

3. As to lands to be ceded in return for railway construction ;
4. As to townships, not making conditions as to doctors, hospitals, and other details of a like character.

The Natives must apply for the survey by the Government of lands which they desire to place in the hands of the Government, and also apply for them to be brought before the Court, in terms similar to those prescribed by section 31 of "The Native Reserves Act, 1882," so as to obtain certificate and order of Court. The Government will then, when the order is obtained, enter into an agreement embodying the terms of the arrangements which were previously determined on.

No dealings with any outside person will be recognized by the Government either as to the timber or anything else, and the Government will not withdraw any lands from the operation of the Thermal Springs Act in favour of any person or company.

Lands ceded for railway purposes should as far as possible be along the proposed line of railway in alternation with the lands to be sold or leased.

Thermal springs will not in any case be alienated. Ample residence reserves should be insisted on and confirmed by the Court, and made inalienable by the order. Deductions to be made for the expenses of survey, advertising, &c., should be determined in the same manner as is provided for in "The Native Reserves Act, 1882," section 9; and generally the administration should follow as closely as possible the provisions of that Act.

3rd March, 1883.

W. ROLLESTON.

No. 18.

The Hon. Mr. ROLLESTON to Dr. J. LOGAN CAMPBELL.

General Crown Lands Office, Wellington, 7th June, 1883.

SIR,—

I have the honour to acknowledge the receipt of your letter of the 30th ultimo, enclosing a draft agreement between the Governor and the company, which, you submit, would be a means of removing any difficulties which the company experience in their endeavours to promote the construction of the railway to Rotorua.

Since I received your letter I have been favoured by an interview with yourself and Mr. McCosh Clark, and had the opportunity of explaining to you that there is no power, so far as the Government is aware, on the part of the Governor to enter into any undertaking such as that contemplated in the draft agreement forwarded by you; such an agreement being, as I am advised, *ultra vires*.

The Government has already, as I informed you, made arrangements by which the dealing with the lands in the Thermal-Springs District will be expedited.

A sitting of the Native Land Court will be held during the present month, at which the title to the Rotorua lands will be investigated, and Mr. Clarke, an officer of high standing, and well known by the Natives in the district, has been engaged to proceed with negotiations as contemplated by the Thermal Springs Act on the part of the Government. He will probably be in Rotorua for the purpose next week.

You will gather from what I have stated that the Government is not prepared to enter into any agreement which would devolve upon the company functions which under the Thermal Springs Act belong exclusively to the Crown, acting with the consent and on behalf of the Natives, and which in accordance with the intention of the Legislature have to be exercised alike in the interests of the public, the Natives, and the railway.

I trust that the explanations which have been afforded to you will satisfy you that not only is there no antagonism on the part of the Government to the prosecution of the Rotorua Railway, but that they are desirous to forward it in the manner contemplated by the Act, in the interests of all parties concerned, and so as to avoid future complications which would at least retard rather than facilitate the object in view, an object which the Government no less than the company desire to attain.

With regard to the draft agreement under the Railways Construction Act you will be communicated with in another letter as soon as it is reported on by the officers of the different Government departments to which it is referred.

I have, &c.,

W. ROLLESTON,

Minister of Lands.

J. Logan Campbell, Esq., Auckland.