

1904.
NEW ZEALAND.

GOLDFIELDS AND MINES COMMITTEE:

REPORT ON THE PETITION OF WILLIAM S. MELDRUM AND OTHERS, TOGETHER WITH
MINUTES OF EVIDENCE AND APPENDIX.

(MR. J. COLVIN, CHAIRMAN.)

Report brought up on the 6th October, and ordered to be printed.

ORDER OF REFERENCE.

Extract from the Journals of the House of Representatives.

FRIDAY, THE 30TH DAY OF JUNE, 1904.

Ordered, "That Standing Order No. 218 be suspended, and that a Goldfields and Mines Committee, consisting of sixteen members, be appointed, to whom shall be referred all matters relating to mining and all Bills relating to mines; with power to call for persons and papers; five to be a quorum: the Committee to consist of Mr. J. Allen, Mr. Bennet, Mr. Colvin, Mr. Fraser, Mr. Herdman, Mr. Herries, Mr. Kidd, Mr. R. McKenzie, Mr. Millar, Hon. Mr. Mills, Mr. Moss, Mr. Reid, Rt. Hon. R. J. Seddon, Mr. Smith, Mr. Witheford, and the mover."—(Hon. Mr. McGOWAN.)

REPORT.

On the Petition of W. S. MELDRUM and Others (the Huntly Syndicate).

THE petitioners represent that the Commissioner of Crown Lands and the Land Board of the Auckland District have refused to grant to them the full area to which they believe they are justly entitled under the Coal-mines Act as the original prospectors for coal, and they pray that your honourable House may take such steps as may be necessary to insure that the land they claim for mining purposes shall be granted to them.

The Goldfields and Mines Committee, having given careful consideration to the various matters embodied in the petition of W. S. Meldrum and Others, have the honour to report that they recommend that the said petition be referred to the favourable consideration of the Government with a view to some compensation being granted.

JAMES COLVIN, Chairman.

Parliament Buildings, Wellington, 6th October, 1904.

MINUTES OF EVIDENCE.

THURSDAY, 18TH AUGUST, 1904.

WILLIAM ROBERT LEATHER examined. (No. 1.)

1. *The Chairman.*] What are you, Mr. Leather?—President of the Miners' Union, and check-weighman for them at present.

2. Do you wish to make a statement?—Yes, sir. For the purpose of starting a new coal industry in Huntly there was formed on the 2nd July, 1902, what is known as the Huntly Coal-prospecting Syndicate, being a body of sixteen working-men. After deciding upon the locality in which to start boring operations it was resolved to interview the Commissioner of Crown Lands, and ascertain what concessions were given to prospectors, with a view to take up an area for the purposes of coal-mining. The locality intended to be prospected was given up by the Waikato Coal and Shipping Company some twenty years ago, after considering boring as barren. After explaining the position to the Commissioner, our representative was instructed to apply for a portion to prove it first, and meanwhile the Land Board would leave the matter in abeyance until such time as we had convinced ourselves as to the coal-bearing strata of the locality. Within twenty-four hours of our application being lodged a representative of the Taupiri Coal Company applied to the Land Office to take up the whole area of Lake Wahi, but was informed that it was protected for the Huntly Coal-prospecting Syndicate. We then commenced hand-boring, and the men who were employed were men who had been refused work at the Taupiri Company, whilst strangers had no difficulty in getting employment. When we had bored 160 ft. we encountered the same difficulty that the Waikato Coal Company had encountered—namely, a boulder-bed. We were then held up to ridicule and sarcasm by the old identities and some of the principals of the Taupiri Company, but after a considerable amount of hard work and perseverance we succeeded in getting through the boulder-bed, which cost us about £1 per inch. We then decided to engage Mr. Gilberd, a machine borer, who had just completed operations for the Taupiri Company, to complete the borehole, which was then in easy ground, the result being three seams of coal. The Taupiri Company immediately engaged Mr. Gilberd to bore two more holes on their property, after doing which he promised to bore further for us. Pending the borer's operations we applied to the Land Board, after explaining the circumstances, for six months' protection, which was granted. Now, instead of boring two holes as he promised, the borer put down five holes, which curtailed our time for boring operations. In the meantime a member of the Taupiri Company once more applied to the Land Board, thinking that we had forfeited our rights to Lake Wahi, but was told again that it was still protected for six months. When we resumed boring operations we put down three more holes, and being more successful than the first, and our protection drawing to a close—i.e., wanting two months, we decided to apply for the whole area of Lakes Wahi and Rotoiti, comprising 1,300 acres, more or less. This was under the limit allowed by the Coal-mines Act of 1891—namely, 2,000 acres. Our representative, on meeting the Commissioner at the sitting of the Land Board, was told that there were two other applicants for portions of the said lakes—namely, the Taupiri Company and J. R. Hetherington. Neither of the said parties had spent one shilling in finding the coal. This was a breach of our mining laws, which are based on priority. Now, it appears that a third applicant applied for the balance of Lakes Wahi and Rotoiti, if any, and was informed that the whole area was fully applied for. This applicant stood in the same position as the Taupiri Company, and why was he refused? No doubt the Taupiri Company has a friend at Court in the person of Mr. Gordon, Director of the Taupiri Company and Advising Engineer to the State Coal-mines Department; and Mr. Alison, member for Waitemata, stated at a meeting of shareholders of the Taupiri Company that the Lands Department had refused on two occasions to receive an application from them, and that after much pressure had been brought to bear 250 acres of Lake Wahi had been granted. Why this pressure? If this is the policy of the administration of our laws, woe betide our country. It was suggested through the Commissioner that the parties interested should meet with a view to settlement. A Mr. Ralph, a representative of the Taupiri Company, then met our representative, and after considerable discussion Mr. Ralph inquired the minimum for which the syndicate would relinquish their claim in favour of the Taupiri Company. The syndicate inquired as to the terms of the offer, and Mr. Ralph stated that they would like it all put in royalty, but he was informed that we could not consider his offer. He then stated that if we wanted any cash it would have to be a very small amount. We considered the terms absurd, as previous to this he had received from the Taupiri Company £15,000 in cash and shares, besides royalty, for a property not to be compared with the one in dispute. We (the syndicate) then sent a representative to Wellington to interview Ministers. The Right Hon. the Premier stated to our representative that if the parties could not agree the Government would hang the matter up. After considerable delay the Government sent to Huntly Mr. Hayes, Inspector of Mines, and Mr. Mueller, Commissioner of Crown Lands, to report on the property and to interview the syndicate. Their report was that the area was not all coal-bearing. They stated that the Government intended making a subdivision, and advised us to make a fresh application for portions of the area in dispute; but wiser counsels prevailed, and we did not do so. The Taupiri Company applied as requested, as they had all to gain and nothing to lose. A deputation from the syndicate met the Hon. the Minister for Mines when he was in Auckland, and he stated that the Mines Department was acting on the report and advice of the Inspector and Commissioner, who had

been at Huntly. But it seems very inconsistent when the Inspector informed us before the report was made that it was the intention of Ministers to subdivide the area in dispute. The Government are not justified in subdividing this area, as they have not proved that there is more coal in the property than would be sufficient for the life of one mine. The Taupiri Company's directors stated at a meeting that they had forty years' coal in sight, and that should be sufficient, without their trying to secure a portion of that which justly belongs to the syndicate. If the Right Hon. the Premier is consistent with his Monopolies Bill he must necessarily grant to the Huntly Coal-prospecting Syndicate that which they are justly entitled to, and encourage competition as he is doing with the State Coal-mines at present. All we ask is that honourable members should look at this case from the point of equity and justice and uphold precedents.

3. *Mr. J. Allen.*] Who is Mr. Hetherington?—A gentleman who is interested in this area. He has also several small properties outside.

4. Is he a member of your syndicate?—Yes. There was a test case to see if Mr. Hetherington could get the same privileges as the Taupiri Company, but he was not granted the same privileges.

5. Do you mean that Mr. Hetherington was put up by you to test the matter?—Yes.

6. You stated that you applied to the Land Board for six months' protection?—Yes.

7. Will you give us the date of that protection? Have you got the protection notice, or any papers connected with it?—Yes. This is a letter from the Lands and Survey Department dated the 3rd December, 1902.

