for a right over 200 acres, and the Warden refused, because he said he had no power to grant it. If the company informed the sawmiller that he could cut the timber on mining reserves for other than mining purposes they would be told that they were going outside the law. My answer to paragraph (*c*) is that the Government have done so, and I find it absolutely necessary that such should be the case. One Commissioner of Lands was writing in one direction, and another Commissioner of Lands was writing in another, and there was a lot of correspondence going on between the company and these Commissioners of Lands. The Queen, who is the person to be written to—or the Governor—which, of course, means the Government of the day—had not the slightest conception that this correspondence was going on. It is very likely, I think, that in that correspondence interpretations were being given to provisions of the contract by the Commissioners of Lands which would not be borne out by the contract at all. I allude especially to some correspondence with the Commissioner of Lands at Nelson. I believe the draft regulations came from him, or at any rate they were submitted to him. Such correspondence as this must, in the end, have led to confusion. Then, as regards the collection of royalties for timber, I attribute some blame in respect of that to the Commissioners of Crown Lands. It was the duty of the Commissioners of Crown Lands of the various districts to see to this; but there seems to have been correspondence going on between the Commissioners and the company on the matter which the Government was not aware of. Now, under the terms of the contract, section 33, it is very clear that the decision of matters rests with the Government. The request must come direct to the Minister. The expression, "the Queen" is used right through the piece, and this could not possibly be taken to mean the Commissioners of Lands. The power could not be transferred or delegated from the Queen or the Governor to any Commissioner of Lands. At all events, it is quite true that the Government have, owing to the circumstances I have mentioned, asked that all correspondence shall come to the Government, and be sent from the Government to the Commissioner of Lands if necessary. We have done so in the interests of both the company and the Government. Now, if the company wants to know the value of any piece of land which they desire to select they write direct for that purpose. The Commissioner of Lands assesses the value, and we give it to the company direct. With regard to paragraph (*d*), the Minister now requires that all such communications be sent to him direct. Many of the applications referred to we find are not in terms of section 33 of the contract at all. Instead of facilitating business, therefore, the course previously adopted has simply retarded it. The company found they had to commence *de novo*, and all this has simply led to confusion. Here is a letter purporting to be an application under section 33 of the contract—I refer to subsections 1 and 2, No. 2 more particularly:—

New Zealand Midland Railway Company (Limited), No. 156 Worcester Street, Christchurch, N.Z.,
SIR,— 21st January, 1892.

I have the honour, by direction of the general manager, to forward herewith, under separate cover, a number of applications for land which the company desires to deal with under clause 33 of the Midland Railway Contract, and to request that you will "forthwith cause the value of such lands to be assessed" as provided in section 2 of the above-named clause.

These applications can all be located by the Commissioner of Crown Lands for the districts from the information given. There is, therefore, no reason why they should not be dealt with at once. For convenience the Westland and Nelson applications have been divided according to lists enclosed.

I have, &c.,
New Zealand Midland Railway Company (Limited),
For Engineer-in-Chief and General Manager,
The Hon. Minister for Public Works, Wellington. W. KENNEDY, Secretary.

That letter covered 140 applications, and those are all the particulars which we have received. We say this: to simply say the area is going to be "dealt with" under clause 33 is not sufficient, as the application ought to state whether the land is to be sold for cash, or on deferred payment, or to be leased; and if to be leased, it ought to state the terms upon which the areas are proposed to be leased. Of course, it has now been conceded that this form of application is really no application at all under section 33. First of all we must know whether the land is to be sold for cash, or on deferred payment, or to be leased, together with the names of the persons applying for it. All that you have here is a list of the names and the areas applied for. That is all the information the Government received with all these applications. Of course it is going into ancient history to go into this now, but still, as it is mentioned in the petition, it is just as well to show the Committee how the complications have arisen, and to point out that these applications about which the company complain are really not applications at all. When the question came up for definite settlement ultimately the company admitted this. In fact, I may say they were not treated as applications by the Government. The date of this application is 21st January, 1892, and another was dated the 7th March, 1892. On the question of the right of the Warden to deal with the land referred to in paragraphs (*a*), (*b*), and (*c*), I simply say there is a decision of the Court by a District Judge giving an interpretation of the contract and the law which is greatly in favour of the contention of the Government. This decision was given after the Government had taken up their view. The newspaper report of the case reads as follows:—

West Coast Times, Tuesday, 29th March, 1892.

THE right of Wardens to grant residence sites was dealt with by Judge Ward at the District Court, Reefton, the other day. The cases were Moncrief *v.* Evans, and Moncrief *v.* Monahan, both of which were appeals from the Warden's Court. Mr. Jones appeared for applicants, and Mr. Guinness for Evans, and Mr. Lynch for Monahan. In the former case Mr. Jones contended—1st, that the land was withdrawn from the jurisdiction of the Warden, except for *bonâ fide* mining purposes within the meaning of the railway contract; 2nd, that the respondent was not a *bonâ fide* miner for gold or silver as required by the contract; 3rd, that the respondent did not serve notices on either the apellant or the Midland Railway Company, being persons whose interests were obviously affected, of his intention to apply for a residence-area; 4th, that the respondent at the time he marked a residence-area was not the holder of a miner's right. His Honour overruled all the points raised, and held that the Midland Railway Contract, until the actual selection of the land by the company had taken place, did not restrict the power of the Warden to grant all the rights and privileges mentioned in the Mining Acts and regulations. Monahan's case, his Honour contended, was somewhat different from that of Evans, inasmuch as Monahan was not a *bonâ fide* miner within the meaning of