuit, and a digger's life one of too great hardship, to induce any one to follow it as an ordinary occupation; but, paradoxical though it may seem, it is this very uncertainty which constitutes the great attraction. In the sense that every French soldier under the Empire was said to carry a marshal's baton in his knapsack, every claim may be said to have a fortune in it, and few as the great prizes of digging are, it is the *chance* of obtaining sudden competence or wealth—the possibility of obtaining at one stroke, what many years of ordinary labour in a regular vocation would scarcely yield, which induces men to give up those regular pursuits and adopt the digger's life for a time. Year after year they toil patiently, often making less than they could make much easier in other ways, but still toiling patiently on, in the hope that each new claim will be the lucky one which will enable them to give up digging, by rendering them able to support themselves comfortably, without returning to the occupation they have abandoned. Hope lies at the bottom of each hole sunk, as at the bottom of Pandora's box. The uncertainty of his occupation naturally reacts on the digger, and makes him rather an uncertain being. The hope which induces him to toil on month after month, when barely making what, in his peculiar vocabulary, is termed "tucker," renders him ever ready to accept in their entirety, the almost invariably highly coloured and greatly exaggerated reports regarding new discoveries. Having been comparatively unsuccessful where he is, he readily believes that the discovery of a new field, is the opportunity which he has so long waited for, and so, without much reflection, the old claim is abandoned and off he goes with the rush to the new field. This tendency to believe in new rushes, where distance invariably lends enchantment to the view, renders it an exceedingly difficult matter to settle diggers permanently in one locality, so long as they remain diggers only. There are also many special difficulties in the way of inducing them to adopt this Colony as their home, when they are in a position to give up digging and to betake themselves to some other pursuit. In the first place the mining population of this Colony has been almost entirely drawn from that of Victoria, and a very large number of the steadiest (and therefore most prosperous) men have homes and families in the sister colony. These men would make the most desirable settlers, but as a rule, they have temporarily absented themselves from their homes and families for the purpose of making money here, to spend there. Living is so much cheaper in Victoria, and so much more comfortable than on our comparatively young gold fields, that these men prefer to leave their wives and children there rather than bring them down here. While separated, they remit to their families all the money they earn beyond that necessary for their own keep, and portions of this money are often invested in mining speculations on the other side. *En passant* it may be observed, that although remittances of this kind do not appear in any return of exports, they constitute the most important element in any drain of capital from which the Colony may be suffering. The careful steady men who thus make a convenience of the wealth of our gold fields, and who return to their homes when they have made a sufficient sum of money for investment elsewhere, are the very men whom we should most earnestly desire to retain permanently amongst us; but, as will readily be conceived, no slight inducement will be required to make them break up the homes already formed, and, instead of returning themselves to Victoria, bring their wives and children down here to build up new homes in this Colony.

What, then, are the relative advantages of New Zealand and Victoria? The Middle Island certainly cannot rival the sister Colony in respect of the agreeability of climate, although it may compare successfully with it in point of salubrity. In all the arts and conveniences of civilization, we are, as the youngest Colony, greatly inferior. The cost of living, too, is much higher here than there, so that we have no imaginary or slight disadvantages to contend with and overcome, before we can render New Zealand a more desirable place of residence than the Colony to which the miner is already strongly bound by old ties. Under the new land laws of Victoria, *bona fide* settlement is being carried on to large extent, and every effort is made by the Legislature to encourage and promote this movement. Here, however, is one of the points on which we might, if we would, make our Colony more attractive to the miner, than Victoria. We have large areas of land, admirably adapted for settlement, and if our legislation, in respect to the disposal of this land, was but as liberal as the legislation of Victoria, the much greater natural productiveness of our land would counterbalance many other disadvantages, and do much to increase our attractions. Naturally, New Zealand is better adapted for the settlement of an Anglo-Saxon population than any part of the Australian continent; but the disadvantages under which we at present labour, are, to a great extent, of our own creation, and are, to an equally great extent, remediable. In the southern gold-yielding Provinces there is an abundance of land, capable of supporting a large and thriving population, yet it has been, to all intents and purposes, rendered as useless as an attraction to settlement as if, instead of being fertile land, only requiring a moderate amount of tillage, to yield abundant crops, it had been bare and rugged rocks.

