

licenses for gold-mining areas?—I certainly do. On the files there will be found a recommendation of mine. I drew the attention of the Government to it, and strongly recommended that that should be done, long before the Huntly Company made their application.

96. Can you remember the date approximately?—I believe it was in connection with the Ngunguru or the Kawakawa Coal-mines.

97. Did you ever get any reply to your recommendation?—No; the receipt was simply acknowledged, and I was told the matter would be borne in mind.

98. "Survey fee" is written on this receipt for £15 for a coal-prospecting license. [Receipt handed to witness.] What is the meaning of "Survey fee" on that receipt?—I do not know what that may mean. It was written by one of the clerks—very likely one of the cadets.

99. I suppose the head of the office is responsible for his clerks' work, is he not?—Yes.

100. This receipt that I have here is for £176—it is the receipt for the 3s. per acre on 1,300 acres. I want to know what the meaning of this note is on it, "First payment, deposit No. 1710" [Receipt handed to witness]?—Very likely it will be the reference number of the application, or it may possibly be the page of the ledger.

101. I presume it refers to this receipt. This is No. 1710 and is for £1 10s. What is that for [Receipt handed to witness]?—It is the deposit on another 10 acres.

102. Do you take it that this is part of that other one?—No. This one for the £1 10s. is a separate affair. It is for 10 acres of the little lake.

103. Not included in the 1,300 acres?—No.

104. Then you do not know why that note, "First payment, deposit No. 1710," is written on there?—No.

105. It does not refer to the same thing?—I cannot say.

106. *Mr. Witheford.*] The only thing I do not feel quite clear about is in regard to the impression conveyed to the syndicate. You said that the Board felt it was desirable to make the terms as easy as possible, and that the deposit would be returned if the boring was unsuccessful. Then I understood you to say this: "It was understood that if they struck coal they could come to the office and apply for the whole of the lake if they liked"?—No; they would only have a right to the 100 acres. We could not keep that open for them. We could not give them a prospecting license, nor could we do anything but grant them a lease of whatever area they decided to take up on lease.

107. I wanted to make the matter clear, but that is what you said—that it was understood that if they struck coal they could come to the office and apply for the whole of the lake if they liked?—I know what that referred to now. I did say that. The Board sympathized with the prospecting company and thought it was the right and proper thing to do—that as soon as they struck coal they should immediately make application for as much of the area of the lake as they pleased; but they did not do so. They evidently allowed it to leak out that they had found coal; or perhaps this was the case: the Taupiri Company had been prospecting on some adjoining land and had sufficient information from their own borings to warrant their making application.

108. *Hon. Mr. McGowan.*] When the Taupiri Company made application for an area surrounding the prospectors, what was the reply of the Land Board?—The Land Board simply "received it."

109. And sent it on to the Mines Department?—Yes, with all the other applications that had been lodged.

110. Do you remember what action, if any, the Mines Department took on that application?—I believe an attempt was made to get the various parties interested to come to terms.

111. Did the Mines Department agree to the granting of this application by the Taupiri Company, although they were the first applicants?—No, they did not.

112. Do you know what the Mines Department did with the application of the syndicate when they applied for the whole area?—They disapproved of it too.

113. As a result of that, was any officer sent from the Department to endeavour to come to an understanding with the two parties?—Yes, Mr. Hayes and myself.

114. Do you know why the Mines Department took up that position—refused an application that was really made in accordance with the law, on the strength of the Minister having power to refuse?—I cannot say exactly why it was done. I suppose it would be done partly under the impression that the others had been stealing a march upon the syndicate.

115. That is about it?—I dare say that was it.

116. I would assume that the result of the operations of the syndicate on the 100 acres, or whatever area they had, must have leaked out when some other parties made a prior application?—That is quite likely.

117. The position the Department took up was to protect the prospecting syndicate as far as the law would allow?—It would appear so.

118. And the Minister refused the other party's application?—That is so.

119. And also refused the application by the syndicate for the whole area?—In fact, he refused all the applications for the ground.

120. Then we come to the point where the inspecting engineer was sent to see these people, to confer with you, and to make a recommendation?—Yes.

121. You are aware that you and he went over this ground and that a recommendation was made?—Yes.

122. Do you know what that recommendation was?—It was that a certain area should be offered to the Taupiri Company and another area to the coal-prospecting company. The area that was offered to the coal-prospecting company was about half as large again as the Taupiri Company's.

123. Was the area offered to the prospecting company the area nearest to the ground where they were prospecting—on the 100 acres?—Right in front.