8. What does it say?—W. L. Meldrum, Huntly.—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."

9. What was the date of your application for protection? That is what I want?—This is a memo. about the protection: "Editor, *Star*.—Kindly insert in *Star* the following notice, to appear, first, Tuesday night, 17th; second, Tuesday following, 24th: 'Notice.—This is to certify that we, the Huntly Coal-prospecting Syndicate, have applied for protection of lease of Wahi Lake, Huntly, *re* provisions of section 4 of "The Coal-mines Act, 1891."—G. ROSSENBECK, W. L. MELDRUM.' Both insertions, 17th and 24th, sent to Mueller—one on the 18th, one on the 25th."

10. What month was that in?—February, 1903.

11. That was after you received the letter from the Department?—Yes.

12. You must have made application to the Land Board for protection. Have you got your letter?—Yes. It seems that there had been some point raised, as the Taupiri Company had not seen the advertisement regarding the protection in the newspaper, and Mr. Mueller wrote us. I can produce the letter: "Department of Lands and Survey, District Office, Auckland, 10th February, 1903.—Mr. G. Rossenbeck, Huntly.—Coal lease, Wahi Lake: With reference to your letter relative to above, I have to request you to comply with the provisions of section 4 of 'The Coal-mines Act, 1891,' by advertising twice, at an interval of one week, in some newspaper circulating in the district, and furnish copies of advertisements for record in this office. If this request is not complied with within two weeks from this date the application will be considered as lapsed."

13. What did you do subsequent to that?—On the 18th and 25th the advertisement appeared in the *Star*.

14. Have you got a letter from the Land Board saying that protection had been granted to you?—This letter reads: "Department of Lands and Survey, District Office, Auckland, 3rd December, 1902.—W. L. Meldrum, Huntly.—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."

15. The 22nd November was when you wrote, was it?—Yes.

16. Then you got an answer, dated 3rd December, stating that your application was granted?—Yes.

17. Then it was upset afterwards—there was a doubt about it?—No.

18. What did the Commissioner say?—A point was raised by the Taupiri Company applying for the whole area on the second occasion, when they were told again that it was protected.

19. I understand all that. I want to know what the Land Board did then. They told you to advertise?—We complied with their request.

20. What communication had you with the Board prior to that letter of the 10th February, 1903, which you read just now?—The letter asking for protection.

21. There was none since the letter of the 3rd December, 1902?—No.

22. Did you write any letter between the 3rd December and 10th February?—No; I am almost certain, because we set to work at once and got the advertisement inserted. This is a letter from the Department, dated the 30th October, 1902: "Mr. G. Rossenbeck, Huntly. Coal-boring operations: In answer to your letter of the 25th instant relative to boring for coal, Wahi Lake, I have to inform you that the question of extension of time will be considered by the Board at its next meeting on the 28th November. I should be obliged if you will forward some short account of the work in progress, as at present there is not sufficient information to frame a recommendation to lay before the Board."

23. Then you applied on the 22nd November, 1902?—Yes.

24. You got an answer, dated the 3rd December, and you received another letter from the Department, dated the 10th February, 1903, regarding some formalities?—Yes.

25. You complied with the request in that letter. What letter did you get after that from the Department dealing with protection?—Here is a letter dated the 30th April, 1903: "In reference to your application on behalf of the Huntly Coal-prospecting Syndicate for a coal-lease under the Wahi Lake, I have to inform you that the matter has been considered by the Land Board, when it

was resolved that you be requested to explain the proposed course of working and indicate on litho. or plan the approximate position of shaft, machinery, buildings, and trains, and that the following are the conditions that the Board propose to recommend the Minister to approve when granting a lease: Term, twenty-one years; royalty, 4d. per ton; rent, 5s. per acre, payable half-yearly. Expenditure in opening and developing within twelve months, £500; twenty-four months, £1,000; thirty-six months, £2,000. Output for the first year, nil; second year, 1,000 tons; third to seventh year, 2,500 tons; eighth to twenty-first year, 5,000 tons."

26. That is not about protection; that is about the lease?—There was no communication beyond those two letters regarding protection.

27. You say that you had protection for six months from the date of your application—the 22nd November, 1902?—Yes.

28. When did you apply for the 1,300 acres?—On the 15th April, 1903.

29. Read us the letter, please?—This is not a letter; it is the receipt for the cash: "1789.—Auckland District Office, 15th April, 1903.—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." It is signed by T. M. Taylor, Receiver of Land Revenue.

30. That was within the six months?—Yes.

31. What reply did you get to your application other than the receipt—any?—Yes; I think there was an interview. I met the Land Board, and I was told then that there were two other applicants.

32. Have you got that in writing?—There was no note.

33. But you must have had from the Board some answer to your application for a lease?—This was the letter—the one dated the 30th April, 1903, which I have just read.

34. What happened subsequent to the receipt of that?—I was instructed by the Huntly Coal-prospecting Syndicate to go and interview the Commissioner and the Board regarding the conditions, &c., of our lease.

35. Did you at that time expect to get a lease over the 1,300 acres?—We had our application in. I went with the intention of interviewing the Commissioner and the Board, and the trouble arose about there being two other applications in.

36. When did you first hear about these two other applications?—Of course we saw the advertisement in the paper.

37. When was that?—I could not exactly say. The Taupiri Company had an advertisement in the paper, I think, for 410 acres.

38. Had you any communication from the Land Board, stating that other people had applied, at any time whatever?—No, not until I went to interview them; but we saw from the paper that others had applied.

39. What area did your protection cover?—The area that we applied for for prospecting was 100 acres at Lake Wahi and 10 acres at Lake Rotoiti.

40. *Mr. R. McKenzie.*] What would be the area of Lake Wahi?—About 1,100 acres.

41. *Mr. J. Allen.*] Did the protection cover 1,100 acres?—We applied for 1,100 acres at Lake Wahi.

42. You had six months' protection?—Yes.

43. Over what area?—I explained the position to the Commissioner. I said, "We are not prepared to go beyond 3s. an acre for the whole of this property until we have proved it. The Waikato Coal and Shipping Company have put holes down in the vicinity, and have given it up, and the lake has been left for about twenty years." I said, "We are prepared to test your property if you will grant us protection."

44. What I want to get at is what area you asked to be protected. You were paying rent for the protected area?—We are paying no rent at all.

45. Can you tell us what area you asked to have protected in your application for protection for prospecting purposes?—We asked for concessions to be granted.

46. What concessions?—To prospect the area. The Commissioner said that we should be trespassing—we wanted some protection. He said, "You send for a tracing—whatever you like—and we will leave the matter in abeyance pending your operations; then you can take up as much as you like."

47. Where is the evidence of that; have you got the tracing?— ?

48. *Mr. R. McKenzie.*] That was the conversation?—Yes. This letter shows what they did: "Department of Lands and Survey, District Office, Auckland, 2nd September, 1902.—*Mr. G. Rossenbeck, Huntly.*—Coal lease, Wahi Lake: In reference to your application for a coal-mining lease under the Wahi Lake, I have to inform you that the Land Board have resolved to adjourn the consideration pending the result of boring operations, which the Board understand are now in progress. Please inform the Board at your earliest convenience if you decide to go on with the matter." Nothing definite was done until we got protection. Then there was the letter of the 30th October, which I have read, asking for information regarding the boring operations. We informed the Department of the result of the boring. Here is a letter to *Mr. Mueller*, dated the 22nd November, 1902: "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," and so on. We sent the Commissioner the result of the boring.

49. *Mr. J. Allen.*] What I want to get at is whether you can tell me the area of ground that was protected?—There was nothing granted to us.

50. No specific area?—No area granted.

51. It was a sort of general grant of protection, without any area being mentioned?—There was no area mentioned. We thought it was no use throwing our money away, as money had been thrown away before. The Waikato Coal-mining Company bored there twenty years ago, and some of the holes are still to be seen.

52. *Mr. R. McKenzie.*] When you applied you applied for a right to prospect, did you not?—Yes.

53. You did not apply for a coal lease?—No.

54. And you were not asked to pay any rent?—No; it was left over pending our operations.

55. I suppose your prospecting right included the right to prospect for gold, coal, or any other minerals?—No; we applied for the right to prospect for coal.

56. After you had sunk the two bores did you find coal in them?—Yes.

57. Did it become generally known throughout the district that you had found coal?—Yes. You cannot keep any secrets as regards boreholes.

58. Did you tell the Commissioner of Crown Lands when you interviewed him that the area included Lake Wahi?—Yes.

59. You wanted to have Lake Wahi included?—Yes.

60. I suppose you had an idea there was coal under the lake?—Yes, we knew there was a certain amount.

61. When you applied for protection was it protection of your boring-rights that you asked for?—Yes. We applied for protection for coal-prospecting.

