

1890.  
NEW ZEALAND.

## MIDLAND RAILWAY:

CORRESPONDENCE *RE* CUTTING AND REMOVING TIMBER ON CROWN LANDS IN NELSON AND WESTLAND.

*Return to an Order of the House of Representatives, No. 36, of 1890.*

*Ordered*, "That there be laid on the table correspondence and papers that have passed between the Midland Railway Company and the Government, and between the Government and the Westland and Nelson Crown Lands Commissioners, in regard to cutting and removing of timber on Crown lands in the Nelson and Westland Provincial Districts, and the amount to be charged for these privileges, either by license or rental per acre."—(Mr. SEDDON.)

### NELSON.

The New Zealand Midland Railway Company (Limited), Greymouth,  
23rd November, 1889.

SIR,—

I beg to draw your attention to the advertisement from the Greymouth paper in the margin. From this you will see that the Railway Commissioners are in the market for silver-pine sleepers.

This will undoubtedly cause persons without licenses or authority to cut timber in any direction in the forests now reserved for the New Zealand Midland Railway Company. I would therefore suggest for your consideration that an advertisement to the following effect, and signed by you, should be inserted in these local papers, in order to warn people that they will not be permitted to take timber belonging to the Government or the company without first obtaining authority: "Notice.—All persons cutting timber on Crown lands without authority will be prosecuted.—A. GREENFIELD, Commissioner of Crown Lands."

The Government is, I am aware, as anxious as the company to prevent the forests being destroyed, and the proceedings taken last week at Oxford by the Lands Department in Canterbury (see Christchurch papers of the 16th November instant), where fines ranging from £75 down to £2 were inflicted on persons cutting timber on Government lands in the Oxford bush, will no doubt have considerable effect in deterring persons from doing so in future in this district.

In order to avoid, if possible, the expense and unpleasantness of taking proceedings shortly against persons who may ignorantly put in tenders for these sleepers on the assumption that they can cut timber without license or payment, I would suggest that some such advertisement as proposed be telegraphed to the local papers at once. So as to facilitate persons getting lands from which they can cut this or other timber, my company will be prepared to deal at once with any such applicants, with your concurrence, under clause 33 of the contract, and I will, if you think it advisable, advertise to that effect.

I am, &c.,

ROBERT WILSON,  
General Manager.

The Commissioner of Crown Lands, Nelson.

*New Zealand Railways.—Supply and Delivery of Silver-pine Sleepers at Lyttelton.*

Railway Manager's Office, Greymouth, 18th November, 1889.

WRITTEN tenders will be received at this office up to noon on Saturday, the 30th November, for the supply and delivery of 10,000 silver-pine sleepers at Lyttelton. Specifications and forms of tender to be obtained at the Railway-station, Greymouth, Brunnerton, and Stillwater. Tenders to be addressed to the New Zealand Railway Commissioners, Greymouth, and to be marked outside, "Tender for silver-pine sleepers." The lowest or any tender not necessarily accepted.

By order of the Commissioners.

W. STONE, District Manager.

Crown Lands Office, Nelson, 26th November, 1889.

Proprietor, *Grey River Argus*, Greymouth.

PLEASE insert following advertisement three times: £50 penalty.—Notice is hereby given that proceedings will be taken against any person or persons who shall unlawfully fell, remove, or sell any of the timber growing or being on Crown lands.

ALFRED GREENFIELD, Commissioner of Crown Lands.

Crown Lands Office, Nelson, 3rd December, 1889.

The General Manager, Midland Railway Company, Greymouth.

I HAVE to acknowledge the receipt of your letter of the 23rd November relative to the unlawful cutting and selling timber from Crown lands in the Grey Valley, and in reply to inform you that I wired an advertisement as suggested to the newspapers at Greymouth and Reefton immediately on receipt of your letter.

ALFRED GREENFIELD, Commissioner of Crown Lands.

Crown Lands Office, Nelson, 14th May, 1890.

The General Manager, Midland Railway Company, Christchurch.

I FORWARD herewith for your consideration four applications for timber licenses, and I have to ask you to be good enough to say whether you are aware of any objection to their being granted (*vide* section 31 of contract)—viz.: No. 39, James Marshall, 200 acres, Totara Flat; No. 40, Blair and Stratford, 200 acres, Grey; No. 41, C. F. C. Algie, 600 acres, Nelson Creek; No. 42, T. H. Garth, 80 acres, Mawheranui.