The gold fields of Otago have, with scarcely an exception, been discovered in what are known as pastoral districts—that is, in districts at a distance from the seaboard, and which, before the discovery of gold (not being required for settlement by the scanty population, and being partially inaccessible for want of roads,) were leased in large blocks for pastoral purposes. The discovery of gold gave a great impetus to pastoral as well as to all other pursuits; but, as a rule, the runholders have always watched the operations of the miners with a jealous eye, and regarded the prospect of their permanent settlement in the neighbourhood of the lands temporarily occupied as diggings, as a danger to be avoided, or at least averted as long as possible. The close alliance which in this Colony exists between the mercantile and pastoral interests, has for a long time rendered the pastoral party the dominant one in Provincial politics, and thus the miner in Otago has been forced to stick to digging as his sole occupation, and he has found it impossible to acquire land on which gradually to build up a home while still pursuing that occupation. The system of agricultural leases, which was introduced a year or two ago, has already been productive of the happiest results, and these leases (hereafter convertible into freeholds) have been eagerly taken up; but, as the permanent settlement of a large proportion of the miners means, to the runholders, the loss of their runs and the conversion into farms and villages, of large tracts of valuable land now used as pasture ground, it is scarcely reasonable to expect that much will be done to encourage such a movement while the party whose interests would suffer by its progress remain in power. And it is only to cultivate the land that the digger will give up his digging to become a settler. He may have been a professional man or an artisan before he became a digger, but he rarely cares to give up digging to resume the practice of his profession, or to seek a livelihood from following his craft. If, in the Middle Island, he cannot literally sit under his own vine and fig-tree, he can, at least, grow his own potatoes and wheat, keep his own cows to supply him with milk and butter, and grow the corn necessary to feed his horse; and to be able to do all this on his own land is the object of his legitimate ambition. To render this ambition easy of gratification to the industrious digger is the object to which our utmost endeavours should be directed, if we wish the diggers to settle amongst us; but unfortunately, as matters are at present in this Colony, there are innumerable obstacles in the way. On the greater part of the West Coast gold fields, the natural features of the country, its broken and wooded character, preclude settlement to any great extent; but in Otago there is an abundant supply of excellent agricultural land in the vicinity of the actually auriferous lands. Neither is there any lack of land suitable for settlement in Auckland, although it is not so conveniently situated as the land in Otago, and the Native title offers a serious impediment to its occupation by settlers. But in Otago, where thousands of acres of rich agricultural land are lying unoccupied around almost all the gold-digging centres, where there is abundance of land which the diggers would buy if they could, and, while still digging, expend spare time and spare money in creating future homes, legislation forbids it, and the law says to the digger, "You may dig here, but you must not settle here; if you want to buy land and settle on it, you must go to such and such a district, and give up digging, for this land which you covet cannot be withdrawn from the possession of the pastoral tenant, even for the purposes of settlement." This is the practical answer given by the land laws to the digger who wants to buy; and even in those districts where blocks of a few thousand acres have been withdrawn from the rest of the run for the purpose of being sold, the conditions under which it is offered for sale are such as to render it useless to the miner, who can only afford to buy from fifty to a couple of hundred acres. And for these reasons. It takes at least two years before even the smallest return can be expected from the cultivation of new land, and even then the return is, under the most favourable circumstances, ridiculously disproportionate to the heavy expenditure incurred to secure it. The cost of the land is a mere nothing as compared with the cost of fencing and bringing it under cultivation, and when this is done in as perfect a manner as possible, a small and purely agricultural farm, cut off, by distance and want of roads, from export markets, and confined to a local market for its produce, will scarcely ever bring in an income sufficient to support the farmer; certainly not while the rate of labour is so high and the price of agricultural production so low as is the case in this Colony at present.