62. Of course, that included the works that you spent your time and money on?—Yes.

63. And the Land Board granted it?—They granted six months' extension of time.

64. When was the application put in by the other people—was it during that period?—Perhaps Mr. Alison could tell you.

65. I am asking you. Do you recollect whether it was any time within six months of December, 1902?—It was while our protection was in existence.

66. Those other applications went in?—Yes.

67. And you thought they would not be dealt with while you had the ground protected?—That is so.

68. You reckoned you were perfectly safe?—Yes.

69. I think you said that the Taupiri Company had a friend at Court in the person of Mr. Gordon. Is he a director of the Taupiri Coal Company at the present time?—Yes.

70. And also consulting engineer to the State Coal-mines Department?—Yes.

71. It is a peculiar position, is it not?—It is.

72. Would it be of any financial benefit to Mr. Gordon if he got you off this ground?—Decidedly. He could retain the position for years and years probably.

73. It would materially increase the value of his company's mine if the Company got the ground that you had prospected?—It would.

74. Do you think he used his influence with the members of the Land Board to try to cancel the protection, or with the Government to try to do you out of the ground?—Well, he was going in at one door of the Commissioner's room as I was going in at the other, when I was going in to have a little squaring-up.

75. Did you make any formal application for a coal lease between the time you applied for the protection and the expiration of the six months?—Yes, we were within a month of our time expiring.

76. It did not expire?—No.

77. What area did you apply for?—The whole area—1,300 acres.

78. Did you deposit the necessary amount of rent with your application?—Yes; £176.

79. That would be 3s. an acre on the whole area?—Yes.

80. Consequently you established a prior right of application for this ground?—Yes.

81. What is the position now? Has your application been declined?—No. When Mr. Hayes Inspector of Mines, was sent to report on the property he met me, as the representative of the syndicate, and asked me if I would point out the area applied for. I said "Certainly." I took him along the main road, and pointed out that the bed-rock was here [Place indicated on plan], and was also right round it [Indicated]. [Witness here pointed out on the plan and explained the different areas, position of boreholes, where coal was believed to be, &c.]

82. Does the area you have applied for adjoin the Taupiri Company's holding?—Yes; they have acquired all this property [Indicated].

83. Since you applied or before?—Before.

84. Do you know how much ground they hold?—I could not say exactly.

85. Have they 2,000 acres?—They have a lot more in the vicinity, I believe. Some members of the company have 6,000, I believe.

86. Under different leases?—Yes.

87. Are the company working these areas?—Some are being worked, and some are lying dormant. There are two shafts and one dip in the Taupiri Company's mine.

88. Do you know whether they have tried to amalgamate the leases?—I could not say whether it is under one lease. A good deal of their land is freehold.

89. Are there 2,000 acres leasehold?—I could not say.

90. *Mr. J. Allen.* As far as your prospecting and all that you know about the field leads you to believe, where do you reckon the bulk of the coal is?—I think the bulk is just here—under the small lake [Place indicated].

91. *Hon. Mr. McGowan.*] How does the question of the 100 acres come in?—The Commissioner advised us to send for a tracing. Nothing has been granted. We have simply a prospector's right.

92. Did you not pay a small sum—I think you showed me a receipt for £12 or £13, which had been paid for a given area that was protected?—Mr. McKenzie has the receipts. You see if we had not acquired a certain area we should have been trespassing. The first thing the Inspector of Mines asked was “What lease have you here?”—this was at Lake Rotoiti. I replied that we had applied for 10 acres. “Then,” he said, “you are not trespassing.” We were quite consistent with our first application. The application for the whole area was not a new application at all; we sent in an application for an extension of area for coal-mining purposes.

93. *Mr. R. McKenzie.*] Was any survey made when the areas were applied for: were they pegged off at all?—No.

94. *Hon. Mr. McGowan.*] Was the protection over the big area that you applied for?—It was the privilege. There was no area granted.

95. But an area of 100 acres has been mentioned?—It was the recommendation of the Board that we should apply for a tracing, and the application has not been dealt with.

96. When did you make your application for protection over the large area that you say you applied for and paid rent for?—The application for the protection is in this letter of the 22nd November, 1902, to the Commissioner. It says, “. . . . We therefore request you to grant us a further extension of protection over the lake-area. . . .”

97. You wanted protection over the whole lake?—Yes; it states here “lake-area.”

98. What is the lake-area?—About 1,200 acres.

99. *Mr. J. Allen.*] What lake are you referring to?—Lake Wahi.

100. *Hon. Mr. McGowan.*] Under what clause of the Coal-mines Act did you apply for a prospecting-area?—As I have told you, the Commissioner recommended us, and we have adhered to his advice in every shape and form.

101. Is there any authority in the Act for a prospecting license?—I am not supposed to know. I went to the Commissioner.

102. You did not know under what clause you applied?—No.

103. You say you do not know; that will do?—If the Commissioner had said “We cannot do anything until you put down your money,” we should have left it alone; but he told me how the matter stood, and I asked him “What protection will you grant us if we prospect your property?” He said “Send in for a tracing so that you will not be trespassing, and we will leave it over pending your operations.”

104. *Mr. J. Allen.*] Did you get a tracing?—No; it was all left over. We sent in for a tracing, but it was all left over.

105. *Hon. Mr. McGowan.*] You came down to see some time ago?—Yes.

106. Do you remember any advice I gave you in regard to applying for a definite and distinct area?—I do not remember. I know we applied for a definite and distinct area—that was the whole area.

107. Latterly, you did?—Previous to that.

108. Previous to the time you came down?—Yes.

109. What I want to get at is the area over which you applied for protection. I refer to what you call the “lake-area.” We do not know what the area of it is, nor do you. I want something more definite?—The final application comprised the two lakes, and that is about the whole definition, I think.

110. Did you get protection?—Yes.

111. Did you get protection after you paid the deposit on the 1,300 or whatever number of acres it was?—Before.

112. But you could not get protection over that which you had not paid for, could you? That is the point?—We have been granted nothing.

113. But you had protection?—The protection covered the lake-area that we applied for.

114. But you had not applied for protection over the area that you paid the deposit on?—There is no definition of the area in this letter of ours. It does not state the number of acres. “Lake-area” is what it says.

115. I suppose you know there is priority of application provided for in the Coal-mines Act?—Yes.

116. Were you the prior applicants, or did you believe you were the prior applicants for this lake-area?—Certainly, we did.

117. *The Chairman.*] Under what Act did you apply for protection—under the Coal-mines Act or the Mining Act?—As far as my knowledge goes, in mining there are numbers of little difficulties and preliminaries that crop up, in regard to which concessions are always recognised when work is begun.

118. I ask you under which Act you applied?—I could not say. Clause 4 of “The Coal-mines Act, 1891,” provides that “The Warden in every mining district, and the Commissioner of Crown Lands of a land district, in any portion thereof which is situate outside of a mining district, may, with the consent of the Minister, grant leases of land for raising coal subject to the provisions of this Act, and not otherwise.”

Hon. Mr. McGowan: Let me read also 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 3s. 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 the receipt of the applications by the Warden or Commissioner; if made on the same day, the precedence shall be decided by lot.”

119. *Mr. R. McKenzie.*] When you paid the £176 to whom did you pay it?—It was sent by cheque to the Receiver of Land Revenue

120. Do you know whether Commissioners of Crown Lands and Land Boards have discretionary powers in dealing with matters of this kind?—Certainly, or who is to conduct the business?

121. When you paid that money you reckoned that their discretionary power allowed them to grant you the right to prospect over a certain area of land?—We were asking for no conditions. As I have pointed out, it had been proved barren. We were doing a good thing for the country. If any private individual had owned the property and we had done the same as we have done, he would not have broken faith with us.

122. You asked for the right to prospect and they gave it to you, and you spent money on prospecting?—Yes.

123. So that you considered your position was safe, as far as the law was concerned?—Yes.

124. The Commissioner of Crown Lands took your money and gave you the right to prospect, and that satisfied you?—Yes.

125. Did you inquire further into the legal position?—Not till the dispute arose.

126. I think the Land Office asked you to send them an account of the prospecting operations. Did you send that?—Yes; we sent them particulars as to the boreholes.

127. Have you anything to show what you sent them?—Yes. This map shows the bores.

128. Would you mind indicating on that map the information you sent them?—There is a borehole here [Indicated]. At 300 ft. we got 27.5 ft. of fireclay; at 302 ft. we got 2 ft. of clay; at 309 ft., 6.4 ft. of dark stone with coal mixed; at 314 ft., 5 ft. of poor coal; at 320 ft., fireclay; and then there was slate.

