

ing at the time. They explained to me that they had been boring for coal and were in the midst of boring some further holes, and were particularly anxious to secure the area in case they should be successful in finding coal. It then resolved itself into this: They decided upon taking up 100 acres right in front of the particular section where they were prospecting.

4. What do you mean by "taking up"?—Taking up on lease—applying for 100 acres of a coal-mining lease. Very well, this was done. It was pointed out also that it would be very hard for them to lose their deposit in case these boring operations should not prove successful. The only way I could suggest out of that was this: that I might recommend the Land Board not at once to deal with the application, but to adjourn consideration of it for a month or so, in order to give them an opportunity to get their bore down. If the Board had dealt with the application at the very first meeting afterwards, and had decided under what conditions the lease was to be granted, then, of course, if the company's attempts to bore for coal had proved unsuccessful they could not have got their deposit back again, because after once receiving notice that their lease of 100 acres was granted the deposit would have gone into the public fund. Therefore, to meet their case the Board felt that it was desirable to make matters as easy for them as possible, so we adjourned consideration of the application for a month, hoping from what they stated that during that month they would be able to find out whether there was any coal there or not. If they should be unsuccessful, well, then their application would drop to the ground and their deposit would be returned. However, a month passed—perhaps it was two months—and they made no application for the remainder. The idea, of course, I would point out again so as to make it perfectly clear, was this, that as soon as they should strike coal they could come to the office and make application for the whole lake if they liked—any area they pleased. However, as I said, a month or two passed—I cannot say exactly how long—and they never came to the office; but one morning some one connected with the Taupiri Company made inquiries at the Land Office as to what lands had been taken up for coal-mining purposes, and it was pointed out to him that 100 acres had been applied for by the prospecting company, but that the Board had not dealt with the matter. I think that gentleman was Mr. Ralph, but it may have been Mr. Scherff, the secretary to the Taupiri Company. At all events, he then made an application for, I believe, 500 acres surrounding that area of 100 acres. The application was made in perfect order, and the 3s. per acre was deposited.

5. Was it surrounding, or did it include the 100 acres?—It did not include the 100 acres; it was surrounding the 100 acres. As I was saying, this application was quite in order, they paid their deposit, and everything seemed to be right. A day or two after a Mr. Hetherington made application for the small lake adjoining—Lake Rotoiti—and after him came some members of the Huntly Prospecting Company. They wanted to make application for the whole of the two lakes. Of course, they were told that they had been forestalled, and that an application had already been made by the Taupiri Coal Company. Well, they expressed their disappointment, and Mr. Meldrum stated that he thought they had the first right, and so on; but in strict law the first applicant under the Mines Act has the first right, and of course any action the Board may take in declining or granting an application is subject to the approval of the Minister. A long correspondence, I believe, took place. The prospecting company wrote to Wellington and complained. Two or three times I reported upon this same subject, and at last the decision came from Wellington to intimate to both parties interested that their applications were refused. I did so. The next step, I believe, was that Mr. Hayes, of the Mines Department, was sent up to report upon this matter in conjunction with myself. We went to Huntly, went over the ground there, and saw most of the parties interested in it. Mr. Hayes had, prior to that, made a geological examination of the country thereabouts, and he cut out one-half of the lake—the northern part—as not being coal-bearing. Well, after considering all the circumstances of the case we reported thereon, and our recommendation was that a certain area—an area in front of the land owned by the Taupiri Coal Company—should be granted to the Taupiri Coal Company, and the other and much larger area in front of the ground which was occupied by the prospectors should be granted to them. This report was sent to Wellington, and after a while—I do not remember how long a time passed—I received intimation that our recommendation would be acted upon, and was requested to notify the Taupiri Company and the Huntly prospectors that such was the case, and to inform them of the conditions on which these coal-mining leases were to be granted. I did so. The Taupiri Company accepted the offer but the Huntly Prospecting Company refused, always asserting that they were entitled to the whole of these two lakes, that they were done out of the ground, that the others had taken advantage of them, that the Taupiri Company had evidently heard about the boring that was carried on and about the coal they had struck, and that they had forestalled them and made an application. Of course, it was just the old complaint. Then the Taupiri Coal Company's lease was issued to them, but the other lease was not dealt with. That is practically the whole of the business in connection with the matter.

6. Under what authority did you suggest that you would recommend to the Land Board to adjourn consideration of the prospecting company's application, so that the applicants might get their deposits back again?—There was no particular authority, but I explained to the Board the exact state of affairs. I told them that these people were prospecting close by, that it was a question whether they would find coal or not, and that it would be hard upon them if, in addition to having to go to considerable expense by way of prospecting, they should lose their deposit of £15 which they had to make for the 100 acres. I said I understood that the prospecting company would in a very short time—within about a fortnight or three weeks—know the result of their boring, and I thought it would be kind and considerate to adjourn consideration of their application for a month, so as to give them an opportunity to bottom the hole they were boring in.