

36. And no action—just waiting for these people to come to some arrangement with the Government about the matter and meanwhile holding their money?—Yes.

37. I do not see much difference between that and postponement?—Perhaps there is not much difference. On this receipt it is all right—"Received from Huntly Coal-prospecting Syndicate by way of deposit on account of balance payment for coal lease."

38. What is that receipt?—It is for another 10 acres at Lake Rotoiti.

39. Will you look at the last receipt there and tell me the date of it?—"Received from W. S. Meldrum for Huntly Coal-prospecting Syndicate by way of deposit on account of application for coal-mining lease of Wahi and Rotoiti Lakes, Waikato County, 1,300 acres, the sum of one hundred and seventy-six pounds." That is dated the 15th April, 1903.

40. How much is the rent per acre?—3s.

41. How much would 3s. per acre be on 1,300 acres?—I suppose that would be right.

42. Would you mind calculating?—£195.

43. How much is the receipt for?—It is for £176.

44. What is the balance?—Very likely that would be the deposit they made on the other area.

45. What is the date of this last receipt?—15th April, 1903.

46. And the date of the receipt for £15?—4th August, 1902.

47. What is the difference in time between the two?—Nine months.

48. So the lease apparently was postponed for nine months and was then completed?—No, it was not completed. This amount was simply accepted from the prospecting company under protest. They insisted upon depositing the money for the whole of the lake-area, and there was no particular reason for not taking it, because the matter would have to be dealt with by the Department down here and by the Minister.

49. What was the money received for—what were your instructions about it?—Simply to receive the money and allow the question to be threshed out afterwards.

50. To receive the money for what purpose?—For the lease.

51. For the lease of 100 acres?—No; the lease of this 1,300 acres.

52. Was the £15 received?—Yes, for a lease of the 100 acres.

53. Are the 100 acres a part of the 1,300?—Yes.

54. The money received was a deposit?—Yes.

55. The deposit on the 100 acres had to be added to the money they paid for the 1,300 acres?—Or, rather, the money they paid for the 100 acres was deducted from the money they had to pay for the 1,300. Then they afterwards refused to deal with the Land Board at all. They said they would deal direct with Wellington. Very well. The whole affair was allowed to remain in abeyance until Wellington should decide what was to be done in the matter of these various applications.

56. I do not suppose you can tell us from memory at what date these things took place, can you?—No.

57. Did the syndicate write and ask you for a prospecting lease?—It is quite possible they did, but I cannot remember it now. They certainly were in the office about the matter over and over again, and the answer they received was always the same—"No prospecting lease can be given you under the Coal-mines Act, because there is no provision for anything of the sort."

58. Were you Commissioner of Crown Lands in Auckland on the 3rd December, 1902?—Yes.

59. Would you be good enough to say whether that letter came from your office? [Letter handed to witness.] Will you read it, please?—It is dated the 3rd December, 1902, and is addressed to Mr. W. L. Meldrum: "Huntly Coal-prospecting.—In reference to your letter of the 22nd November asking for six months' extension of time to enable you to extend your prospecting operations, I have to inform you that the matter has been considered by the Land Board, and they have resolved to grant you the six months' extension for which you ask."

60. Will you refer to their letter and see what it is they ask for?—"Huntly, 22nd November, 1902.—To G. Mueller, Esq., Commissioner of Crown Lands.—DEAR SIR,—Having received yours of the 19th November, I, on behalf of syndicate, beg to thank you for same. I now wish to inform you of the result of boring operations to date on Section 48, which has not been too satisfactory. We therefore request you to grant us a further extension of protection over lake-area. Mr. Gilberd, the party who does the boring here, has been previously engaged by the Taupiri Coal Company to bore two holes, after doing which he will be at liberty to continue boring for our syndicate, which we anticipate will be in one month. Trusting that you will grant the above request for an extension of at least six calendar months from date, as we intend to prospect the syndicate's interests thoroughly."

61. What do you understand by "protection" there and "to prospect"?—What the writer evidently meant—and this is the way in which the Board looked at it, for that letter came before the Board—was that further time should be given them for further prospecting on Section 48, and that therefore the matter of the 100 acres applied for should be allowed to stand over until the result of prospecting was known. All these letters were placed before the Board.

62. And you granted the syndicate the protection?—We did not grant protection, but told them that we would take no action. The Board was always very willing to meet people of that sort in developing industries, and to give them every facility possible, and in this case that was done.

63. Had you any power to grant any extension of time for prospecting under any law?—There was nothing particular about it. It simply meant to leave over consideration of the application for a coal-mining lease for six months.

64. If the Land Board could leave over an application like that for one month, could they leave it over for twelve months?—I think so.