But the state of affairs would be very different if the digger, thus purchasing a few acres of land, could secure the same advantages as were enjoyed by the early agricultural settlers in the old Hundreds of the Province, and by means of which many of those settlers have become wealthy, and laid the foundations of fortunes. These men invested a portion of their small capital in the purchase of cattle, which, grazing on the adjoining unpurchased land, cost nothing for their keep, while they increased with great rapidity during the time that their owners were engaged in the immediately unprofitable work of bringing their land under cultivation. The stock was profitable though the farm was not, and the profit from the one supported the farmer, while by his labour he was bringing his farm into such a state of cultivation as to enable it to yield a profit when the advance of settlement rendered the keeping of stock less profitable. If the settling digger could in like manner enjoy pasturage for a few head of cattle during the few first years of his settlement, the purchase of a small farm would, at least, afford a reasonable prospect of a comfortable livelihood. The digger who purchases land in one of these blocks—the only land open for sale on the gold fields—has no such prospect, however, for by the terms of the agreement by which the Provincial Government has withdrawn these blocks from the operation of the ordinary pastoral lease and thrown them open for sale, the right of pasturage over the whole of the unsold, and, it is even maintained, over the whole of the *unfenced*, portion of the block, remains with the original lessee. The purchaser of the small farm cannot depasture a single head of stock on the adjoining land, nor can he even do so on his own land until it is fenced in, for even allowing that the law would override any mere covenant between two parties, by which a third party is deprived of the full use of his own property, it would, of course, be utterly impossible to keep any stock on a couple of hundred acres of unfenced land, and as soon as ever they strayed beyond their owner's boundary, they would be impounded. Nor is this all—there is a special provision as to fencing these blocks, and while in other parts of the Province, and in almost if not all other parts of the Colony, the owner or occupier of land on each side of a properly erected fence has to bear a share of the cost of making that fence, the freehold purchaser of land on the gold fields has to bear the whole

cost of the work, the lessee of the adjoining land being specially exempt from contributing, while he has, *de facto*, the use of the other's land until it is fenced. Thus, the small freeholder is unable even to find pasturage for the cows necessary to supply his family with milk. One of the best possible means of promoting settlement on the Otago gold fields, and the conversion of the diggers who throng those fields into permanent settlers, would be the introduction of a system similar to that of the old Hundreds—the opening to purchase of large blocks of *mixed* lands in the immediate vicinity of the actual gold workings. The adoption of such a system might inflict hardship on the runholders, who would thus lose large portions of their runs; but any compensation which might be necessary to avoid injustice would be as nothing compared with the good results which would ensue to the Colony. If blocks of mixed agricultural and pastoral land were thus opened up, under regulations which would prevent its purchase *en masse* by the pastoral tenant or by capitalists who would only use it for pastoral purposes, there are thousands of diggers who would purchase small areas, and, while gradually bringing their land under cultivation, make a profit out of depasturing a few head of cattle each, on the adjoining and unsold land. On almost all the gold fields they might do this while still following their occupation as diggers, and thus gradually form for themselves comfortable and productive homes, to which they could retire when their claims were exhausted, or they themselves tired of a digger's life. The land which was at first only valuable for pastoral purposes, would gradually acquire an increased value from the improvements on the neighbouring agricultural land, and would, in process of time, find purchasers, as most of the old Hundreds have done—the purchasers generally being the men who originally purchased the agricultural land, and who, by the profits made by the privilege of almost free pasturage for a small number of stock during the first years of settlement, became able to enlarge their holdings by the purchase of the lands which have helped to make them prosperous. Such are the results of the old Hundreds in Otago, and many of the most prosperous settlers owe their prosperity almost entirely to that system. There can be little doubt that the application of a similar system to suitable lands within the gold fields, would lead to equally satisfactory and happy results—the faults which experience has proved to exist in the original scheme, being of course remedied in the new system.

The eagerness with which the agricultural areas (hereafter convertible into freeholds) are leased, shows how well such a scheme as the one indicated would answer; for the inducements to purchase from fifty to two hundred acres of land would be much greater than those to lease areas not exceeding thirty acres in extent, even with a prospect of hereafter acquiring them as freeholds. The area is altogether too small to encourage permanent settlement. It is almost hopeless, however, to expect that any such policy as that of Hundreds will be applied to the gold fields while the administration of the waste lands—the estate of the Colony—remains in the hands of the Provincial Governments; for the members of those bodies are, as a rule, too deeply and selfishly interested in the matter to permit of the adoption of any far-sighted policy, which might prove less profitable to themselves, than compliance with the counsels of temporary expediency. The digger is generally spoken of as “one who has no stake in the country,” and anything likely to place him in a position of political power is dreaded. He does not care much for this, and if he digs for gold which he intends to spend elsewhere, he at least does so openly and avowedly. But there is another and very numerous class, who, although supposed to have a stake in the country, are in reality no more *bona fide* settlers than the diggers. These men regard commerce or wool-growing as mere means of obtaining the wealth which will enable them to quit the Colony and retire to some other country to spend what they have made. They see in Provincial politics an admirable means of furthering their own ends, and they do not hesitate to use the political power which it is so easy for them to obtain, to do so. In every colony under the sun the land question has been a debated one, and the land the subject of jobbery and the prey of speculators and jobbers, political and commercial. The smallness of the area of Provincial politics, and the great immediate and personal interest which Provincial politicians almost invariably have in the land question, renders the jobbery on the subject much greater than it would be if dealt with by the representatives of the Colony instead of by those of a single Province—by an impartial instead of by a partial and personally interested body.