129. Did you send this information to the Commissioner of Crown Lands when he asked for it?—He applied for it, and we sent it as required.

130. Was this before he took your deposit on the lease?—Yes.

131. You applied for a lease, did you not?—Yes.

132. Did the Department accept your form of application?—They did.

133. And took your money?—Yes.

134. Have they got that money yet?—Yes.

135. *Mr. J. Allen.*] Here is a receipt dated the 15th April, 1903, for £176 on an application for a coal-mining lease of Wahi and Rotoiti Lakes, Waikato County, 1,300 acres. Would you mind reading what is in writing at the bottom there? [Document handed to witness.]—"First payment, deposit No. 1710."

136. First payment on a deposit of what—that same thing?—Yes.

137. What is the date of this No. 1710?—18th March, 1903. That is for Lake Rotoiti. It is for 10 acres of the smaller lake—Lake Rotoiti.

138. Would you be kind enough to explain to me why there is written on that receipt for £176 on an application for a lease of 1,300 acres, those words "First payment, deposit No. 1710"?—No, I cannot. There are the receipts. It must be an irregularity in the office.

139. I would point out, Mr. Chairman, that this receipt for £176 is dated the 15th April, 1903, and is given on an application for a lease of 1,300 acres. On it is written by the Receiver of Land Revenue a note that he gave a receipt for the first payment on account of this transaction on receipt No. 1710. That receipt No. 1710 is dated the 18th March. If that is correct I want to know whether the application for the lease is to date from the 18th March—the date of the first payment—or later. Here is another receipt from the Receiver of Land Revenue. It is dated the 4th August, 1902, and is for £15, for a coal-prospecting license over 100 acres, Wahi Lake. The amount has written opposite it "Survey fee"?—There has never been any survey.

140. That is meaningless, is it?—Yes. As Mr. Mueller pointed out regarding several matters that had gone on with Mr. Taylor, the Receiver, there had been a lot of blunders made—that is what he said.

GUSTAV ROSSENBECK examined. (No. 2.)

141. *The Chairman.*] What is your name?—Gustav Rossenbeck.

142. What are you?—A miner.

143. Are you a member of the syndicate?—Yes.

144. Do you wish to make a statement?—I wish to say that the original application of the Taupiri Company was for 400 acres, and when we were recommended by the Department to make application we were advised to apply for this part [Indicated on plan], and the Taupiri Coal Company were recommended to apply for that part [Indicated]. If their original application had a right to be considered before ours for the whole area because it was first, then their second application should be considered after ours, because there is a letter in the Land Board Office in Auckland from them applying to have the moneys which covered the first application for 400 acres transferred to the other one. That left their first one uncovered, and their last application was sent in some time after our first one. So that, as regards priority, we should have the first chance.

145. *Mr. R. McKenzie.*] You had all the ground under protection?—Yes; but this is what Mr. Mueller wants to make out: that we had no right; that the application by the company for the 400 acres was received before we applied for the whole area.

146. *Hon. Mr. McGowan.*] If the Land Board had granted the prior application of the Taupiri Company in accordance with the law, what position would you have been in?

Mr. Leather: We should not have done anything. We should not have spent a shilling on it. We knew the mining laws of the colony as well as the Commissioner or any one else; we knew what we were boring for, and we have proved the ground and we knew the obstacles. It was enterprise; and you are not going to throw cold water on it after we have found the coal, and give these people half of it? If private persons had owned the property they would not have done such a thing. If you allow men to jump a claim, almost, because we are boring and have found a bit of coal, well, I do not know what it is coming to.

147. *The Chairman.*] Is there anything else you wish to say, Mr. Rossenbeck?—I have no more to say. I only wished to point that out.

E. W. ALISON, M.H.R., examined. (No. 3.)

148. *The Chairman.*] Will you proceed with your statement, please, Mr. Alison?—Yes. I appear here in the position of chairman of directors of the Taupiri Coal Company. The petition before the Committee, sir, is one from “the people” on behalf of the Huntly Coal-prospecting Syndicate, and asks “that in pursuance of ‘The Coal-mines Act, 1891,’ we desire to obtain, and will, full rights in accordance with this Act; being the original prospectors of Lakes Wahi and Rotoiti adjoining the Taupiri Coal Company’s property for coal purposes; after having complied with the demands of the Commissioner and the Land Board, they have refused to grant the full area of our application, being under 2,000 acres, which is allowed by the Act.” The petition, you will observe, is one from “the people” on behalf of the Huntly Coal-prospecting Syndicate and is signed by ninety-two persons, embracing persons resident within an area between Auckland and Hamilton and having all kinds of occupations. Mr. Leather and Mr. Rossenbeck appear on behalf of the people, or the syndicate; and Mr. Leather, in his statement, said that in 1902 a coal-prospecting syndicate was formed, and it was decided to consult with the Commissioner of Crown Lands; and that, acting on the advice of the Commissioner, the syndicate applied for 100 acres of Lake Wahi, it being understood that the syndicate could apply for the balance of the area of the lake, about 1,200 acres, when it chose. I am not in a position to say whether Mr. Leather’s statements *re* the Commissioner of Crown Lands are correct or not; but I would draw the attention of the Committee to the fact that Mr. Leather did not submit one letter from the Commissioner in confirmation of his statement; and I respectfully submit that the whole correspondence should be placed before the Committee in respect of all applications for coal-areas over parts or the whole of Wahi Lake. I would particularly draw the attention of the Committee to the fact that there is no provision in “The Coal-mines Act, 1891,” by which coal-prospecting leases can be granted. If you will refer to clause 6 of “The Coal-mines Act, 1891,” you will see how applications for leases must be made. No provision is made for prospecting leases. Clause 6 reads as follows: “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 the receipt of the applications by the Warden or Commissioner; if made on the same day, the precedence shall be decided by lot.” So that the Commissioner had no power, under the Act, assuming Mr. Leather’s statement to be correct, to grant a coal-prospecting license to the Huntly Coal Syndicate or any one else. But even if he had, how could he grant a prospecting license over an area which had been proved coal-bearing years ago, and which, as the petitioners admit, adjoins the Taupiri Coal Company’s property? Any expert conversant with the coal-measures at Huntley, or any one conversant with the workings, developments, and tests on the western side of the Waikato River in that locality, must have known that the coal extended as far as Rotoiti, Lake Wahi, and far beyond. Mr. Leather and Mr. Rossenbeck were both workers in Ralph’s Taupiri mines, and have been so for years, and knew that the developments of the company proved that the coal-measures were extending to the section owned by the Coal-prospecting Syndicate, and almost certainly to Lake Wahi. The section owned by the syndicate is Lot 48 here [Pointed out on plan]. It was owned by the Coal-prospecting Syndicate before they made their application.

149. *Mr. J. Allen.*] How do you mean by “owned”?—They owned it as a freehold piece of land. There is absolutely no doubt whatever that the Coal-prospecting Syndicate undertook boring on Section 48, adjoining Wahi Lake, because of the information its members had obtained through being workers in the company’s ground adjoining; and they were not entitled to a coal-prospector’s license or any area, even if such could have been granted, any more than a person could be granted an area, I contend, alongside the Waihi Gold-mine under a prospecting license applied for in 1902. Now, sir, I will endeavour, as briefly as I can, to state the facts in connection with the application for leases made by the Taupiri Coal Company. But before doing so I desire to say I extremely regret that Mr. Leather should have made statements aspersing the reputation of Mr. H. A. Gordon, a director of the Taupiri Coal Company, and, from my experience of him, an honourable gentleman.

150. *Mr. R. McKenzie.*] What has this got to do with it?—It has a great deal. Mr. Leather stated that Mr. Gordon used undue influence to prevent the syndicate obtaining justice at the hands of the Mines Department. He made that statement deliberately. Now, as chairman of directors of the Taupiri Coal Company, I am in a position to state, and unhesitatingly do so, that there is not one word of truth in the statements made by Mr. Leather which reflect upon Mr. Gordon—not one word. And I would direct your attention to this, that Mr. Leather’s statement was entirely unsupported. The only point he actually advanced was that on a certain occasion he met Mr. Gordon coming out of the public building—

151. You say there is not a particle of truth in what Mr. Leather said about Mr. Gordon. Do you deny that Mr. Henry A. Gordon is one of the directors of the Taupiri Coal Company, or engineer for them, and also Engineer for the State Coal-mines?—No.