ALFRED GREENFIELD, Commissioner of Crown Lands.

The Commissioner of Crown Lands, Nelson.

I, THE undersigned, do hereby apply for a provisional timber license over 200 acres of land, under section 225 of "The Land Act, 1885," and bounded as follows: On the north by the Granville Road; south by Teviot Creek; east by Brandy Jack's Track; and west by Totara Flat.

Totara Flat, 3rd December, 1889.

JAMES MARSHALL.

Received, 9th December, 1889, 9.30 a.m. No fee enclosed.—ALFRED GREENFIELD, Commissioner.

The Commissioner of Crown Lands, Nelson.

WE, the undersigned, do hereby apply for a provisional license for cutting, felling, and removing timber off Crown lands, under "The Land Act, 1885," and section 225 thereof, over 200 acres of Crown land situated on the Main Grey Valley Road, and bounded approximately as follows: On the south by the land held by Frederick W. Campbell under occupation license; west by the Main Grey Valley Road; north by Henry Gilmer's land; and east by Crown lands.

ADAM BLAIR,

EDWARD STRATFORD

Ahaura, 21st November, 1889.

(By J. Hargreaves, Agent for Applicants).

Received at Ahaura at 9 a.m. on the 22nd November, 1889.—F. H. IBBETSON, Local Land Officer.

The Commissioner of Crown Lands, Nelson.

I HEREBY apply to have the land situate and bounded as follows set apart or aside as timber land:—Boundaries: On the northward by Nelson Creek, on the eastward by a track leading from Hatter's Terrace to Kangaroo, on the southward by Red Jack's Creek, and on the westward by Main Grey Valley Road, not exceeding in the whole 600 acres, upon such terms as your Board may decide, under the provisions of "The Land Act, 1885," section 226.

COLIN F. C. ALGIE, Sawmill Proprietor

(By J. W. Jones, Ahaura, Agent).

Ahaura, 28th November, 1889.

Received at Ahaura on the 28th November, 1889, at 11.40 a.m.—F. H. IBBETSON, Local Land Officer.

The Commissioner of Crown Lands, Nelson.

I HEREBY apply for a license for cutting, felling, and removing timber off Crown land, under "The Land Act, 1885," over 80 acres of land, as per plan attached, the particulars of which are as follows:—District: Mawheranui. Boundaries: Bounded on the northward by the Grey Valley Road, a length of 40 chains; east by Section No. 76; and on the south and west by unoccupied Crown land: the land applied for being part of Sections Nos. 78 and 80 in said district.

21st April, 1890.

THOMAS H. GARTH, Ahaura, Storekeeper.

Received at Ahaura, this 21st day of April, 1890, at 9.15 a.m.—F. H. IBBETSON, Local Land Officer.

SIR,—

New Zealand Midland Railway Company, Christchurch, 5th June, 1890.

Referring to your memorandum of the 14th May last as to the following applications to you for timber licenses,—No. 39, James Marshall, 200 acres; No. 40, Blair and Stratford, 200 acres; No. 41, C. F. C. Algie, 600 acres; No. 42, T. H. Garth,—I have to point out that the Government have no power under the Midland Railway contract to grant licenses to the above applicants, Nos. 39, 40, and 42, none of them being for existing sawmills or *bona fide* gold-mining purposes, and therefore they do not come within the meaning of clauses 31 and 18 of the contract. The company, however, will be prepared to grant these applicants timber licenses on the usual form, under clause 33 of the contract, on their defining the areas they require. Messrs. Blair and Stratford (No. 40) have already agreed to take such an area from the company. Application No. 41 is not of the same nature, as you will notice that in it Mr. Algie asks to have the land he mentions "set apart or aside as timber lands." This there is no power to do under the Midland Railway Contract. Mr. Algie does not ask the area to be granted to him.

I have, &c.,

ROBERT WILSON,

General Manager.

The Commissioner, Crown Lands, Nelson.

Mr. James Marshall, Totara Flat.

Crown Lands Office, Nelson, 4th July, 1890.