What is wanted is, that a sufficient supply of land, entitling the purchaser to certain rights of pasturage, should be thrown open for sale in the immediate vicinity of the centres of population on the gold fields; but although in Otago the land is there, it is almost hopeless to expect that it will be so opened up under the existing *régime*. When the cry is raised that more land is wanted for settlement, those in power point to the figures representing the thousands of acres open for sale, but unsold, in certain districts, and tell you, with perfect truth, that this land is of excellent quality. So it is; but although such land may be, and is, attractive to the intending settler newly arrived from home, and who cares not in what part of the Province he settles so long as he gets good land in a good situation, it is no attraction whatever to the digger who has not previously made up his mind to settle in the Province. His ordinary avocations never lead him to its neighbourhood, and he is never likely to see it unless he goes for the express purpose. Then, if he buys, he cannot do anything with it until he has totally given up digging. He cannot carry on the improvement of his farm and his digging at one and the same time, living by the one until the other is capable of supporting him. He must relinquish the pick and shovel and take up the plough and spade, before he can do anything with his purchase, and this sudden transition from one pursuit to the other is not one consonant with the habits and feelings of a digger. In the comparatively rare cases where a digger has made up his mind, and is in a position to abandon digging at once and for ever, he will usually, if he has no special ties to bind him to New Zealand, depart either to see the world a little, or to settle down in some country where he has friends, or where he fancies there is a better prospect open to him than any he sees in this Colony. Very rarely indeed will he visit other parts of the Province or of the Colony, to look for the prospect which he has failed to meet with during his residence on our gold fields. Having resided so many years in New Zealand without being in any way tempted to settle, he is apt to jump to the perhaps not unnatural conclusion that New Zealand does not offer any attractions or temptations to settlement, and so depart at once for some place which does. Having every day of his residence here

seen hundreds of acres on which he would like to settle down if allowed, and having found that such settlement was precluded,—that the Government preferred that those acres should maintain sheep rather than men,—it is not likely that he will go out of his way to look for land on which he may be allowed to settle. Thus, land in districts remote from the gold fields, no matter what its extent or quality, offers no attraction to settlement to the gold-mining population. In the localities they desire, they are not allowed to settle, and they therefore arrive at the conclusion that their settlement is not desired. The finest land in the world, if 50 or 100 miles away from the diggings, is utterly powerless to exert any influence on the miner, and utterly useless as a means of converting the digger into the settler. This work of transmuting the digger into the settler is not one which “if it were done when ’tis done, then ’twere well it were done quickly.” If it is to be done at all, it must be done gradually; for if the boundary between the two pursuits has to be crossed by a single step, the digger will hesitate and weigh pros. and cons. before he takes the step, and the result of such deliberation is very likely to be to the disadvantage of this Colony. In the first place there are several drawbacks of an evident character, and these become magnified by the Englishman’s constitutional propensity to grumble at, and feel disgusted with, things as they are, to fancy every one else better off than himself, and to invest the past with charms which he never detects in the present. Old associations predispose him to like Victoria, and he is in the constant habit of drawing comparisons between the weather in the two Colonies. He has neither learned to understand, to admire, or to feel interested in the complex political institutions of this Colony. Indeed, all that he knows on this subject, or at least cares about, is the fact that these institutions, from their expensive nature, cause the incidence of taxation to be much higher here than in any of the other Australasian Colonies, and he smarts under a sense of injustice, knowing that he has been subjected to a special and heavy tax in the form of the export duty on the gold he has dug. He knows that, as an extensive consumer of dutiable goods, he has contributed largely to the revenue, and he resents a special tax of upwards of three per cent. on his earnings as an indication of a desire on the part of the Colony, to make the most out of him while here, and the land laws he regards as indicating anything rather than a desire to keep him here permanently. He does not stop to inquire into these matters, or as to who is to blame. Indeed he believes, from experience in other matters, that it would be exceedingly difficult to fix the responsibility, and this increases his disgust with the system of double government which exists here, and which he holds accountable for much of what he has to complain of, because he knows that it is this system which causes the demands on the taxpayer to be so heavy. What wonder that, when deliberately considered, these manifest disadvantages outweigh and overbalance the points which can be urged in favour of this Colony—the greater healthiness of its climate, the greater productiveness of its land, and the infinitely greater future which lies before it. These advantages are not as easily realized as the disadvantages are, and in nine cases out of ten the tangible disadvantages of the present, will have more influence than the prospective advantages of settlement here, and so the digger and his wealth go to enrich some other Colony. If, however, while working a profitable claim he had been able to purchase land in the neighbourhood and to quietly improve it with his spare time and spare money, he would gradually drift from the digger into the settler, without even pausing to state the account of New Zealand as compared with some other place. If the mining population of the Southern gold fields are to be converted into permanent settlers, it will be by some drifting process of this nature—by a gradual change from the one character to the other, and not by a sudden transition. Settlement must be gradual, and the miner must be allowed to prepare his future home, while still pursuing his business as a miner.