152. Then you admit there is some truth in what Mr. Leather said?—I say there is no truth in the statements made by Mr. Leather which reflect on Mr. Gordon. The only point Mr. Leather actually advanced was that on a certain occasion he met Mr. Gordon coming out of the public building occupied by the Crown Lands Commissioner when he (Mr. Leather) was going into the same building. I go further and say that neither the directors nor the company have used any influence other than that used under ordinary circumstances. The company had no occasion to use undue influence. All it asked was that it should be treated justly and in accordance with the law. I will now place before the Committee the correspondence which took place between the

company and the Commissioner of Crown Lands, from which it will be seen that the company made an application for an area of 250 acres on the 22nd August, 1902. The application is as follows: "August 22, 1902.—The Commissioner of Crown Lands, Auckland.—SIR,—On behalf of the Taupiri Coal-mines (Limited) I beg to apply for a lease for coal-mining purposes of that portion of Lake Wahi fronting Allotments 27, 26, 44, 45, 46, 48, 49, in the Parish of Pepepe, as shown on the plan attached hereto, marked blue. I beg to enclose cheque for £37 10s., being deposit at the rate of 3s. per acre on the estimated area of 250 acres." On the 26th August, 1902, the Commissioner of Crown Lands wrote as follows: "In reference to your application of the 22nd instant on behalf of the Taupiri Coal-mines (Limited), I have to inform you that Mr. Rossenbeck has already applied for a coal lease for that portion of the Wahi Lake opposite to Section 48, Pepepe Parish. Therefore your application will have to be amended before it can come before the Land Board." I would like to call your attention, Mr. Chairman and gentlemen, to the fact that this shows the first application made by the Prospecting Syndicate. Here is their Allotment 48 [Allotment indicated on plan] and here is the area of 100 acres for which they applied [Indicated]. It is marked "Huntly Coal-prospecting Syndicate's original application." Under date the 30th August, 1902, the secretary to the company wrote to the Commissioner of Crown Lands, "In reply to your letter of the 26th instant, informing me that Mr. Rossenbeck has already applied for a coal lease for that portion of the Wahi Lake opposite to Section 48, Pepepe Parish, and that therefore our application would have to be amended, I now beg to apply for a lease of that portion of Lake Wahi fronting Allotments 26, 27, 28, 29, 44, 45, 46, 48, 49, 145, 53, as shown by red lines on the tracing enclosed herewith, less that portion of the lake opposite Section 48, already applied for by Mr. Rossenbeck." On the 10th February, 1903, the Commissioner of Crown Lands wrote, "Coal lease, Wahi Lake: With reference to your application relative to above, I have to request you to comply with the provisions of section 4 of 'The Coal-mines Act, 1891,' by advertising twice at an interval of one week in some newspaper circulating in the locality, and furnish copies of advertisements to this office. And as the area is computed to contain 408 acres, I have to request you to pay to the Receiver of Land Revenue, Auckland, £23 14s. in addition to the £37 10s. paid. If this request is not complied with within two weeks from this date the application will be considered lapsed." On the 4th March, 1903, the company wrote to the Commissioner of Crown Lands as follows: "Re coal lease, Wahi Lake: In reply to your letter of the 10th February, I beg to inform you that I have paid to the Receiver of Land Revenue £23 14s., being the balance due for application, and that I have inserted the notice required by section 4 of the Coal-mines Act in the *Waikato Argus* of the 20th and 27th February, copies of which papers are forwarded herewith." This is a copy of the notice: "Public notice under 'The Coal-mines Act, 1891,' and its amendments. Notice is hereby given that pursuant to section 4 of 'The Coal-mines Act, 1891,' the Taupiri Coal-mines (Limited) have made an application to the Commissioner of Crown Lands for a lease for coal-mining purposes of that portion of Lake Wahi fronting Allotments 26, 27, 28, 44, 45, 46, 48, 49, 145, and 53, Parish of Pepepe." On the 6th April, 1903, the Commissioner of Crown Lands wrote to the company, "Proposed coal lease, portion of Wahi Lake: In reference to your letter of the 4th March I have to inform you that the Land Board wish to know what the proposed expenditure and output during the first five years are to be. The Board have postponed consideration until this information is supplied." On the 24th April the secretary to the company wrote to the Commissioner as follows: "Re coal lease, Wahi Lake: In reply to your letter of the 6th April, I am directed to inform you that the company are now carrying on boring operations in order to ascertain the coal-measures in connection with above lease. As soon as ascertained a scheme for working the property will be determined upon." On the 30th April the Commissioner wrote as follows: "Coal lease: In reference to your application for a coal lease for land under the Wahi Lake, I have to inform you that the matter has been considered by the Land Board, when it was resolved that you be requested to explain the proposed course of working and indicate on litho. or plan the approximate position of shaft, machinery, buildings, and trams, and that the following are the conditions that the Board propose to recommend the Minister to approve of when granting a lease: Term, twenty-one years; royalty, 4d. per ton, payable half-yearly; rent, 5s. per acre per annum; expenditure in opening and developing, within twelve months, £500; within twenty-four months, £1,000; within thirty-six months, £2,000; output, first year, nil; second year, 1,000 tons; third to seventh year, 2,500 tons; eighth to twenty-first year, 5,000 tons." On the 12th May, 1903, the secretary to the company wrote to the Commissioner as follows: "Re coal lease, Wahi Lake: In reply to your letter of the 30th April, I beg to state that our 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. Our 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." A further letter addressed to the Commissioner of Crown Lands, under date the 20th May, 1903, is as follows: "In support of my company's application to lease a portion of Lake Wahi, I beg to state that we have been working in the direction of the lake for the last three years, and in addition to driving headings in that direction, we have put down a series of boreholes for the purpose of ascertaining the trend of the seam. This is costly work, as in some places running sand overlies the coal-measures for a depth of 119 ft. This has to be piped, and makes the work slow and expensive. Seeing that our developments in the direction of the lake were proving satisfactory, the question of applying to the Crown for a lease of a considerable area was actually discussed by the directors long before the Huntly Coal Syndicate made any application to you, and we were surprised to find on inquiry at your office that 100 acres of the lake had been applied for by them. Two of the syndicate are, and have been for years, working in the company's mine, and in undertaking this prospecting there can be no doubt but that they have acted on information gained while in the company's service 'The