I HAVE to inform you that the Land Board has refused your application for timber license over 200 acres, Totara Flat, as sections 31 and 18 of the Midland Railway Contract prohibit the Land Board from granting it.

ALFRED GREENFIELD,  
Commissioner of Crown Lands.

[Similar notices of refusal also sent to Messrs. Blair and Stratford, C. F. C. Algie, and T. H. Garth.]

DEAR SIR,—

Reefton, 2nd December, 1889.

We have applications which should, if possible, be dealt with at once, as they are for saw-milling, and the applicants wish to get to work at once in order to cut timber for Rees and Co.'s contract. One is for 200 acres lying to the south-east of Sections 72 and 73, Block XIII., Mawheraiti District, and of the main road, to be included within lines forming prolongations of the outer boundaries of these sections. The other is for a similar area behind the neighbouring sections, 75 and 76.

Can you kindly assess the relative value of those lands, in accordance with clause 33 of the contract, and wire me to Christchurch? I would not ask you to hasten it thus, only the people are anxious to get to work, and I do not want to put any obstacles in the way of people getting timber. While on this subject, I would mention that two men, named Shanks and McGill, have, I am told, applied for an occupation license for the Crown land lying to the west of the main road, just to the southward of the sections I have named, and that they intend cutting the timber off that land. Would it not be better that we should give timber licenses over that land also, as the holders of occupation licenses, of course, cannot legally cut it?

I will send you a formal application to assess the foregoing values on my return to Christchurch, and only write thus to save time, if you can act on this.

Alfred Greenfield, Commissioner of Crown Lands, Nelson.

Yours faithfully,  
H. ALAN SCOTT.

(Telegram.)

Crown Lands Office, Nelson, 9th December, 1889.

I ASSESS the blocks of timbered land referred to in your letter of 2nd instant at £2 per acre. The second block covers Shanks and McGill's occupation license of 100 acres, which is held subject to three months' notice. Shall I give the notice? I cannot deal with the island near McInroe's at present, as it is not on the plan.

H. Alan Scott, Greymouth.

ALFRED GREENFIELD,  
Commissioner of Crown Lands.

The Commissioner of Crown Lands, Nelson.

I HEREBY apply, under "The Land Act, 1882," Appendix C, for a timber license of 80 acres of Crown land, the particulars of which are as follow:—District: Steeples. Boundaries: North-easterly by Crown land; westerly by Section 7, Block I., and Crown lands; on other sides by Crown lands. Description: Bush land; flat.

JOHN JOSEPH NOLAN, Westport.

15th March, 1886.

Received at Westport, this 15th day of March, 1886, at 2 o'clock p.m.—E. C. KELLING, District Land Officer.

Refused: within area withdrawn for railway.—A. G. 30th September, 1886.

The Commissioner of Crown Lands, Nelson.

I HEREBY apply, under "The Land Act, 1882," Appendix C, for a timber license of 80 acres of Crown land, the particulars of which are as follow:—District: Steeples, Block I. Boundaries: On all sides by Crown lands. Description: Bush land; flat.

15th March, 1886.

JOHN MAHER, Hokitika, Contractor.

Received at Westport, this 15th day of March, 1886, at 2 o'clock p.m.—E. C. KELLING, District Land Officer.

Refused: within block withdrawn for railway.—A. G. 30th September, 1886.

The Commissioner of Crown Lands, Nelson.

I HEREBY apply, under "The Land Act, 1885," for a timber license of 1 acre of Crown land, the particulars of which are as follow:—District: Kawatiri. Boundaries: Bounded on all sides by Crown lands, situated about 60 chains from the railway-line and about 20 chains from the east bank of Jones's Creek. Description: Bush land.

15th December, 1886.

HENRY SULLIVAN, Jones's Creek, Logger.

Received at Westport, this 15th day of December, 1886, at 2.45 o'clock p.m.—AND. D. THOMPSON, District Land Officer, Westport.

The Chief Commissioner of Crown Lands, Nelson.

I BEG that you will instruct your office to issue to me a timber license for six months. I wish to cut timber on Crown lands within the Nelson District, and particularly between Cobden, Taylorville, and Seven-mile Beach, north of Grey. I enclose £2 10s. post-office order, and have the honour to be

Greymouth, 30th April, 1889.

