

the Railway Contract; but, as Monahan had obtained a certificate for a residence-area before Moncreif had received the authority from the company to select the land in dispute, under section 33 of the said contract, he would not interfere with Monahan's title, since it would practically amount to ejection. The appeals were therefore dismissed with £11 costs in each case.

I now wish to read a letter from the company to the Government, dated 5th May, 1892; it runs as follows:—

New Zealand Midland Railway Company, (Limited), No. 156, Worcester Street, Christchurch,
5th May, 1892.

SIR,—

Section 246, Block XIV., Reefton Survey District.

I have the honour to inform you that, the company having agreed, under Section 33 of the Midland Railway Contract, to sell to one L. Moncreif this section of land of £3 10s. per acre, the Receiver of Land Revenue at Reefton declined to accept the deposit of 10 per cent. and survey-fees, or to receive the application or carry out the sale, and consequently the company has been seriously injured by losing a profitable sale, and in other ways.

The company has taken all necessary steps, under the Midland Railway Contract of 1888, towards carrying out the sale, and must therefore hold the Government responsible for all loss, damages, and expenses which have accrued, or may accrue in the matter.

I have, &c.,

(For the New Zealand Midland Railway Company, Limited),

ROBERT WILSON,

Engineer-in-Chief and General Manager.

The Hon. the Minister for Public Works, Wellington.

Of course, in the face of the decision of the Warden and of the advice the Government received that the applications made were not applications at all as required by the contract, we could not deal with them. Then an interview took place between Mr. Wilson and myself, and we sent him a letter, as follows. [Letter of 25th May, 1892, read. See Appendix, page 13.] This was the result of all these negotiations—all this trouble about the prior applications. We started from this date under this arrangement. This is the company's reply to that letter; it is dated the 31st May of this year. [See Appendix, page 14.] To that letter we replied on 14th June last as follows: [See Appendix, page 14.] And on 24th June Mr. Wilson left at the Public Works Office in Wellington the following type-written version of the new arrangements made, as he understood them:—

APPLICATIONS FOR LAND UNDER CLAUSE 33.

As regards applications already sent in to the Minister or the Commissioners of Crown Lands:—

A. That the company will, as quickly as possible after being informed of the value at which the land is assessed on behalf of the Queen, and after having agreed with the applicant as to a sale or lease, formally request the Queen or the Governor to have the same sold or leased, and also formally notify the Minister for Public Works that they have selected the same under clause 33 of the contract, and advised the Queen or the Governor accordingly.

B. That all applications for land which the Minister notifies to the company as being within any mining reserve (present or proposed) will not be further proceeded with, and that applications which affect lands dealt with under any Act relating to gold- or silver-mining will not be proceeded with unless such lands are clearly not required for *bond fide* mining purposes in the meaning of the Midland Railway Contract.

C. That all applications with regard to which any complication may exist, or any doubt be held as to the lands affected being auriferous or argentiferous, will be advertised if and as required by the Minister for Public Works.

As regards future applications:—

1. The company's application to have the value of lands assessed to be regarded as a preliminary proceeding merely.

2. That the Minister will at this stage notify whether the land may be dealt with or not.

3. That, on receipt of the Government valuation, and after having agreed with the applicant for a sale or lease, the company shall address a formal request to the Queen to sell or lease the land referred to, and forward the same through the Public Works Office for submission to the Governor.

4. That at the same time formal notice of selection be given to the Minister for Public Works, as required by clause 29 of the contract.

5. That the Minister will use all reasonable despatch in notifying to the company that the Governor has assented to the respective sales or leases, and at the same time will cause the Receivers of Land Revenue to be authorised to receive the deposits and survey-fees in respect of the lands so dealt with.

It is understood that the foregoing is for the purpose of facilitating dealings with western lands, and does not prejudice in any way the respective rights of the Government or the company under the contract.

That clears the evidence up to the 24th June. Immediately we got this we sent the whole of the remaining applications to be assessed by the Commissioners, and as fast as they assess them we are granting them, or such of them at any rate as can be granted, but many of the applications cannot be granted owing to the land applied for being required for mining. Therefore no delays have been caused, or principally caused, by us. The question of the regulations was the main cause of delay. We find that the applications sent in by the company were not in terms of the contract, and right through the negotiations the company never pressed to have these applications dealt with. They were always pressing for the regulations, and the applications were held in abeyance pending the regulations being agreed to. And with regard to these regulations the company were told, or practically told, on the 29th August 1890, that no regulations could be made. At that time Mr. Fergus was clearly acting under the advice of the Law Officers, that the powers of the Queen could not be delegated to the Commissioners of Lands. As regards the pointing out to the company that regulations such as they proposed could not be made, it is quite true that they were not informed of this, in so many words, until the 23rd December, 1891, but Mr. Fergus's letter of the 29th August, 1890, practically pointed out the same thing. The company were all this time asking for the applications to be dealt with under regulations which could not be made. If the regulations could have been agreed to under the terms of the contract no question would ever have been raised, and as the regulations could not be agreed to, it is unfair to say that the Government acted unfairly to the company in the matter. When we came to complete the negotiations and get the applications into ship-shape, we found that fully one-half of them were within mining reserves, and were not made by persons requiring the lands for settlement or production, but because the areas were so situated that those employed in mining, or procuring timber for mining purposes, would have to buy them out. I quite exonerate the company in the matter, for when it has been pointed out that this was the case they have agreed with the Government that the applications should be allowed to lapse. It was an effort to establish free-trade in land by some of these people; for, as soon as they thought there was