

*Mr. Millar:* The Act reads, "The Warden from time to time may grant to any person, subject to the provisions of this Act and to any regulations made thereunder, and to such fee, rent, or royalty as may be prescribed to be paid in respect thereof, a license to enter upon any Crown land in any mining district not occupied by the holder of a miner's right or business license, unless with the consent of such holder, for the purpose of searching for any metal or mineral other than gold."

*Mr. Elliott:* Look at the beginning of the Act. It does not apply to coal.

*Mr. Millar:* A mining privilege is granted to a man to bore for coal.

*Mr. Elliott:* No.

*Mr. Millar:* A mining privilege is granted to a man to bore for anything else, nominally; but in reality he is going for coal, and he strikes coal. Has he not got protection for that?

*Mr. Elliott:* No.

*Mr. Millar:* Well, will you show me the part of the law where it says he has not? I do not know where it is. Therefore the Land Board, being practical men and knowing this, must have deliberately or carelessly misled the applicants by leading them to believe that they had protection—"protection" meaning the protection afforded under the Mining Act.

*Witness:* Coal-mining is expressly excluded from the operation of the Mining Act. Where the section that provides that is I cannot tell you.

241. *Mr. Millar:* As a matter of fact, you thought when you were granting this protection that you were granting it under the Mining Act?—No, certainly not; because before this we had had similar cases at Ngunguru and Kawakawa, and I had already written to the Government strongly recommending that provision should be made in the Coal-mines Act to enable persons to prospect for coal—to have protection in a similar manner as is provided in the Mines Act. These cases had happened before.

242. Then, why do you talk about protection at all?—I did not. They speak of protection.

243. Your Board in their reply to the syndicate state that you acquiesced in their application, which is distinctly stated to be for protection over the lake-area?—It was simply leaving the matter in the same position as it was in before—continuing what we had already granted.

244. The letter is clear and specific?—Let me see the letter, please. [Letter handed to witness.] The answer that was given was, "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"—for the boring.

245. Will you look at the other letter and see what the syndicate ask for?—Yes; it is not protection for the balance of the lake.

246. Why did you not say so in your reply?—I might have done that, of course—I might have made it more explicit; but after the dealings which I had had with the prospecting company there could not be a doubt as to what the meaning of it was—that we would just postpone consideration of the application for 100 acres in order to give them a further opportunity of prospecting.

247. There is no question about the prospecting company being the first applicants for the first portion of the area applied for?—They were the first.

248. Then you received other applications afterwards?—Yes.

249. You granted none of those in full, but you made a compromise between the two companies?—The next application that was received was for 500 acres, and was made by the Taupiri Company. After that the prospectors put in an application for the whole lake, and then the matter was referred to the Government.

250. Do you not recognise priority in all applications?—As far as the Commissioner and the Board are concerned priority rules the day; but under the Coal-mines Act the Minister is not bound to grant an application. He can deal with it.

251. After the ground was divided into two, as it has been, should the first applicant not have had priority of application for the two divisions?—Are you not leaving out of sight this fact: that all the old applications—the original applications by the prospecting company, the Taupiri Company, and Mr. Hetherington—were refused? That part had come to an end.

252. Why did you offer the prospecting company the right to take up 350 acres, and the Taupiri Company the right to take up 250 acres, the Taupiri Company to take this piece [Piece indicated on plan] and the prospecting syndicate that piece [Indicated]? Why was it not done by ballot, as is provided by the Mining Act for cases where two or more applications are received at the same time?—The recommendation was made for the reasons I have stated. The Taupiri Company had been prospecting here [Place indicated on plan], and so it was recommended that they be given the piece of land right in front of that. The prospecting company had been prospecting here [Place indicated], and the area in front of that was recommended to be given them. That was how it was done.