JOHN KANE, Greymouth,  
c/o J. Perotti.

The Commissioner of Crown Lands, Nelson.

I HEREBY apply, under "The Land Act, 1885," for a timber license of 100 acres of Crown land, the particulars of which are as follow:—District: Wareatea North. Boundaries: On the north by

Crown lands, on the east by Government reserve for railway and public road, on the south by Crown lands, and on the west by road reserve. Description: Bush; low land.

21st December, 1888.

JOHN MONEGATTI, Sergeant's Hill, Bushman.

Received at Westport, this 21st day of December, 1888, at 3.30 o'clock p.m.—E. C. KELLING, District Land Officer.

The Commissioner of Crown Lands, Nelson.

I HEREBY apply, under "The Land Act, 1885," Appendix C, for a timber license of about 80 acres of Crown land, the particulars of which are as follow:—District: Ohika, Block I. Boundaries: Bounded on all sides by Crown lands, and situate between G. R. Lamplough's leasehold and Native Reserve No. , on the Loop-line Road, from Addison's Road to the Nine-mile Ferry on Buller River, south side. Description: Bush land, part pakihi and swamp.

10th December, 1888.

E. BRADSHAW, Queen Street, Westport, Labourer.

Received at Westport, this 10th day of December, 1888, at 10.45 o'clock a.m.—E. C. KELLING, District Land Officer.

The Commissioner of Crown Lands: Mr. Snodgrass has seen Mr. Bradshaw, and he states that if the land described in the application is not available he would wish to have the application cancelled.—HENRY TRENT, for Chief Surveyor. 9th January, 1889.

The Commissioner of Crown Lands, Nelson.

I BEG to apply for a timber license over 100 acres of land at Larry's. The ground applied for adjoins Sections 24 and 27 (which are the property of the Caledonian Quartz-mining Company, Limited), as shown on tracing attached; it is required by Caledonian Company for supplying their mine with timber.

GEORGE WISE, Manager,

5th February, 1889.

Caledonian Quartz-mining Company (Limited).

Post-office order, £1 1s., for deposit enclosed. Newspaper containing advertisement also posted.

Received, 8th February, 1889, at 10 a.m.—A. J. REDGRAVE, for Commissioner.

Refused, 21st February, 1889.—ALFRED GREENFIELD, Commissioner.

The Commissioner of Crown Lands, Nelson.

I HEREBY apply for a license for cutting, felling, and removing timber off Crown land, under "The Land Act, 1885," over 80 acres of land, as per plan attached, the particulars of which are as follow:—District: Mawheranui. Boundaries: Bounded on the northward by Main Grey Valley Road; southward by Crown land; westward by public road; and eastward by Crown land: the land applied for being part of sections numbered 73 and 74, Mawheranui Survey District.

MARTIN SHANAHAN, Contractor, Greymouth.

Received at Ahaura this 28th day of May, 1890, at 2 o'clock p.m.—F. H. IBBETSON, Local Land Officer.

#### WESTLAND.

(Memorandum.)

Hokitika, 9th January, 1890.

*Re* Valuation of Midland Railway Lands.—Under section 18 of the Midland Railway Contract the company is selecting lands in the Waimea and other districts, lands which, on account of their known auriferous value, the company cannot purchase, but can utilise the timber growing thereon. Good timber lands accessible to existing sawmills are of considerable value, and as much as £6 and, in some isolated cases, £8 per acre has been paid by some of the sawmillers for the right to cut the timber on certain freehold lands.

I am requested, under subsection (2), section 33, of the Midland Railway Contract to assess the value of some of these timber lands, and the question is whether, in doing so, I am to take into consideration the value of the timber, or whether I shall assess them simply as lands for settlement. In the former case their value may be, say, £5 per acre, and in the latter they will be worth no more than any of the other lands around them—say, £1 per acre, because the heavier the timber on lands intended for settlement the greater the cost to the settler to bring such land under cultivation.