Considerations of far-sighted policy or of ultimate results, however, rarely have much weight or influence in small political bodies, or with the mushroom politicians who generally manage to assume a prominent position in such bodies. Knowing that they are but “dressed in a little brief authority,” the present is everything to them, the future nothing. Expediency assumes the place of policy, and as one succeeds another, each acts upon, if he does not openly profess, the adage “*Après moi le deluge*.” In such bodies personal considerations far outweigh all others, and the difference between the “ins” and the “outs” is generally more of a personal than of a political character, or of principle. Essentially the conduct of the party which is “in” differs very little from what the conduct of the party which is “out” would be if the positions were reversed; and as each successive “Executive,” “Ministry,” or “Government,” endeavours to make things as pleasant as possible for the time being, with a total disregard of what the ultimate result of what they do may be, things go on pretty smoothly until the inevitable smash comes, and then, although everybody wonders that it was not foreseen and avoided, it is found that no one in particular is at all responsible for it.

Under such a system, it is scarcely surprising that the administration of the gold fields has hitherto been conducted rather with a view of obtaining a large present revenue, than of offering the miners inducements to permanent settlement. The Colony would, of course, derive much greater benefit from the permanent settlement of twenty miners, than from the presence, for a year or two, of a hundred miners, who, after making money here, go elsewhere to spend it; but the Province would not derive such an immediate profit, for the hundred men, while here, would pay more for miners’ rights, consume more dutiable goods, and in various ways bring more money into the Provincial Treasury during the time they remained here. As to what may happen in a year or two, that is nothing; the thing is to get a large population now, and a correspondingly large revenue, and to let those who are in power in a year or two deal with matters as they find them. So things go on, and miners come here, extract wealth from our soil, and go elsewhere to spend it, without being at all tempted to select this Colony as a place of permanent settlement. Rich however as our gold fields are, and vast as their extent may be, the system under which they are at present managed can have but one result, and that a result most injurious to the Colony. The evil day may be put off for a long time; but it must come, and when the gold fields cease to be attractive of even a temporary population, it will be too late to regret that of the thousands who have made money on them, only scores have made New Zealand their home. “There is a tide,” in the affairs of nations as well as of men,

“ Which, taken at the flood, leads on to fortune :
Omitted, all the voyage of their life
Is found in shallows and in miseries ;
On such a full sea are we now afloat ;
And we must take the current when it serves,
Or lose our venture.”

We have pulled against the current too long, and if we persist in doing so much longer the tide will have turned, and the opportunity once offered—the glorious opportunity of settling thousands of prosperous and contented settlers on land which would otherwise be but a sheep-walk—will have passed away for ever.

Guided by considerations of ultimate rather than of immediate profit, it would probably be advantageous to allow of the occupation of larger individual areas of auriferous land than are at present allowed. The gold fields might then maintain a smaller population ; but there would be a much greater probability of the bulk of that population settling here permanently. Men who acquired such an extent of payable ground as would find them profitable employment for a series of years, would insensibly come to regard this Colony as their home, and direct their attention to preparing a home-stead to retire to when digging was given up. Indeed, it may be taken as a general rule that the longer we can induce the miners to stay here, the greater the probability of their staying here altogether. Old associations become weaker with them, and new ones grow up ; old ties become looser, and new ones spring into existence. In districts where mining leases have been granted, an unmistakable tendency to permanent settlement has been exhibited. To work large areas successfully, expensive machinery and appliances are required, and when these are procured there is a certainty of employment for some years, during which the miner becomes reconciled to the prospect of adopting New Zealand as his home, and a chain of associations is forged which nothing but a very determined effort can break—an effort which is not likely to be made in the majority of cases. An extension of the system of mining leases, and an enlargement of the size of claims, would tend much to promote settlement, by removing many of the temptations to join in new rushes, and would make mining a more settled industry, although it might lessen the number of chance residents on our gold fields.

