

1875.

## NEW ZEALAND.

## TIMBER LICENSES HELD BY THE SHORTLAND SAW-MILL COMPANY,

(CORRESPONDENCE RELATING TO).

*Presented to both Houses of the General Assembly by Command of His Excellency.*

## No. 1.

Mr. T. RUSSELL to the Hon. Dr. POLLEN.

MY DEAR POLLEN,—

31st July, 1874.

I send you the memorandum about the kauri forest. McCormack has also written about it to me. When you have read it, if you agree, I will see the Attorney-General as to remedy; but as I want to get away South on Tuesday, please do it quickly.

The Hon. Dr. Pollen.

Yours, &c.,  
T. RUSSELL.

## Enclosure 1 in No. 1.

MEMORANDUM for the Hon. Dr. POLLEN.

THE annexed letter from Mr. James Mackay, jun., Government Land Purchase Agent in the Province of Auckland, will explain to the Government the circumstances under which the Shortland Saw-mill Company acquired the forests they now hold and use at the Thames.

The Company have rested with implicit faith upon arrangement with the Government as to these forests, and they have spent nearly £20,000 in the undertaking and the erection of machinery for utilizing the timber. They assisted Mr. Mackay to purchase the freehold of the lands for the Government (the lands are gold-bearing); and the Company confidently assert that but for their assistance the Natives would not have sold the lands to the Government; nor would Mr. Mackay have undertaken to acquire those lands for the Government, but for the express condition that our rights were to be recognized.

Our rights are all expressed in deeds of lease duly signed by all the parties, and the deeds of conveyance made to the Government of the freehold (acquired by our assistance) have clauses in them or indorsed upon them expressly stating that the lands are conveyed to the Government subject to our leases.

No dispute of any kind exists between the lessors and the lessees, nor have the Government shown any desire to repudiate the arrangement referred to (see the Hon. Mr. Ormond's memorandum hereon); but while our titles were being completed, and without any intention to injure us, the Government issued a Proclamation under the Immigration and Public Works Act, the effect of which was to invalidate all dealings with the Natives in respect of rights or interests in any lands on the Cape Colville Peninsula, and, as our forests and some others are included within the area of the land proclaimed, it is doubtful whether our deeds are not thereby invalidated, although contrary to the intention of the Government under the arrangement before referred to. Some of the lands thus acquired on which our forests are growing have been handed over to the Provincial Government, and proclaimed waste lands of the Province of Auckland, open, &c.; and I am informed by letter from Auckland that applications are likely to be made for timber licenses to be exercised in our forests.

The Government are respectfully urged to pass a measure this session to nullify the effect by the Proclamation referred to in respect of these lands.

Wellington, 31st July, 1874.

For the Company,  
T. RUSSELL.

## Enclosure 2 in No. 1.

Mr. J. MACKAY to Mr. T. RUSSELL.

SIR,—

Auckland, 18th July, 1874.

Referring to the question which you this day put to me respecting the effect of the recent Proclamation upon some of the blocks of land, as per margin, to be waste lands of the Crown, as regarded grants and leases of the forests growing thereon previously made to the Shortland Saw-mill Company (Messrs Stone, Wilson, Heron, and yourself), I have the honor to inform you that the forests on the lands mentioned were originally purchased by either Mr. O'Keeffe or myself from the Native owners, and transferred to your Company long before I was engaged to acquire lands for the Crown.

In my letter to the Hon. Mr. Ormond, dated 24th January, 1872, I drew particular attention to the fact that the kauri timber on the Otunui and Whakairi Blocks (which include those before mentioned) had been purchased.

Mr. Ormond, in reply, instructed me that "there was no alternative but to conserve the legal or equitable rights of those persons who had acquired kauri timber." In accordance with that understanding, when I purchased the land for the Government, your Company were allowed to procure leases of the timber, and the necessary privileges and easements for the cutting and removing the same from the land. These leases were either alluded to in the body of the deed of cession to the Crown, or a memorandum was indorsed on them to that effect by me.

I do not understand how the Government can by Proclamation set aside that which has been done in accordance with Mr. Ormond's instructions to me, and confirmed by deeds between the parties.

It may also be as well to state that if the Government had purchased the timber in addition to the freehold, more money would have been paid by them to the Natives, and no advantage would have been derived from extra outlay, as the timber would have been eventually destroyed by bush fires lighted by miners and gum diggers, which acts might be prevented to a considerable extent by a Company having men constantly employed on the land and in the forests, but not by the Government.

I have, &amp;c.,

JAMES MACKAY,  
Land Purchase Agent.

T. Russell, Esq., Auckland.

Minute by the Hon. Dr. POLLEN on No. 1.

Mr. RUSSELL,—

There is no doubt that there was a distinct understanding, at the time of the purchase of the particular blocks upon which the Saw-mill Company claim the timber, that the rights of the Company in the matter would be recognized. If these rights have been affected or endangered by the action of the Government, there ought to be a remedy.

D. POLLEN.

## No. 2.

Draft of proposed Letter to the SHORTLAND SAW-MILL COMPANY.

SIRS,—

Referring to your memorandum of 31st July last, addressed to me, and setting forth the nature of the claim of the Shortland Saw-mill Company to the leases of certain kauri and other forests at the Thames (your memorandum also covering letter from Mr. James Mackay to your Mr. Russell, dated 18th July, 1874), a copy of which and memorandum are annexed, I beg to state that the Government have already recognized the rights of the Company as set forth in your memorandum and Mr. Mackay's letter, and they will take measures to carry out the arrangements made with you, and to nullify the effect of the Proclamation upon your titles. I regret, however, to say that it is not possible at this late period of the session to prepare and pass an Act to do so, but before the next session of Parliament a Bill shall be prepared, and the Government will in the next session bring it forward and endeavour to get it passed.

Meanwhile, the Proclamation to which you refer shall be revoked, so as to prevent any further complication of the question.

The Shortland Saw-mill Company.

Minute by the Hon. Dr. POLLEN on No. 2.

THIS is a draft of a letter prepared by Mr. Russell, which he desired to be addressed to the Saw-mill Company at Shortland, of which Mr. Russell is a partner. I have not thought it necessary to accede to Mr. Russell's wish in this particular, but have caused a Proclamation to be issued withdrawing from Provincial Government control the blocks named Opongo, Hotoutou, and Hihi and Piraunui, the only blocks affected by the agreement of the Company with the Natives which have been proclaimed as having had the Native title thereto extinguished.

1st October, 1874.

DANIEL POLLEN.