In all cases of applications for assessment of values of lands which I know the company cannot purchase on account of its auriferous nature it must be borne in mind that I am fully aware that it is not for settlement purposes, but purely for the purpose of selling the timber thereon that the application is made, and that in doing so they may, on the basis of their scale of charges for timber-licenses, receive as much as £20 royalty from a single acre of good timber land. The stringency of the conditions under which the company is leasing timber lands in the Grey Valley, and now propose to do so also within Westland, is severely felt by people in the timber trade, and is much commented upon just now, and the opinion is freely expressed that the Government assessment of these timber lands, which bring so rich a harvest to the company, should be proportionately high, &c. This, amongst others, is the opinion of some of the members of the Board to whom outside representations have been made on this matter.

Now, after carefully examining the several Midland Railway Acts, the contract, correspondence, &c., I have come to the conclusion that I cannot, in assessing the value of the land, take into consideration the present demand for and consequent value of the timber growing thereon. In one of the cases under consideration it is quite sure that, if it was not for the keen competition between two of the sawmills close by, the hundred acres would not fetch more than any of the rest of the land thereabout, namely, £1 per acre.

The principle of valuation as laid down in subsection (3) of section 8 of "The East and West Coast and Nelson Railway Construction Act, 1884," as well as in section 102 of "The Railways Construction and Land Act, 1881," excludes the consideration of purely temporary and accidental rises in value as that brought about by causes like the one above stated, and, in fact, restricts it to the "market value prior to the making of the contract." Again, in the second clause of subsection (5) of section 8 of the Railway Construction Act, 1884, the company is entitled to the coal found on any of the lands selected, and that certainly implies that, if the company select lands on which I know coal-outcrops exist, I am not to increase my assessment of its value because I have good grounds for believing that a considerable revenue may probably be derived from the land on account of its carrying coal.

With the selection of timber lands under section 18 of the contract it is no doubt somewhat different, for there the company does not purchase the land, but simply takes it up temporarily for the purpose of utilising the timber growing thereon; still, in said section 18, the words used are: "in lieu of land at the same value per acre as such lands shall be set down at in the certified valuation," &c.; and, lastly, in subsection (27), section 33 (nor indeed anywhere else in contract or Acts), there is no mention made of assessing the timber, but simply of assessing the land. On the other hand, there is of course this to be said: that good marketable timber growing on lands near centres of population, and especially where the saw-milling industry has already been established, enhances the value of that land.

I have written at such length because it is an important point, involving a considerable sum of money. Now that the company has commenced farming out our forest lands on the coast, and is on the point of developing timber trade with Australia, &c., I am anxious to have your opinion on the subject. Please let me have an answer at an early date to the following question: Have I, when valuing lands applied for by the company (rather by persons through the company), under section 18 of the contract, to take into consideration the value of the timber on the land, as well as the value of the land proper, or only the value of the land?

The Under-Secretary for Lands, Wellington.

GERHARD MUELLER,  
Commissioner of Crown Lands.

(Memorandum.)

Hokitika, 24th January, 1890.

*Re* Midland Railway Company's Timber Rights, &c.—Areas for timber purposes are now being selected on reservations made for mining within Westland; it will therefore be necessary for me shortly to prepare the licenses which are to issue to the company under section 19 of the contract, "defining the area within which and the period for which the company shall be entitled to exercise the right of cutting and removing timber," &c., subject to such terms, conditions, and reservations as the Queen thinks necessary or reasonable.

To get this branch of our transactions with the company into proper working order, I beg to suggest that license forms be prepared which require only the filling-in of names, dates, and areas; and that a supply of these be furnished me, for the purpose of issue after the granting of timber areas to the company, with as little delay as possible.

This timber question seems to me to be at present in a very crude state. The company are issuing licenses (rather, agreements—see form attached) to persons desirous of cutting timber, defining a certain area within which they may do so. Amongst these are sawmillers, splitters, and procurers of firewood only. Some of these take 200 acres, some 50, and the firewood-getters down to 10 acres. Some of these people will work their allotment for years, and others for a few months or weeks only; but the intention of Government, I presume, is that every one of the areas thus dealt with by the company is to be "reckoned as if it were an equal area selected by the company," as provided in section 18 of the contract. If this is the case, it will be necessary that I am furnished with a copy of all such agreements entered into by the company within Westland, to complete my record of lands selected by the Midland Railway Company within my district.