In connection with this part of the subject—the means and the desirability of making mining a settled pursuit, as well as of making the miner a permanent settler—it will not be out of place to refer to a project which was alluded to in the speech with which His Excellency Sir George Grey opened the Assembly in July, 1867. He said, “ A Bill will also be submitted to you for extending the benefits of the Colonial credit to enterprises calculated to foster and extend the important industry of the gold fields by offering a guarantee of interest (under proper restrictions and supervision) in procuring supplies of water for the operations of gold mining. The very special character of the taxation and laws of the gold fields justifies and requires such provision for their interests.” The party contests which marked that session of Parliament rendered any attempt to carry out this proposal impossible ; but if the spirit of faction could be so far banished as to allow the Legislature to indulge in a little useful legislation, consideration of this subject would probably lead a majority to indorse the opinion expressed by the Government in the concluding sentence of the paragraph above quoted. There are, both in Westland and Otago, large areas of known auriferous ground which only require a supply of water to enable them to be most profitably worked, and the extent to which individual and private enterprise has been directed to the removal of this difficulty is a proof of the vast importance of the subject. The perseverance, skill, and ingenuity displayed in the construction of water-races, many of them twenty or thirty miles in length, and some of them nearly fifty miles long, and the handsome returns which such races yield to their proprietors, show that judicious governmental assistance towards procuring a more abundant supply of water for mining purposes would be of immense advantage to the miners, and indirectly if not directly profitable to the Colony, by increasing the facilities for, and inducements to, permanent settlement.

It has been suggested that the establishment of a New Zealand branch of the Royal Mint would prove advantageous, by retaining in the Colony the profits made by the various foreign brokers and persons through whose hands the gold passes, from the original sale by the digger to its final conversion into coin. There is abundant evidence to show that large profits are made in this way ; but it may be doubted whether we could afford to save them by establishing a Mint of our own, even in the event of such a scheme receiving the sanction of the Imperial Government. The geographical distribution of the gold mines of this Colony is such as to render it impossible to select any site on which a Mint, if erected, would be serviceable to all the gold fields. If erected at Dunedin, Auckland, or Hokitika, it would only be practically useful to the gold fields of the district of which the favoured town is the port or outlet ; the other two gold-producing districts would probably find it more convenient to ship to Melbourne, Sydney, or England, as they do at present. If the Mint was erected at a central point, such as Wellington, the probability is that all the gold fields would still send the bulk of their gold either to Australia or England, and the amount which would reach the New Zealand Mint would be far too small to repay the cost of establishing and maintaining such an institution. Colonial Mints are but branches of the Royal Mint, and are under the immediate control and management of the Imperial authorities, although the Colony has to bear the whole cost of establishment and maintenance. Considering the relations now subsisting between the Colonial and Imperial Governments, a partnership on such terms would probably not be regarded as desirable by the Colonial Legislature ; but, even if it was, the experiment would be too costly a one to be entered on without better data to go upon and a better prospect of success, than at present exists.

The cost of living in this Colony has already been incidentally alluded to as one of the causes which militate against the choice of New Zealand as a place of permanent settlement by the miner. As a matter of course the same cause operates to the disadvantage of the Colony in the case of persons in Britain, who, having made up their mind to emigrate, are on the look-out as to which Colony it is most desirable to go ; but it does not operate as injuriously in the latter as in the former case, and for this reason—the miner already resident here knows, from an exaggerated experience, how heavily the taxation of the country bears on its inhabitants. The term “ exaggerated experience ” is used, because, as a rule,

the diggers are consumers of very large quantities of the most heavily taxed commodities—spirits, tobacco, oilmen's stores, and the coarser kinds of soft goods, for instance. Many articles, which to an agricultural or pastoral community would justly come within the definition of luxuries, are to the miners articles of absolute necessity; many articles comprised within the general description of oilmen's stores being of this class.