Coal-mines Act, 1891, says, 'Precedence shall be in the order of the receipt of the applications by the Warden or Commissioner,' and, as my company's application was in first, we claim in all fairness that it shall be granted. I would further point out that from the surface to the bottom of the coal-seam in our last borehole the distance was 350 ft., 119 ft. of which was running sand, water, and boulders; as the hole now being put down on edge of lake is further to the dip, we do not expect to bottom the seam under 400 ft. The initial expenses of shaft-sinking in such country and the attendant difficulties would be almost sure to result in failure to a new company, whereas my company have only to continue the present headings to work the lake coal and bring it through the present workings. In conclusion, sir, I trust that in dealing with our application consideration will be given to the fact that we are prior applicants, that my company have already paid the Crown thousands of pounds in royalty, and that we have already spent some hundreds of pounds in development-work in anticipation of working this lake coal. I am enclosing plan showing headings and boreholes testing the deep channel of country. This was ascertained after driving in various directions, and the proposed main heading is set on that course." On the 2nd June the Commissioner of Crown Lands replied, "Coal lease, Lake Wahi: In reference to your application for a lease of a portion of the above lake, I have to inform you that the Land Board resolved to adjourn consideration." On the 1st July the Commissioner wrote as follows: "Coal leases, Wahi Lake: At a meeting of the Land Board held the 26th June last, the following resolution was passed: 'That the persons interested in the Wahi coal-lease applications be communicated with, so that they may come to some understanding between themselves as to a satisfactory division of the area, to enable the Commissioner to report to the Board at the next meeting.' Will you please see the Huntly Coal-prospecting Association with a view to the settlement of the difficulty." On the 17th July the company wrote as follows: "In reply to your letter of the 1st July recommending our company to communicate with the Huntly Coal-prospecting Association *re* division of area of Lake Wahi applied for by both the above prospecting association and by this company, I beg to inform you that our Mr. W. J. Ralph interviewed Mr. Leather at Huntly on Tuesday last with that object, and was informed by him 'that his syndicate was not prepared to consider any suggestion for the division of the area referred to; that he had been acting on the advice of the Crown Lands Office all along; that he knew that his syndicate was entitled to the whole of the lake, and that it must be granted to them.' Under these circumstances I regret there seems no hope of coming to any terms with the applicants for lease of Wahi Lake, and I therefore trust that your Board will now grant the applications made by us on the 23rd and 30th August last, they being made in accordance with the provisions of 'The Coal-mines Act, 1891.'" The next letter is from the Under-Secretary, Mines Department, under date the 1st December, 1903: "I am directed by the Hon. the Minister of Mines to inform you that after inquiry it has been decided not to refuse consent under the Coal-mines Act to the issue of two leases indicated on the accompanying tracing—that is, a lease to the Huntly Coal-prospecting Association of the areas marked B, hatched red, and a lease to the Taupiri Coal-mines (Limited) of the area marked A, hatched blue, on the following conditions: Area A: Royalty, 6d. per ton on all coal sold; rent, 2s. per acre; 1,000 tons of coal to be produced within two years, output for third year 3,000 tons, output for fourth year 4,500 tons, output for fifth year 9,000 tons, output for sixth and succeeding years 10,000 tons. Application can accordingly be made by the Taupiri Coal-mines (Limited) for the area marked A to the Commissioner of Crown Lands, Auckland, who will deal with it on compliance with the requirements of the Coal-mines Act in respect to payment of deposit, advertising, &c.—I have, &c., H. J. H. ELIOTT, Under-Secretary." This plan is the one referred to. [Produced.] Area A is marked in blue, and B in pink. The company communicated with the Commissioner of Crown Lands under date the 29th December, 1903, "The Under-Secretary for Mines informs me in his letter dated the 1st December that application can now be made by our company for that portion of Lake Wahi marked A on plan. I therefore beg to apply for a coal lease of area A, Lake Wahi, containing about 250 acres. The amounts paid to you as deposits on former applications for lease of Wahi Lake—viz., £37 10s. on the 22nd August, 1902, and £23 14s. on the 4th March, 1903, making a total of £61 4s. Please transfer to the credit of the present application." The Assistant Surveyor-General (Mr. Mueller) wrote to the company on the 11th January, 1904, as follows: "*Re* application coal-mining lease, Wahi Lake: In answer to yours of the 29th ultimo, I have to state that up to the present I have received no notification of the decision come to by the Government, and therefore cannot as yet take action as requested. I have written to the Mines Department asking the Secretary to inform me what has been decided upon." On the 18th May the company wrote to the Commissioner of Crown Lands, "I have the honour to forward herewith lease of part of Wahi Lake, in triplicate, duly signed by the directors of this company." I may here mention that the lease, in triplicate, was forwarded to the company, a meeting of the board of directors was held, the leases were signed and the seal of the company attached, and the letter I have just read was sent, accompanying the lease. On the 11th July, 1904, Mr. James Mackenzie, the newly-appointed Commissioner of Crown Lands, wrote to the company as follows: "I beg to request you to pay to the Receiver of Land Revenue, Auckland, £1 1s. fee for coal lease of portion of the Wahi Lake." In due course the £1 1s. fee was paid. The receipt is here, "Auckland District Office, 6th August, 1904.—Received from Taupiri Coal-mines (Limited) as lease fee on portion of Wahi Lake marked A, 230 acres, the sum of one pound one shilling—£1 1s.—T. M. TAYLOR, Receiver of Land Revenue, p. H.R." I have endeavoured to put the business before the Committee in its proper order. I will leave the documents for the consideration of the Committee. You will see, gentlemen, that from first to last the company has been in a proper legal position. It made its application prior to the syndicate making their application for the area they are now asking for. In the first instance the syndicate made application for 100 acres. The company made application for 250 acres, and subsequently an amended applica-

tion for 400 acres, and, long after, the syndicate made application for the whole lake. Now they are asking that the whole area shall be leased to them. They have no legal rights, and the attitude which they are taking up is an extraordinary one. They have in area B a much larger area granted to them than the company, although their application was only for 100 acres. The company has recently purchased a property between Wahi Lake and its workings, at a cost of £15,500, and they are now extending the workings in the direction of Lake Wahi [Indicated on plan], and it is the intention to open up an endless haulage roadway which will enable the company to work area A, Wahi Lake, from the present shaft.

153. *Mr. Moss.*] Is this the 100-acre area that was first applied for by the syndicate [Area indicated on plan]?—Yes.

154. After they applied for that, your company, I understand, pegged all round them?—No. We took an area from one given point to another. I think it was about in a line like that [Indicated], but I cannot say exactly where it was laid off not having a plan.

155. After you had pegged round the syndicate applied for the same ground?—No; they applied for the whole lake. But that was long after the company had applied—some eight months after.

156. Who got the piece that the syndicate first applied for?—They got it, and a large additional area besides—in fact, some 200 acres of the area which was applied for by the company prior to the syndicate applying for the whole lake is included in area B granted to the syndicate, although up to that time they had only applied for 100 acres.

157. They were the first applicants for the 100 acres, and they have got it?—Yes, and a big area besides. They have a larger area granted to them than the company, although they only applied for 100 acres and the company 400-odd acres.

158. *Mr. Leather.*] Do you remember, Mr. Alison, when we first started boring operations?—No.

159. Where was the nearest place to the lake at which you put down your holes prior to our starting operations?—I do not know when you started operations, but on Mr. Hetherington's ground near Rotoiti a bore had been put down many years ago, and had proved the ground to be coal-bearing. That the company had full knowledge of.

160. Are you aware that the Waikato Coal Company were looking for coal, and would have started operations if they had found it?—The company is long since defunct. It has nothing to do with this matter at all. It was absorbed in the Taupiri Coal Company.

161. Are you aware that twenty years ago the Waikato Coal Company was looking for coal close to Rotoiti?—I cannot give you any information about what happened twenty years ago.

162. Is it not a fact that you got into trouble in your mine shortly after we started operations by striking a fault?—Faults are met with in every coal-mine from time to time. We encounter them continuously. A fault is met with, you work through it, and are into good coal again.

163. Is it not a fact that you have put certain holes down here [Place indicated on plan] and got nothing?—No; it is not a fact. At every bore we put down we got good coal.

164. How is it, then, that Mr. Gilberd withdrew his pipes on several occasions and got nothing?—I do not know what he did, but I know that every one of the bores he put down for the company proved that coal was there. But that has no bearing upon the question before the Committee. We put a bore down by the side of the lake, and went through two seams of coal, 12 ft. and 15 ft. thick respectively.

165. Is it not a fact that he could not get through the boulder-bed on three or four occasions?—That is not so in connection with bores for the Taupiri Company.

166. Do you mean to say it took a man six months to bore through sand?—I do not know what time it took. I know that the bores proved the coal in the seams of 12 ft. and 15 ft. to be of first-class quality.

167. Are you sure it was of first-class quality?—I only know by the report. I was not present to see the coal. The mine-manager reported.

168. Are you aware that the analysis of the top seam was less than the analysis of the bottom seam as regards carbons?—I do not know. I will not enter into the question of the quality of the coal. The company desire that area because they are quite satisfied it is coal-bearing, and they made application for it because of their knowledge on the continuity of the coal-measures.

169. Has not the Taupiri Company the right to work all this property here [Indicated on plan]?—We have a large area of land. We purchased a large area recently.

170. Could you give us an approximate estimate of the time it would take to work out that area, say, at the rate of 400 or 500 tons a day, if it was all coal-bearing?

Mr. R. McKenzie: What is the area?

Mr. Leather: Close on 1,000 acres.

Witness: The company has recently acquired for £15,500—a large sum of money—the right to mine a given area of coal, a considerable portion of which is between the company's mine and Lake Wahi.

171. *Mr. Leather.*] Do you know of any property besides this that the syndicate has acquired in this vicinity?—I have given no attention to what the syndicate has done. I only know what has been done with reference to Lake Wahi and in connection with the business of the Taupiri Coal Company.

172. Are you aware that the area over which the syndicate have obtained the right to mine coal from private persons amounts only to 65 acres, which they have acquired to place their plant upon?—I do not know anything about their business. They are only a syndicate and do not publish any information, and I am not in their confidence.

173. Is it not a fact that the Taupiri Coal Company's representative went to the Land Office to acquire the whole of Lake Wahi shortly after we were there?—Not that I know of. The whole

of the correspondence and everything in connection with it, as far as I know, is set out in the documents I have put before the Committee.

174. Do you remember a meeting of shareholders of the Taupiri Company which was held at the Chamber of Commerce, Auckland, on the 19th January?—Yes.