Since the issue of timber licenses by our department within Westland has been stopped a great deal of unlawful cutting has been carried on in every part of the district, and I find it necessary to make an example of some of the transgressors by bringing them before the Magistrate; in fact, if this is not done they will continue to cut without license from the company.

The Under-Secretary for Lands, Wellington.

GERHARD MUELLER,  
Commissioner of Crown Lands.

(Telegram.)

6th February, 1890.

YOUR memorandum 9th and 24th January: You appear to misunderstand position of company. Do nothing about timber rights until you get papers I am sending to-day.

Commissioner of Crown Lands.

H. J. H. ELIOTT.

Crown Lands.—(Received 14th January, 1890.)

From Commissioner of Crown Lands, Hokitika.—Subject: Wishes to know, when valuing lands known to be auriferous but covered with timber applied for by the Midland Railway Company, whether the value of the timber is to be considered, or only the land.

The Solicitor-General.

Will you kindly advise on the question submitted by the Commissioner of Crown Lands? The following appears to me to be the position of the matter:—

1. The principle of valuation (subsection 3 of section 8 of "The East and West Coast (Middle Island) Act, 1884") has nothing to do with the official valuation already made.

2. The company cannot yet select timber in lieu of land under section 18 of the contract, as no land has yet been set apart under sections (c) and (d) of section 16, and in any case the consent of the Queen is required.

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.

## The New Zealand Midland Railway Company (Limited),

SIR,—

Cathedral Square, Christchurch, 4th June, 1890.

Referring to our various conversations as to the best method of granting timber licenses within the area reserved for the New Zealand Midland Railway Company in the Westland District, I have now to make the following suggestions:—

1. The old form of Government timber licenses to be discontinued.
2. You to issue, on behalf of the Government and the company, under clause 33 of the New Zealand Midland Railway Contract, timber licenses, on the company's form, to applicants who define to your satisfaction a certain area, which the applicant must undertake to cut out within a specified time (say, three or five years).
3. The applicant to be bound to cut out regularly all marketable timber within that area, in accordance with the terms of license.
4. Royalties to be received by you and paid into Suspense Account, as provided by clause 33 of the contract.
5. The duty and cost of collecting same to rest with the company, as mentioned in the contract.
6. In ordinary cases you need not refer to the company before granting a license, but merely advise by first mail of your having done so.
7. In special cases, or where the areas are large (say, fifty acres), the matter to be referred to the company before concluding it.
8. All applications for such licenses near any line of railway to be referred to the company before granting.

As the matter is pressing, I shall be glad of an answer at your earliest convenience.

I have, &c.,

ROBERT WILSON,  
General Manager.

G. Mueller, Esq., Commissioner of Crown Lands, Hokitika.

An agreement made the                      day of                      , one thousand eight hundred and                      , between the New Zealand Midland Railway Company (Limited), a company duly incorporated in England under the Companies Acts, 1862 to 1883, carrying on business in the City of Christchurch, in New Zealand, and having its registered office at Gracechurch Street, in the City of London (hereinafter referred to as "the company"), of the one part, and                      of                      , of the other part, whereby the company agrees to grant and the said                      agrees to accept and take full and free liberty and license to cut and convert timber growing upon all that piece or parcel of land mentioned and described in the schedule hereunder written for the space of                      , from the                      day of                      , one thousand eight hundred and                      , at the royalties hereafter mentioned, subject to the following conditions and restrictions, that is to say:—

