

Coal-mines Act, 1891, says, 'Precedence shall be in the order of the receipt of the applications by the Warden or Commissioner,' and, as my company's application was in first, we claim in all fairness that it shall be granted. I would further point out that from the surface to the bottom of the coal-seam in our last borehole the distance was 350 ft., 119 ft. of which was running sand, water, and boulders; as the hole now being put down on edge of lake is further to the dip, we do not expect to bottom the seam under 400 ft. The initial expenses of shaft-sinking in such country and the attendant difficulties would be almost sure to result in failure to a new company, whereas my company have only to continue the present headings to work the lake coal and bring it through the present workings. In conclusion, sir, I trust that in dealing with our application consideration will be given to the fact that we are prior applicants, that my company have already paid the Crown thousands of pounds in royalty, and that we have already spent some hundreds of pounds in development-work in anticipation of working this lake coal. I am enclosing plan showing headings and boreholes testing the deep channel of country. This was ascertained after driving in various directions, and the proposed main heading is set on that course." On the 2nd June the Commissioner of Crown Lands replied, "Coal lease, Lake Wahi: In reference to your application for a lease of a portion of the above lake, I have to inform you that the Land Board resolved to adjourn consideration." On the 1st July the Commissioner wrote as follows: "Coal leases, Wahi Lake: At a meeting of the Land Board held the 26th June last, the following resolution was passed: 'That the persons interested in the Wahi coal-lease applications be communicated with, so that they may come to some understanding between themselves as to a satisfactory division of the area, to enable the Commissioner to report to the Board at the next meeting.' Will you please see the Huntly Coal-prospecting Association with a view to the settlement of the difficulty." On the 17th July the company wrote as follows: "In reply to your letter of the 1st July recommending our company to communicate with the Huntly Coal-prospecting Association *re* division of area of Lake Wahi applied for by both the above prospecting association and by this company, I beg to inform you that our Mr. W. J. Ralph interviewed Mr. Leather at Huntly on Tuesday last with that object, and was informed by him 'that his syndicate was not prepared to consider any suggestion for the division of the area referred to; that he had been acting on the advice of the Crown Lands Office all along; that he knew that his syndicate was entitled to the whole of the lake, and that it must be granted to them.' Under these circumstances I regret there seems no hope of coming to any terms with the applicants for lease of Wahi Lake, and I therefore trust that your Board will now grant the applications made by us on the 23rd and 30th August last, they being made in accordance with the provisions of 'The Coal-mines Act, 1891.'" The next letter is from the Under-Secretary, Mines Department, under date the 1st December, 1903: "I am directed by the Hon. the Minister of Mines to inform you that after inquiry it has been decided not to refuse consent under the Coal-mines Act to the issue of two leases indicated on the accompanying tracing—that is, a lease to the Huntly Coal-prospecting Association of the areas marked B, hatched red, and a lease to the Taupiri Coal-mines (Limited) of the area marked A, hatched blue, on the following conditions: Area A: Royalty, 6d. per ton on all coal sold; rent, 2s. per acre; 1,000 tons of coal to be produced within two years, output for third year 3,000 tons, output for fourth year 4,500 tons, output for fifth year 9,000 tons, output for sixth and succeeding years 10,000 tons. Application can accordingly be made by the Taupiri Coal-mines (Limited) for the area marked A to the Commissioner of Crown Lands, Auckland, who will deal with it on compliance with the requirements of the Coal-mines Act in respect to payment of deposit, advertising, &c.—I have, &c., H. J. H. ELIOTT, Under-Secretary." This plan is the one referred to. [Produced.] Area A is marked in blue, and B in pink. The company communicated with the Commissioner of Crown Lands under date the 29th December, 1903, "The Under-Secretary for Mines informs me in his letter dated the 1st December that application can now be made by our company for that portion of Lake Wahi marked A on plan. I therefore beg to apply for a coal lease of area A, Lake Wahi, containing about 250 acres. The amounts paid to you as deposits on former applications for lease of Wahi Lake—viz., £37 10s. on the 22nd August, 1902, and £23 14s. on the 4th March, 1903, making a total of £61 4s. Please transfer to the credit of the present application." The Assistant Surveyor-General (Mr. Mueller) wrote to the company on the 11th January, 1904, as follows: "*Re* application coal-mining lease, Wahi Lake: In answer to yours of the 29th ultimo, I have to state that up to the present I have received no notification of the decision come to by the Government, and therefore cannot as yet take action as requested. I have written to the Mines Department asking the Secretary to inform me what has been decided upon." On the 18th May the company wrote to the Commissioner of Crown Lands, "I have the honour to forward herewith lease of part of Wahi Lake, in triplicate, duly signed by the directors of this company." I may here mention that the lease, in triplicate, was forwarded to the company, a meeting of the board of directors was held, the leases were signed and the seal of the company attached, and the letter I have just read was sent, accompanying the lease. On the 11th July, 1904, Mr. James Mackenzie, the newly-appointed Commissioner of Crown Lands, wrote to the company as follows: "I beg to request you to pay to the Receiver of Land Revenue, Auckland, £1 1s. fee for coal lease of portion of the Wahi Lake." In due course the £1 1s. fee was paid. The receipt is here, "Auckland District Office, 6th August, 1904.—Received from Taupiri Coal-mines (Limited) as lease fee on portion of Wahi Lake marked A, 230 acres, the sum of one pound one shilling—£1 1s.—T. M. TAYLOR, Receiver of Land Revenue, p. H.R." I have endeavoured to put the business before the Committee in its proper order. I will leave the documents for the consideration of the Committee. You will see, gentlemen, that from first to last the company has been in a proper legal position. It made its application prior to the syndicate making their application for the area they are now asking for. In the first instance the syndicate made application for 100 acres. The company made application for 250 acres, and subsequently an amended applica-