175. Do you remember making the following statement attributed to you in the paper: "Mr. Alison then proceeded to explain that in 1902 a syndicate called the Huntly Coal-prospecting Syndicate made application to the Crown Lands Commissioner for 100 acres of Lake Wahi. Mr. Ralph received information that the application had been made. A meeting of directors was called, and the company applied for the whole area of the lake, some 1,250 acres, and after much pressure the Government granted 250 acres." That is the newspaper report?—It is not necessarily correct. The pressure that was brought to bear upon the Government was simply this: The company applied for some 400 acres, but could not get that 400 acres granted to them. They have been endeavouring to obtain the lease of that area for a considerable time; but through the interference of the Huntly Prospecting Syndicate and a mistaken sympathy having been extended to them by the Department and the Minister of Mines, the company has only recently received intimation that it is to obtain some 230 acres.

176. Was it vital to your company to acquire this portion of the lake—the portion allotted?—The company did not apply for 400 acres of Lake Wahi simply out of philanthropic feeling towards the Government. Of course, it was a business transaction on the part of the company.

177. Do you not consider it is just as vital to the syndicate to have that much cut off?—I have no doubt the syndicate would like to absorb the whole of the Taupiri Coal Company; but that has nothing to do with the business before the Committee.

178. Are you aware that Mr. Ralph, on a second occasion, after you had kept the borer longer than you agreed to, went into the office, and his application was again refused?—I know nothing of it. Any applications in connection with the Wahi Lake were made not by Mr. Ralph, but by the company itself.

179. But Mr. Ralph was the representative of the company?—He was one of the directors.

180. Was it ever suggested by your company, through Mr. Gilberd, that the syndicate should ask for a bonus from the Government for finding coal, and the Taupiri Company would support the request?—There is not a particle of truth in it, as far as I am aware.

181. You are not aware that Mr. Gilberd approached us in that way?—I never heard of it. Mr. Gilberd was simply engaged to carry out certain boring, and I have never heard him make or of his making a suggestion in regard to this bonus question.

182. If your company were the original prospectors, how is it that you have not worked such a large area here at all?—We make no profession with regard to original prospecting at all. Ours is simply an established coal company that is working its ground, and desires to have a sufficient area to enable it to continue its working.

183. If this area were all workable and coal-bearing how long would it take your mine to work it out?—It will take a good number of years, I hope, in view of what it has cost the company. The area that we have secured, with the Wahi Lake area, will last, we estimate, at least twenty-five or thirty years.

184. If all this area is a good coal-bed, as some surmise, will you or I see it worked out?—Probably not—I hope not; but a business man must look ahead. You did not look far enough when you were making your application or there would have been no difficulty as far as your syndicate is concerned.

185. Have you and your company always kept within the Act—the Coal-mines Act?—In what respect?

186. Have you kept to the letter of the law?—In acquiring areas of land?

187. Yes?—Certainly. If we do not comply with the law we are very soon informed that we are not in a legal position.

188. Are you aware that the Taupiri Coal Company won from under the Waikato River a considerable amount of coal which belonged to the Government before they ever applied for the ground?—You are surely very hard up for something to ask questions about. You knew that Ralph's Taupiri Company worked under the Waikato River to enable them to get across the river.

189. Are you aware that the first tracing you sent in to the Department was for 410 acres round here [Place indicated on map]?—Something like that—400-odd acres.

190. Did the Commissioner say that it was protected for the Huntly Syndicate?—The Commissioner was not consulted when the first application was made. What the company did was simply this: an application was made for a given area, and it was afterwards found out that it overlapped.

191. *Mr. J. Allen.*] The reply was that Mr. Rossenbeck had already applied for a coal lease?—This is the letter, dated the 26th August, 1902: "In reference to your application of the 22nd instant on behalf of the Taupiri Coal-mines (Limited), I have to inform you that Mr. Rossenbeck has already applied for a coal lease for that portion of the Wahi Lake opposite to Section 48, Pepepe Parish. Therefore your application will have to be amended before it can come before the Land Board."

192. *Mr. Leather.*] Had your company spent any money prior to our starting work on this lake-shore?—In what way?

Mr. Leather: In boring along the lake [Place indicated on plan]?

Mr. R. McKenzie: On the ground that you applied for, *Mr. Leather?*

Mr. Leather: Yes.

Witness: The intervening land between Lake Wahi and the company's workings belonged to other owners, and negotiations were pending at the time with regard to that area. Arrangements were made, and then, in anticipation of the business becoming known, application was made for this portion of Lake Wahi [Indicated].

193. *Mr. Leather.*] You have some leases over here [Place indicated], have you not?—We have very big areas—some freehold, some leasehold.

194. Were there any borings here [Place indicated] prior to the syndicate starting work?—No, I think not.

195. Have you done any prospecting along here before they started [Place indicated on plan]? No; but, of course, we knew that the coal was in this part, and we have 30 ft. of coal here [Places indicated].

196. Where is it dipping?—Towards the lake.

197. You did not prospect here [Place indicated] prior to our starting?—No; the company put down no bores there that I know of before you started. They knew there was coal in that direction.

198. Are you aware that there is a big piece of barren country here [Place indicated]?—No, I am not—not where you are pointing out.

199. It is not intended by your company to put in a stone drive to connect the coal here [Indicated] and work this ground [Indicated]?—We are making a roadway now, and have been for some time.

200. You are going to put in a big stone drive, are you not?—No; simply a drive through the coal. You know that the portion of roadway driven through stone was because a roll in the seam of coal was encountered, and, of course, when a roadway is being made it must be made at a given grade. The work is going on so as to arrive at a certain depth where the coal is here alongside the lake [Place indicated on plan]. The heading is now through the stone belt, and is being extended through the coal.

201. *Mr. R. McKenzie.*] How much Crown land does your company hold altogether?—We have only the lake-area in this proximity.

202. I mean altogether; how much Crown land does the company hold altogether, under different leases?—I could not say definitely how much. I think 100 acres of the Waikato River. The company holds a lease of probably 200 or 300 acres at Kimihia, but that area is leased from the trustees of the Auckland University College.

203. *Mr. J. Allen.*] In addition to this?—Yes; another property a long way from Lake Wahi.

204. *Mr. R. McKenzie.*] How long is it since your company applied for this ground?—I gave you the date. On the 22nd August, 1902.

205. Were those men prospecting there then?—I do not know. I would like to look at the papers to see the date on which they applied.

206. *Mr. J. Allen.*] The money for the 100 acres was received on the 4th August, 1902. That was prior to the company's application.

207. *Mr. R. McKenzie.*] This ground had been lying idle for some years, I suppose?—Yes.

208. And neither your company nor any one else wanted it, did they?—The company has been working towards the lake for years past, and the developments went to show the coal was going in that direction.

209. But you never made any application for the ground prior to these men applying, did you?—No; we made no application till the 22nd August, 1902. We were unaware that they were prospecting. I knew nothing of their prospecting; I never heard a word about them.

210. You were aware that they had found coal there?—No; they absolutely refused to give any information to anybody.

211. But this information is shown to have been supplied to the Commissioner of Crown Lands at Auckland?—Perhaps so; but he would not give the information to the company, and the syndicate would not. Mr. Leather told me one day prior to the meeting of shareholders in 1894 about having found coal there. That was a long time afterwards.

212. This is what you are reported in the newspaper of the 19th January, 1904, to have said: "Mr. Ralph then proceeded to explain that in 1902 a syndicate called the Huntly Coal-prospecting Syndicate made application to the Crown Lands Commissioner for 100 acres of Lake Wahi. Mr. Ralph received information that the application had been made. A meeting of directors was called, and the company applied for the whole area of the lake, some 1,250 acres, and after much pressure the Government granted 250 acres." Who did you bring that pressure on—the Minister of Mines, the Premier, or the Commissioner of Crown Lands? Were you, or was Mr. Gordon the active agent in bringing the pressure?—Mr. Gordon had very little to do with it.

213. Who was the agent that brought this pressure to bear on the Government?—No agent. The secretary to the company did nearly all the business, and the pressure is contained in the correspondence which I have submitted to you.

214. Did you take any part in it—"after much pressure," you say?—There was continuous correspondence on the matter. The Commissioner would not grant us the ground straight away as he should have done.

215. Did you have a private interview with the Minister of Mines or the Premier?—No; not one private interview with the Minister of Mines or the Premier, nor with any one connected with the Government. The whole business was dealt with by the company in the most open manner with the Department at Auckland, and the communications were almost wholly between Mr. Mueller and the secretary of the company.

