

The right of cutting timber shall be put up at a bonus per square mile, and vary according to the situation and value of the limit, and sold to the highest bidder by competition, either by tender or by public auction.

The purchaser shall receive a lease for 21 years, granting the right of cutting timber on the land, with the following conditions : To erect a saw mill or mills in connection with such limit or lease, of a capacity to cut at the rate of 1,000 feet broad measure in 24 hours, for every two and a half square mile of limits in the lease, or to establish such other manufactory of wooden goods, the equivalent of such mill or mills, and the lessee to work the limit within two years from the date thereof, and during each succeeding year of the term ;

To take from every tree he cuts down all the timber fit for use, and manufacture the same into sawn lumber or some other salable product ;

To prevent all unnecessary destruction of growing timber on the part of his men, and to prevent the origin and spread of fires ;

To make monthly returns to Government of the quantities sold or disposed of—of all sawn lumber, timber, cordwood, bark, &c., and the price and value thereof ;

To pay, in addition to the bonus, an annual ground-rent of \$2 00 per square mile, and further, a royalty of 5 per cent. on his monthly account ;

To keep correct books, and submit the same for the inspection of the collector of dues whenever required.

The lease shall be subject to forfeiture for infraction of any of the conditions to which it is subject, or for any fraudulent return.

The lessee who faithfully carries out these conditions shall have the refusal of the same limits, if not required for settlement, for a further term not exceeding 21 years, on payment of the same amount of bonus per square mile as was paid originally, and on such lessee agreeing to such conditions, and to pay such other rates as may be determined on for such second term.