

far as that goes. They would often come in and go out, and make inquiries about a number of things. That area of 250 acres was granted by Cabinet, and not by either myself or the Board. It was meant to be a settlement of the whole affair.

201. It appears from Mr. Alison's statement that there was undue influence brought to bear—something not legal?—I am very sorry to hear that.

202. *The Chairman.*] We can put our own construction on that, Mr. Leather. There are just one or two questions I wish to ask. You said that the Taupiri Company's was the first application in?—Yes.

203. Is it customary to take two applications for the same ground?—Yes, when there is a dispute. It is often done when the matter has to go before the Board or the Minister. For instance, an area is applied for, and another person applies for another area which overlaps the first at one corner, say. It is pointed out to the applicant that the area he wants overlaps the piece applied for by the first applicant. "No," he says, "I have applied for this piece first, and I want you to take my application for the ground as I have applied for it." The case is decided after taking evidence. [Witness illustrated his answer by making two pieces of paper represent the areas.] So in this way the applications were taken in this case.

204. One application was in. Would you take another application for the whole area and take the deposit?—I would take the deposit and let it lie there until it was decided who was to have the ground.

205. Is not that rather unusual?—No, not in a case of that sort—where there was a question as to who was the first applicant, and so on. And the prospecting company always insisted upon it that they had a right to the ground because of being the first. It was decided in this way: "We will take your application. It is a matter that has to go before the Government, and the Government will decide."

206. Which of the companies' money did you receive first?—First there was the money for the 100 acres applied for by the prospecting syndicate. Then we received the money from the Taupiri Coal Company for the 500 acres. Then there was the money for the whole of the lake from the prospecting company.

207. *Mr. Alison.*] Do you remember Mr. Meldrum making application for the first 100 acres, Mr. Mueller?—Yes.

208. Did you or any one in the Department, as far as you know, convey any information to the Taupiri Company or to any one to the effect that the syndicate had applied for 100 acres or any area?—Certainly not.

209. Was not the application made by the Taupiri Company on the 22nd August, 1902, the prior application for the full area the Taupiri Company applied for?—Yes.

210. Was there any good reason to justify the Land Board refusing to grant the application?—The Land Board have not a right to grant an application absolutely; they have a right to recommend.

211. Was there any good reason to justify their not recommending the Minister to grant the application?—There was no good reason for the Land Board not recommending that the application be granted. I may say that the whole of the Board and myself did regret exceedingly that the parties who had been prospecting were not the first applicants. We were rather sorry that it turned out in the way it did, but, as to legal standing, the Taupiri Company were perfectly safe, they having made the first application.

212. Do you consider that your sympathy with the syndicate was a good and sufficient reason to justify refusal of the Taupiri Company's application?—Certainly not.

213. Was there any good or sufficient reason to justify the Minister refusing to grant the company's application?—That is a matter for the Minister.

214. Do you know of any? As the Commissioner of Crown Lands and having dealt with this business, do you know of any good or sufficient reason to justify the Minister in refusing the application of the Taupiri Company?—If the Minister went strictly by the wording of the Act, the first application should stand. But there were different circumstances connected with this matter which very likely were reason enough to induce him to refuse all the applications.

215. What were the different circumstances?—One party had been at work there, expending a lot of money, and certainly were very much disappointed at not getting a prior application in for a larger area.

216. Was that the reason?—All these things connected.

217. Have you ever known of an occasion on which a prior application has been refused on similar grounds, or anything like similar grounds?—No, I have not.

218. Do you know why the company's was refused?—I cannot say.

219. Seeing that the application was a prior application, and was in proper and legal form, was there any provision in the Coal-mines Act which would justify the Land Board or the Minister in refusing to grant the application?—Not that I know of; but I do not think the Minister is bound to grant any application.

220. Just so. Then do you consider that the Taupiri Company should have been granted a lease for the full area for which they made application?—I cannot say "Yes" to that, because all the applications were wiped out, as it were, when they were disallowed, and the matter was referred to Mr. Hayes and myself. We went fully into the affair, and came to the conclusion to make a recommendation.

221. The question I asked was, Do you not consider that the Taupiri Company should have been granted a lease of the full area for which they made application, seeing that the application was in proper and legal form, and was in accordance with the law in every way?—It was in proper legal form.