

120. Do you know whether Commissioners of Crown Lands and Land Boards have discretionary powers in dealing with matters of this kind?—Certainly, or who is to conduct the business?

121. When you paid that money you reckoned that their discretionary power allowed them to grant you the right to prospect over a certain area of land?—We were asking for no conditions. As I have pointed out, it had been proved barren. We were doing a good thing for the country. If any private individual had owned the property and we had done the same as we have done, he would not have broken faith with us.

122. You asked for the right to prospect and they gave it to you, and you spent money on prospecting?—Yes.

123. So that you considered your position was safe, as far as the law was concerned?—Yes.

124. The Commissioner of Crown Lands took your money and gave you the right to prospect, and that satisfied you?—Yes.

125. Did you inquire further into the legal position?—Not till the dispute arose.

126. I think the Land Office asked you to send them an account of the prospecting operations. Did you send that?—Yes; we sent them particulars as to the boreholes.

127. Have you anything to show what you sent them?—Yes. This map shows the bores.

128. Would you mind indicating on that map the information you sent them?—There is a borehole here [Indicated]. At 300 ft. we got 27.5 ft. of fireclay; at 302 ft. we got 2 ft. of clay; at 309 ft., 6.4 ft. of dark stone with coal mixed; at 314 ft., 5 ft. of poor coal; at 320 ft., fireclay; and then there was slate.

129. Did you send this information to the Commissioner of Crown Lands when he asked for it?—He applied for it, and we sent it as required.

130. Was this before he took your deposit on the lease?—Yes.

131. You applied for a lease, did you not?—Yes.

132. Did the Department accept your form of application?—They did.

133. And took your money?—Yes.

134. Have they got that money yet?—Yes.

135. *Mr. J. Allen.*] Here is a receipt dated the 15th April, 1903, for £176 on an application for a coal-mining lease of Wahi and Rotoiti Lakes, Waikato County, 1,300 acres. Would you mind reading what is in writing at the bottom there? [Document handed to witness.]—"First payment, deposit No. 1710."

136. First payment on a deposit of what—that same thing?—Yes.

137. What is the date of this No. 1710?—18th March, 1903. That is for Lake Rotoiti. It is for 10 acres of the smaller lake—Lake Rotoiti.

138. Would you be kind enough to explain to me why there is written on that receipt for £176 on an application for a lease of 1,300 acres, those words "First payment, deposit No. 1710"?—No, I cannot. There are the receipts. It must be an irregularity in the office.

139. I would point out, Mr. Chairman, that this receipt for £176 is dated the 15th April, 1903, and is given on an application for a lease of 1,300 acres. On it is written by the Receiver of Land Revenue a note that he gave a receipt for the first payment on account of this transaction on receipt No. 1710. That receipt No. 1710 is dated the 18th March. If that is correct I want to know whether the application for the lease is to date from the 18th March—the date of the first payment—or later. Here is another receipt from the Receiver of Land Revenue. It is dated the 4th August, 1902, and is for £15, for a coal-prospecting license over 100 acres, Wahi Lake. The amount has written opposite it "Survey fee"?—There has never been any survey.

140. That is meaningless, is it?—Yes. As Mr. Mueller pointed out regarding several matters that had gone on with Mr. Taylor, the Receiver, there had been a lot of blunders made—that is what he said.

GUSTAV ROSSENBECK examined. (No. 2.)

141. *The Chairman.*] What is your name?—Gustav Rossenbeck.

142. What are you?—A miner.

143. Are you a member of the syndicate?—Yes.

144. Do you wish to make a statement?—I wish to say that the original application of the Taupiri Company was for 400 acres, and when we were recommended by the Department to make application we were advised to apply for this part [Indicated on plan], and the Taupiri Coal Company were recommended to apply for that part [Indicated]. If their original application had a right to be considered before ours for the whole area because it was first, then their second application should be considered after ours, because there is a letter in the Land Board Office in Auckland from them applying to have the moneys which covered the first application for 400 acres transferred to the other one. That left their first one uncovered, and their last application was sent in some time after our first one. So that, as regards priority, we should have the first chance.

145. *Mr. R. McKenzie.*] You had all the ground under protection?—Yes; but this is what Mr. Mueller wants to make out: that we had no right; that the application by the company for the 400 acres was received before we applied for the whole area.

146. *Hon. Mr. McGowan.*] If the Land Board had granted the prior application of the Taupiri Company in accordance with the law, what position would you have been in?

*Mr. Leather:* We should not have done anything. We should not have spent a shilling on it. We knew the mining laws of the colony as well as the Commissioner or any one else; we knew what we were boring for, and we have proved the ground and we knew the obstacles. It was enterprise; and you are not going to throw cold water on it after we have found the coal, and give these people half of it? If private persons had owned the property they would not have done such a thing. If you allow men to jump a claim, almost, because we are boring and have found a bit of coal, well, I do not know what it is coming to.

147. *The Chairman.*] Is there anything else you wish to say, Mr. Rossenbeck?—I have no more to say. I only wished to point that out.