1. The said piece of land shall be forthwith divided into blocks of                      acres in extent.
2. The said                      shall cut out the timber on the said blocks consecutively in such order and commencing in such a way as shall from time to time be prescribed by the company, through its manager or agent for the time being in New Zealand, and shall completely finish cutting the timber on each such block before commencing to cut the timber on another.
3. And shall, upon the completion of the cutting of any block, yield up to and allow the company to resume possession of the same. And shall at any time, upon the request in writing of the company through its manager or agent for the time being in New Zealand, yield up to the company any portion of the said parcels of land hereinbefore mentioned whether or not all or any portion of the timber on such land has been cut—save and except any lands used as mill-sites, or upon which any buildings have been erected—on payment by the company of compensation for such land, the amount to be determined by agreement or arbitration in the usual manner, but not to exceed in any case £                      per acre.
4. And shall pay monthly, on the                      day of each month, to the company royalties on all timber cut and converted by him, and upon all firewood, posts, rails, fencing, stakes, palings, and shingles cut by him, at the following rates—namely: (a.) Kawaka, silver-pine, and totara, one shilling per hundred superficial feet. (b.) Black-pine, ninepence per hundred superficial feet. (c.) Birch, red-pine, white-pine, and any other timber not herein specified, sixpence per hundred superficial feet. (d.) Stakes and palings, two shillings per hundred. (e.) Shingles, two shillings per thousand. (f.) Firewood, one shilling per cord. (g.) Posts and rails, five shillings per hundred. (h.) Round timber (excepting kawaka and silver-pine), three to six inches in diameter, one shilling and sixpence per hundred running feet; from six to nine inches in diameter, two shillings and sixpence per hundred running feet.
5. And will convert the timber at a rate of not less than                      superficial feet per week.
6. And will cut and convert all serviceable trees exceeding twelve inches in diameter.
7. And will pay the said royalties at the times and in the manner aforesaid.
8. And will keep production books and way-bill books and any other books connected with the timber output to be supplied to him by the company, and enter therein daily, in the manner required by the manager or agent for the time being of the company, the quantity of timber cut, converted, or delivered by him.
9. And will permit the manager or agent for the time being of the company at any time to inspect and take extracts from or make copies of the said production and way-bill books or any other book or document having reference to the timber output.
10. And will pay all rates charged or imposed upon or in respect of the said premises.
11. And will not at any time assign or transfer the license hereby granted without the consent in writing of the company first had and obtained.
12. And will permit the company to make, construct, and use road-sidings and tramways

through, over, and upon the said parcel of land without receiving any compensation whatever in respect of the same.

13. And will leave all trees not required for the purposes herein mentioned standing upon the premises, and will not cause any wilful injury thereto.

14. And will pay to the company the sum of five pounds for every tree which he shall cut beyond the boundaries of the area included in the license hereby granted, as and by way of liquidated damages, and not as a penalty.

15. And shall make no claim against the company for any loss or damage which may sustain though sawmill, timber, plant, machinery, or buildings for the time being on the said land or lands adjacent thereto catching fire from sparks from railway engines, or from any other cause, whether controllable by the company or not.

16. And shall not deposit, stack, or heap up any timber, saw-dust, earth, or rubbish on any land of the company adjacent to the piece of land leased by , unless with the consent in writing of the company's manager or agent first had and obtained.

17. And shall not obstruct or block up, or permit to be obstructed or blocked up, any watercourse through the said land or land adjacent thereto so as to interfere with the drainage of the same.

18. And shall forthwith make good any damage which has occurred by reason of operations to any fences or gates on the said land or lands adjacent thereto.

19. And shall not obstruct nor damage any road, tramway, or track which the company may have or authorise to be made through the said land or land adjacent thereto.

20. And shall not permit fires to spread through the bush on the said land, nor from it to other lands adjacent thereto; and shall use every reasonable means to extinguish such fires as may accidentally be kindled in the bush to the injury of the same.

21. And will forward by the company's line of railway, where such line of railway is open for traffic, all timber sold or disposed of by , whether sawn, hewn, or otherwise converted, excepting that required for local purposes.

And it is hereby agreed and declared that the said shall be at liberty to erect, upon a site not exceeding acres, to be approved of in writing by the manager or agent for the time being of the company, a sawmill and other necessary buildings in connection therewith, and to use any timber which may be necessary for the construction of such sawmill or buildings, or for the construction of tramways through, over, or upon the said parcel of land, or for the purpose of fuel for own use or in connection with the saw-milling, without paying any royalties thereon: Provided always and it is hereby agreed and declared that, in case of the breach, non-observance, or non-performance of any of the covenants herein contained or implied, whether affirmative or negative, or if the said royalties hereby reserved, or any of them, or any part thereof shall be in arrear and unpaid for the space of one calendar month after the same shall have become due and payable, whether legally demanded or not, it shall be lawful for the company immediately, without giving any notice or waiting any period or periods whatsoever, to re-enter upon the said lands and to determine the estate of the said therein, and also, by any instrument in writing under the hand of its duly-appointed manager or agent, to cancel and determine the said license hereby granted, and any other liberties and powers connected therewith; and thereupon the license hereby granted shall absolutely cease, determine, and become void, but without prejudice to any right of action or remedy which shall have accrued to the company in respect of any breach of the covenants or conditions herein contained or implied; and, further, it shall be lawful for the company, upon default being made in payment of the said royalties or any of them, or any part thereof, on any of the days hereinbefore appointed for payment thereof, forthwith to distrain for the same without waiting any time whatever. And it is hereby further declared that the company shall not be answerable or responsible to the said for any loss or damage which may accrue to or be sustained by him by reason of the issue of the license hereby granted, or by reason of the company's title to the said land being incomplete or defective. And it is hereby lastly declared that, for the purposes of stamp duty, the value of the license hereby granted is estimated at £