Heavy, therefore, as the general average of contribution to the revenue is, the miner's contribution is considerably above that average, even without taking into account the special taxation to which he is subject. Consciousness of this fact not unnaturally induces a sense of injustice, and, rankling under this, the miner is not disposed to regard New Zealand as a desirable place for permanent settlement. A judicious revision of the tariff, by which the mining population would be relieved from undue pressure, would do much to remove discontent; and if some of the special burdens under which they as a class labour—the obnoxious export duty on gold, for instance—were lessened or removed, many who under the present system only await a favourable opportunity to relieve themselves by leaving the Colony, would make up their minds to settle here permanently. A reduction of taxation, if in any way possible, would of course render New Zealand a more attractive field for emigration from other places, but the advantages of such a reduction would be much more readily realized by the digger on the spot than by the intending emigrant in Britain. It is needless in such an Essay as this to enter on a discussion of the various causes of the existing high rate of taxation, or of the means by which it might be lessened or made less oppressive. This subject is already attracting the attention of the public generally, as well as that of public men; and while some of the causes are sufficiently patent, and the remedy obvious, there are other causes which are not as yet generally acknowledged, but towards the acknowledgment of which the public mind is being gradually led and educated. For the present purpose it will be sufficient to remark, that any change which will reduce the incidence of taxation, and so render the cost of living less, will materially promote the settlement of the mining population.

As the Auckland gold-workings consist chiefly of quartz reefs, it is probable that a larger proportion of the mining population of that Province will settle there permanently, than is the case on any of the alluvial gold fields of the South. There is a permanence about quartz-reefing which does not appertain to alluvial digging, and the capital and expensive machinery required for quartz mining gives the reefer such a settled interest in the locality, as to dispose him to settle down permanently, if permanent settlement be possible. If a supply of suitable land can be thrown into the market, there is every probability that a good deal of the money made on the Auckland gold fields will seek permanent investment in the Province, the climate of which is so much more congenial to the Victorian miner than that of the Middle Island. Everything which will render the miner on the alluvial gold fields of the South and West contented and disposed to take up their permanent abode in New Zealand, will have an equally or even more satisfactory influence on the quartz-reefers of the North, and it is therefore unnecessary to treat separately of the two classes.

Having now briefly endeavoured to indicate the causes of the disposition shown by the mining population of this Colony to go elsewhere to invest the money made here, and pointed out some of the means by which permanent settlement here might be induced and promoted, it may be sufficient to say in conclusion that the subject is deserving of the most serious and earnest consideration of every person interested in the future welfare of this Colony, or who has adopted it as his home and that of his family. Every additional settler who purchases, reclaims, and cultivates land, by so doing benefits the Colony as well as himself, and adds considerably to the value of the lands remaining unsold. Every new settler is, in this respect, an additional attraction to the settlement of others, and is also an additional security against an increased individual burden of taxation. In this latter respect, every settler in the Colony has a direct pecuniary interest in promoting settlement, and the mining population being actually on the spot, it is of course desirable that they should be induced to settle permanently. While that population is a floating and unfixed one, there can be no security against its being largely and suddenly reduced. The discovery of new and rich gold fields in any other part of the world would attract thousands from our shores, as the discovery of our gold fields drew thousands from Victoria; and in addition to the commercial crisis and depression which such an exodus would certainly occasion, it must be borne in mind that the permanent demands on the revenue of the Colony would remain unchanged, that the decrease in population would not render any great decrease in the public expenditure possible, and that the burden would have to be shared between a considerably smaller number of contributors. This is a danger to be guarded against, and it is by no means an imaginary one; but it is one which is lessened by every additional individual who settles permanently amongst us. By securing permanent additions to our population we also increase the possibility of the burden of taxation being lessened directly by legislative action, for the uncertain character of a large proportion of the present population of the Colony must be an important element in the consideration of any proposal to reduce the taxation. With a permanent and reliable population, such a step might be safely taken, where, with an equal population of an unfixed character, it would be fraught with considerable danger. If on no higher grounds than selfishness, it is therefore to the interest of every real settler that the thousands who now temporarily dwell amongst us, should be induced to settle permanently in this Colony, and it will be well when the best means of promoting and attaining this end receives the consideration of the Colonial Legislature, and when the question is dealt with and decided on broad grounds of public policy, uninfluenced by party spirit or personal interests, and with a single desire to promote the prosperity of the Colony, to make it the home of a numerous, contented, and powerful people, and to assure the great and glorious future which, unless wantonly sacrificed, lies before New Zealand.
