E. W. Alison, M.H.R., examined. (No. 3.)

148. The Chairman.] Will you proceed with your statement, please, Mr. Alison?—Yes. I appear here in the position of chairman of directors of the Taupiri Coal Company. The petition before the Committee, sir, is one from "the people" on behalf of the Huntly Coal-prospecting Syndicate, and asks "that in pursuance of 'The Coal-mines Act, 1891,' we desire to obtain, and will, full rights in accordance with this Act; being the original prospectors of Lakes Wahi and Rotoiti adjoining the Taupiri Coal Company's property for coal purposes; after having complied with the demands of the Commissioner and the Land Board, they have refused to grant the full area of our application, being under 2,000 acres, which is allowed by the Act.' The petition, you will observe, is one from "the people" on behalf of the Huntly Coal-prospecting Syndicate and is signed by ninety-two persons, embracing persons resident within an area between Auckland and Hamilton and having all kinds of occupations. Mr. Leather and Mr. Rossenbeck appear on behalf of the people, or the syndicate; and Mr. Leather, in his statement, said that in 1902 a coal-prospecting syndicate was formed, and it was decided to consult with the Commissioner of Crown Lands; and that, acting on the advice of the Commissioner, the syndicate applied for 100 acres of Lake Wahi, it being understood that the syndicate could apply for the balance of the area of the lake, about 1,200 acres, when it chose. I am not in a position to say whether Mr. Leather's statements re the Commissioner of Crown Lands are correct or not; but I would draw the attention of the Committee to the fact that Mr. Leather did not submit one letter from the Commissioner in confirmation of his statement; and I respectfully submit that the whole corres-. pondence should be placed before the Committee in respect of all applications for coal-areas over parts or the whole of Wahi Lake. I would particularly draw the attention of the Committee to the fact that there is no provision in "The Coal-mines Act, 1891," by which coal-prospecting leases can be granted. If you will refer to clause 6 of "The Coal-mines Act, 1891," you will see how applications for leases must be made. No provision is made for prospecting leases. Clause 6 reads as follows: "Applications for leases must be made in writing to the Warden or Commissioner, as the case may be, and accompanied by a deposit of three shillings for every acre applied for, which deposits shall be credited to the applicants respectively against any fees, rents, and royalties that may be or may thereafter become due in respect of their said applications or leases. Where more than one application is made for a lease of the same land, precedence shall be in the order of the receipt of the applications by the Warden or Commissioner; if made on the same day, the precedence shall be decided by lot." So that the Commissioner had no power, under the Act, assuming Mr. Leather's statement to be correct, to grant a coal-prospecting license to the Huntly Coal Syndicate or any one else. But even if he had, how could he grant a prospecting license over an area which had been proved coal-bearing years ago, and which, as the petitioners admit, adjoins the Taupiri Coal Company's property? Any expert conversant with the coalmeasures at Huntley, or any one conversant with the workings, developments, and tests on the western side of the Waikato River in that locality, must had keep that the coal extended as far as Rotoiti, Lake Wahi, and far beyond. Mr. Leather and Mr. Rossenbeck were both workers in Ralph's Taupiri mines, and have been so for years, and knew that the developments of the company proved that the coal-measures were extending to the section owned by the Coal-prospecting Syndicate, and almost certainly to Lake Wahi. The section owned by the syndicate is Lot 48 here [Pointed out on plan]. It was owned by the Coal-prospecting Syndicate before they made their application.

149. Mr. J. Allen.] How do you mean by "owned"?—They owned it as a freehold piece of land. There is absolutely no doubt whatever that the Coal-prospecting Syndicate undertook boring on Section 48, adjoining Wahi Lake, because of the information its members had obtained through being workers in the company's ground adjoining; and they were not entitled to a coalprospector's license or any area, even if such could have been granted, any more than a person could be granted an area, I contend, alongside the Waihi Gold-mine under a prospecting license applied for in 1902. Now, sir, I will endeavour, as briefly as I can, to state the facts in connection with the application for leases made by the Taupiri Coal Company. But before doing so I desire to say I extremely regret that Mr. Leather should have made statements aspersing the reputation of Mr. H. A. Gordon, a director of the Taupiri Coal Company, and, from my experience

of him, an honourable gentleman.

150. Mr. R. McKenzie.] What has this got to do with it?—It has a great deal. Mr. Leather stated that Mr. Gordon used undue influence to prevent the syndicate obtaining justice at the hands of the Mines Department. He made that statement deliberately. Now, as chairman of directors of the Taupiri Coal Company, I am in a position to state, and unhesitatingly do so, that there is not one word of truth in the statements made by Mr. Leather which reflect upon Mr. Gordon-not one word. And I would direct your attention to this, that Mr. Leather's statement was entirely unsupported. The only point he actually advanced was that on a certain occasion he met Mr. Gordon coming out of the public building-

151. You say there is not a particle of truth in what Mr. Leather said about Mr. Gordon. Do you deny that Mr. Henry A. Gordon is one of the directors of the Taupiri Coal Company, or engineer for them, and also Engineer for the State Coal-mines?—No.

152. Then you admit there is some truth in what Mr. Leather said !- I say there is no truth in the statements made by Mr. Leather which reflect on Mr. Gordon. The only point Mr. Leather actually advanced was that on a certain occasion he met Mr. Gordon coming out of the public building occupied by the Crown Lands Commissioner when he (Mr. Leather) was going into the same building. I go further and say that neither the directors nor the company have used any influence other than that used under ordinary circumstances. The company had no occasion to use undue influence. All it asked was that it should be treated justly and in accordance with the law. I will now place before the Committee the correspondence which took place between the