

In the exercise of the aforesaid power the Warden or Commissioner, as the case may be, subject to the approval of the Governor, may grant leases for raising coal from any seam which may lie under the sea, or any part of the foreshore thereof below high-water mark or under any tidal river, anything contained in "The Harbours Act, 1878" notwithstanding; and all persons taking coal from any such seam as aforesaid, unless duly authorised in that behalf as herein provided, shall be deemed to be in the illegal occupation of Crown Lands within the meaning of any Land Act for the time being in force.

Section 6. Applications for leases must be made in writing to the Warden or Commissioner, as the case may be, and accompanied by a deposit of three shillings for every acre applied for, which deposits shall be credited to the applicants respectively against any fees, rents, and royalties that may be or may thereafter become due in respect of their said applications or leases.

Where more than one application is made for a lease of the same land precedence shall be in the order of receipt of the applications by the Warden or Commissioner; if made on the same day, the precedence shall be decided by lot.

Section 7. If any person shall feel aggrieved at the refusal of the Minister to sanction the grant to him of a lease under this Act, or as to the area to be comprised in any lease proposed to be granted to him with such sanction, he may petition the Governor for a review of his case, and the Governor may thereupon grant a lease under the public seal of the colony, or refuse such lease, or vary the terms of the lease proposed to be granted to the said person.

But previous to granting any lease under the authority of this section, the Governor shall cancel any existing lease granted under sanction of the Minister of so much of the land comprised in the lease as may be included in the lease proposed to be issued by him, and no person shall be entitled to claim or to receive compensation in respect of any lease being so cancelled.

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/470, 7/5/03.—*C. C. L., writing to U.-S., Mines Dept., Wellington*, states that the Huntly Coal-prospecting Syndicate applied for a coal-prospecting license. "They were informed there was no provision in the Act for granting one, and told to apply for a lease. They applied to the Land Board for a lease of 100 acres and deposited 3s. an acre. They then applied for protection pending result of their boring operations. This the Board could not give them but adjourned consideration of application for a time. Meanwhile the syndicate found coal by boring. The Taupiri Coal Company knew of it and handed in an application for lease of land under Wahi Lake, less the land (100 acres) belonging to the syndicate. A few days afterwards an application was received from the prospecting syndicate for the same land. At a meeting of the Land Board on the 24th April, three applications for coal leases were received—viz., Taupiri Coal Company, Huntly Coal-prospecting Syndicate for Wahi Lake, and J. R. Hetherington for Rotoiti Lake close by. The Board had no option in the matter and had to accept the first application of the Taupiri Coal Company for the large area under the Wahi Lake, which blocks the application of the prospecting syndicate and leaves them 100 acres. Undoubtedly the prospecting company made the discovery that coal existed under the lake. The Board has made no recommendation to the Minister of Mines as yet, because they have written to each of the applicants to know if they are prepared to accept the conditions laid down by the Board as to annual expenditure and output. No answers have been received as yet."

/471.—*Letter of Under-Secretary to C. C. L. (L. and S. 50429/3 of 5/5/03).*

/472.—*Memo. of C. C. L., Auckland, to Under-Sec'y. of Lands*, repeating information contained in /470. States Mr. Hetherington is a member of the Huntly Coal-prospecting Company, and the company say it really does not matter whether the lease is granted to him or the company. Under the Coal-mines Act, priority fixes an application, consequently the Board had to approve the application of the Taupiri Coal Company. After the Huntly Coal-prospecting Company obtained their lease of the 100 acres they commenced prospecting operations on Section 48 adjoining, and requested the Board not to deal with the application at once but hold it over so as to give them an opportunity to get some of the bores down on Section 48. Accordingly the Board adjourned consideration of their application until some future time. It appears now that they were successful with their boring operations, but must foolishly have allowed that information to leak out, for the Taupiri Coal Company made an application for 500 acres surrounding the Huntly Coal-prospecting Company's 100 acres, paid their deposit of 3s. an acre, and did the requisite advertising as required by the Act. Consequently they obtained the land. The company now state that they have been carrying on prospecting on lands adjoining the lake, and intend to work the seam under the lake through Section 45 which belongs to the company, or Mr. Ralph.

/472B, 29/5/03.—*U.-S. Mines to C. C. L., Auckland*.—"No coal leases will at present be consented to by the Minister of Mines in favour of either of the applicants for areas in the vicinity of Lake Wahi."

/483, 13/5/03.—*U.-S. Mines to C. C. L., Auckland*.—"The Secretary of the Huntly Coal-prospecting Association has been informed that, as the matter is under your consideration, the Minister of Mines is unable to interfere in favour of either of the applicants."

/484, 12/5/03.—*Taupiri Coal-mines, Limited*, state that "the company has been carrying on boring operations for the last eight months, testing the coal-measures towards the Wahi Lake at an expenditure of about £300. At the present time a bore is being put down at the edge of the lake. The company intend to work the area applied for from their present shaft, by constructing a level from the dip-heading through Sections 43 and 44."

/487.—*Taupiri Coal-mines (Limited), to C. C. L., Auckland*.—State "they have been working in the direction of the lake for the last three years, and in addition to driving headings in the direction, have put down a series of boreholes for the purpose of ascertaining the trend of the seam. This is costly work. . . . Seeing that our developments in the direction of the lake were proving satisfactory,