In witness whereof the said parties hereto have hereunto set their hands the day and year first before written.

The schedule hereinbefore referred to.

(Telegram.)

Greymouth, 17th July, 1890.

MIDLAND Railway Company stopped me cutting sleepers, Kaimata. Answer by telegram. Let me know how to act. Give particulars how to act. Reply collect.

A. R. Guinness, Esq., Wellington.

THOMAS LAWRY, Greymouth.

(Telegram.)

Wellington, 16th July, 1890.

MAN named Thomas Lawry telegraphs that Midland Railway Company have stopped him cutting sleepers at Kaimata. Company has no power to do this. What are facts?

The Commissioner of Crown Lands, Hokitika.

H. J. H. ELIOTT.

(Telegram.)

17th July, 1890.

Re cutting railway-sleepers. Arranged to-day to meet Alan Scott at Greymouth on Monday next. Shall then inquire into Thomas Lawry's case on the spot, and report.

GERHARD MUELLER,

The Under-Secretary for Lands, Wellington.

Commissioner of Crown Lands.

MEMORANDUM to the UNDER-SECRETARY for LANDS, Wellington, re Thomas Lawry and the Midland Railway Company.

Crown Lands Office, Hokitika, 24th July, 1890.

On Monday evening, at Greymouth, I saw Mr. Alan Scott on the subject, and next day visited

Kaimata to make inquiries on the ground. The facts, in short, stand as follow: Thomas Lawry is the successful tenderer for the supply of 4,000 railway-sleepers, 2,000 for the Government, and 2,000 for the Midland Railway Company line. He applied to the Crown Lands Ranger for licenses to enable him to cut these sleepers, but that officer informed him that the department had ceased issuing timber licenses since the beginning of the present year. Lawry, finding that he could not get authority to cut, set about the work without authority. After cutting about eight hundred sleepers (all silver-pine), the Midland Railway Company informed him that he would have to pay a royalty according to their schedule of prices, and, moreover, that the ground he was cutting upon had been applied for some time ago for timber-cutting purposes by some other contractors, and that, therefore, he (Lawry) would have to desist cutting sleepers there in future. Matters had reached this stage when Lawry telegraphed to Wellington that he had been stopped by the Midland Railway Company. Since then an arrangement has been come to, and which seems satisfactory to all parties concerned, which is this: To the applicants (the other contractors above referred to) the Midland Railway Company intend to give an area of 200 acres for timber-cutting purposes. For all timber they remove payment of the royalties as provided in the company's timber-license regulations will have to be made. Mr. Lawry, on the other hand, is to be allowed to complete his contract for the 4,000 railway-sleepers by cutting the silver-pine on the southern portion of said 200 acres on payment of the royalty fixed for these.

There are several other contracts for the supply of thousands of silver-pine railway-sleepers now in hand in other parts of Westland, and it is of the utmost importance that this question of timber-cutting should be speedily settled. As matters stand now, contractors, however willing to pay for the cutting of timber, cannot obtain authority to do so. The Lands Department does not issue timber licenses within the area set apart for Midland-Railway purposes, and the Midland Railway Company is not legally in a position to deal with them. The inevitable result is that persons set about cutting without authority. The company cannot stop them doing so, but they can, and will, apply to the Government to do so. This is the course Mr. Alan Scott intended to pursue in the case of Lawry if the amicable arrangement above detailed had not been come to.

GERHARD MUELLER,  
Commissioner of Crown Lands.

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