

3. Meanwhile licenses can be granted by the Queen for saw-milling purposes under section 31 of the contract.

4. When the company becomes entitled to select timber for land under section 18 of the contract it must, if granted, be at the official price already determined.

20th January, 1890.

G. F. RICHARDSON.

I concur generally in the above views. My answer to the question put by the Chief Commissioner would be that clause 18 of the contract clearly provides that the company, in selecting timber in lieu of land, is entitled to have it (subject to the terms of the clause) at the same value as such lands are set down in the certified valuation mentioned in the contract.—W. S. REID. 30th January, 1890.

The minutes hereon are forwarded to the Commissioner at Hokitika, to deal with as advised.—H. J. H. ELLIOTT. 6th February, 1890.

Contents noted and returned.—GERHARD MUELLER. 4th March, 1890.

(Memorandum.)

Hokitika, 11th February, 1890.

*Re* selecting Timber Lands.—I have had some doubts about the assessing of the value of timber lands, and communicated with Government on the subject, and to-day received the answer. My attention is directed to the fact that no lands have as yet been set apart under sections (c) and (d) of section 16, and that, therefore, the company cannot yet select timber in lieu of land under section 18 of the contract.

May I ask you kindly to inform me what agreements you had come to with the Government to enable you to deal with so many of these timber areas in the Grey Valley? What applies there, I think, ought to apply in Westland, and, from what Mr. Scott and Mr. Pavitt told me of the working of these timber lands in the Nelson District, I have not the slightest doubt but what you did had the full approval of the Government. The position is rather awkward, since I have instructed the Rangers to desist issuing timber licenses. Your company, as pointed out above, cannot select timber lands, and hence cannot grant the right to cut timber; and the people therefore continue to cut without license from any one. Please attend to this matter as speedily as possible.

GERHARD MUELLER,

The General Manager, Midland Railway Company.

Commissioner of Crown Lands.

(Memorandum.)

Hokitika, 12th February, 1890.

*Re* Watson's Application, Timber Lands.—Watson's application for 162 acres I return herewith, for the reasons stated in enclosed memorandum, dated 11th February. When the land has been reserved for mining purposes under section (c) of section 16 of the contract, please forward the assessment paper to me again, and I shall deal with it.

Sawmiller Morris's application stands of course in the same position, and your company cannot issue a license for timber-cutting to him.

GERHARD MUELLER,

The General Manager, Midland Railway Company.

Commissioner of Crown Lands.

(Memorandum.)

25th February, 1890.

PLEASE return papers containing the opinion of the Solicitor-General upon the question of the value of timber lands in connection with the Midland Railway Company, which were referred to you on the 8th instant, and are numbered L 90/124.

FRANCIS STEVENS,

The Commissioner of Crown Lands, Hokitika.

For the Under-Secretary.

(Telegram.)

4th March, 1890.

FILE, giving Solicitor-General's opinion in *re* Midland Railway timber lands, has been posted.

GERHARD MUELLER,

The Under-Secretary for Lands, Wellington.

Commissioner of Crown Lands.

(Memorandum.)

Hokitika, 23rd June, 1890.

*Re* Midland Railway Timber Licenses.—I beg to forward enclosed copy of a letter from the General Manager, dated the 4th June, 1890, and addressed to myself, respecting timber licenses, which please submit for perusal and approval to the Hon. the Minister, and advise me as soon as possible whether there are any objections to me acting upon the suggestions made therein or not.

In explanation, I may state that, while conversing with Messrs. Wilson and Alan Scott at Christchurch about the timber question, they informed me that the rights to the timber on the West Coast which they claimed had been conceded by the Hon. the Minister when arguing that matter with him at Wellington, and that the propositions they then made to me were within the lines of said concession, &c. To prevent possible mistakes, I requested these gentlemen to submit their propositions in writing, which they did.

The timber-license question has been held in suspense now for fully six months. I ceased issuing timber licenses before the end of 1889, and the Midland Railway Company has never been in a position to issue timber licenses, and is not likely to be in a position to do so until the mining reserves proposed for Westland have been gazetted. Meanwhile, sawmillers, contractors, splitters, and all timber-cutters are unable to secure a permit to cut, though they are willing to pay whatever fee may be fixed upon. A little while ago the Railway Department invited tenders for a large supply of silver-pine railway sleepers, and the successful tenderers (so I have been informed) were two Westland contractors. They made every effort to obtain timber licenses, and, failing in this, commenced cutting without them. You must see this timber-license question is a pressing one, and should be settled one way or another as speedily as possible.

GERHARD MUELLER,

The Under-Secretary for Lands, Wellington.

Commissioner of Crown Lands.