216. I understand that you are chairman of directors of the company?—Yes.

217. Would it not be your place to look after all this pressure? Would you be the agent who would have charge of it?—My duty is to do that which is in the interests of the company, and I tell you that I had no interview with the Minister of Mines or any Minister of the Crown.

218. Who did you bring this pressure to bear on?—On the Commissioner of Crown Lands, in the form set out in the documents put before you.

219. What was the nature of the pressure?—Do you not think it is considerable pressure to make an application on the 22nd August, 1902, and have all this correspondence pass afterwards?

220. It is not a question of what I think. You were the active agent in bringing this pressure to bear. I want to know which officer or Minister you have been "squeezing"?—I have told you that I have not squeezed or spoken to any Minister about the matter.

221. How did you press the Government?—Through the correspondence. Your ideas of carrying things out are, perhaps, different from the company's.

222. How did you "squeeze" somebody connected with the Government?—We did not "squeeze" any one.

223. But bringing pressure to bear means "squeezing"?—You wish to imply that something was done that was not creditable?

224. I am simply using your own words. You say, "After much pressure the Government granted 250 acres"?—Is it not much pressure, after making an application for a coal lease on the 22nd August, 1902, to have to carry on this correspondence, and only receive intimation on the 6th August, 1904, that the lease has been granted to you—when you were the prior applicant?—Your idea of pressure evidently is to use undue influence on Ministers. I do not resort to "squeezing."

225. You say, "After much pressure"?—Yes. It was after much pressure.

226. I understand what political pressure means all right?—It does not say "political pressure" there.

227. It says "much pressure"?—You are hard up for something to say. You are quoting from a report of a meeting at which I used the term "after much pressure." There was much pressure.

228. Were you aware, when you made the application, that the men had spent a considerable amount of time and money in prospecting the ground?—I know nothing about their business. I know nothing about what it cost them, and their developments, except what Mr. Leather told me one day in a semi-confidential manner. This was shortly prior to the meeting held this year.

229. Do you mean to tell the Committee that you were not aware that the syndicate had prospected the ground at this time?—We had no knowledge with regard to it at all. There was talk about the syndicate, but—

230. Did you use this pressure to try to "squeeze" those men out of it after they had spent their money on prospecting the ground?—Certainly not. The company made application for this area because it was essential to the working of the company's business that they should have it.

231. Why was it essential?—Because they wanted an extended area.

232. That did not make it essential?—Not in your opinion, but in their opinion it was. They are not guided by your judgment in the matter.

233. Did you offer those men any terms to buy them out?—No.

234. Did any one on behalf of your company?—Not that I know of. There has been no authority whatever given to any one to in any way negotiate with the syndicate.

235. You did not try to get them to surrender their application, did you?—We made no application further than that we wanted the area we applied for.

236. This gentleman (Mr. Leather) says that the syndicate were asked the terms on which they would surrender their claim. Was that by your company?—No.

237. Did any one on behalf of the company interview them?—Mr. Ralph interviewed Mr. Leather on behalf of the Taupiri Coal Company as suggested by the Commissioner of Crown Lands, who asked that there should be an endeavour made on the part of both sides to come to an amicable arrangement; and that failed.

238. Who is Mr. Ralph?—One of the directors of the Taupiri Company, and the owner of a considerable area of land on which the company works.

239. Does he occupy any Government position?—No.

240. You bought a property from him, did you?—Yes. From Mrs. Harris, from Mr. Ralph, and from Miss Ralph.

241. He is a large shareholder in your company?—Yes.

242. Have you got a lease for this land—this piece in dispute?—You would imagine so by the receipt, would you not?

243. Not altogether. A receipt does not constitute a lease?—If you have not got the lease after that correspondence and delay, I say we should have.

244. Have you got a lease from the Crown of any part of this ground that is in dispute, or that the other people have applied for?—You will see that the letter sent by the Commissioner is dated the 11th July. You know that I have been in Parliament since about the 26th June, but the company's business is going on during my absence. I sent to the secretary, asking him to forward to me all correspondence in connection with the company's applications. This is the correspondence which I have before me and which I have read. This is the receipt for the fee paid for the lease [Produced]. As the business has been dealt with since I came to Parliament I am not aware whether the company has obtained the lease or not.

245. That is outside of my question. I ask, have you or your company got a lease for any part of the ground that the syndicate applied for?—I can give you no information further than that which is submitted to you. As I say, when I found this petition was coming forward I sent a wire asking for all the correspondence, and that correspondence has been placed before you.

246. When did you send the wire?—After the petition was presented. I could not say the date.

The Chairman: The petition was presented on the 21st July.

247. *Mr. R. McKenzie:* Over three weeks ago. If you had obtained a lease would it not be part of the correspondence?—There is the receipt. The secretary would not send the lease here. Why should he?

248. I tell you, as a matter of fact, that there is no lease?—Then you know more about it than I do.

Mr. R. McKenzie: Under the Coal-mines Act, before a lease is finally issued it has to be signed by the Governor. Now, the lease mentioned in your company's letter of the 18th May, 1904, is not signed by the Governor, consequently there is no lease in existence.

249. *The Chairman.*] You do not know of your own knowledge, Mr. Alison, whether the company has got the lease signed by the Governor or not?—I have not communicated with the secretary to the company further than to ask him to send the documents. He would not send the lease, but probably could not because, as he says in his letter of the 18th May, it was then forwarded on to the Commissioner of Crown Lands after being signed by the directors of the company. Whether it has been received back or not I do not know.

250. *Mr. R. McKenzie.*] I think you said you had priority over other claimants?—Yes.

251. How do you establish that?—By our being the first applicant in the order of precedence, according to "The Coal-mines Act, 1901."

252. You said your application was on the 13th April?—I said nothing of the kind. It was on the 22nd August, 1902.

253. This application by the syndicate that I have here is dated the 4th August, 1902?—That is for 100 acres. It is the receipt for £15. The application for the 100 acres was made at the beginning of August by the syndicate. On the 22nd August the company applied for 250 acres, and eight months afterwards the syndicate applied for the whole lake.

254. You said in your statement, Mr. Alison, that there was no power to grant protection for prospecting, or to grant prospecting-areas?—I did not say anything of the kind.

255. *Mr. R. McKenzie.*] I will ask the shorthand-writer to read what you did say. [The shorthand-writer here read out Mr. Alison's statement referred to as follows: "I would particularly draw the attention of the Committee to the fact that there is no provision in 'The Coal-mines Act, 1891,' by which coal-prospecting leases can be granted. If you will refer to clause 6 of 'The Coal-mines Act, 1891,' you will see how application for leases must be made. No provision is made for prospecting leases. . . . So that the Commissioner had no power under the Act, assuming Mr. Leather's statement to be correct, to grant a coal-prospecting license to the Huntly Coal-prospecting Syndicate or any one else."]]

256. I suppose you will admit, after hearing that, that your memory is not good?—My recollection was quite right. I said that coal-prospecting leases could not be granted. You cannot find a word there about protection.

257. You said there was no power to grant protection?—I said nothing of the kind. I merely said that prospecting leases cannot be granted.

258. Do you consider that when those men applied to be allowed to prospect the ground they put in an application for the ground?—They must have put in an application for the ground, but whether correctly or not I cannot say.

259. And a Government officer took £192 15s. rent from them?—I do not know. The receipts are before the Committee and will show the amount he took.

260. You admit the Land Office took some money?—I admit everything that is shown by the documents before the Committee.

261. So that your priority of application evidently does not hold good?—You are entirely wrong in making that statement. I admit that the men made an application for 100 acres early in August, 1902, that the company made an application on the 22nd August, and that eight months afterwards the syndicate applied for the whole lake; and now they are demanding that the whole area should be granted to them.

262. You will admit that the Commissioner of Crown Lands granted them six months' protection—you heard the correspondence read?—I heard Mr. Leather make reference to that. I have not the correspondence read by him before me.

263. It was put in as evidence, that they were granted six months' protection?—I have nothing to do with what the Commissioner of Crown Lands did in granting the syndicate protection.

264. You say you applied for a lease, and you are of the opinion it has been granted. Is this a separate lease or is it an extension of your present lease?—I do not quite understand you. There is only one lease for the area marked A.

265. I understood that you had a lease of some Crown lands—200 or 300 acres?—That has no connection with this at all.

266. I will show that it has a connection. You held a lease before, from the Crown, of a coal-mining area?—Lake Hekenoa is held from the Crown Lands Commissioner, I think. The Kimihia Mine is part of an endowment, I believe.

267. What sort of an endowment?—A university endowment I think, but am not sure.

268. Did the Minister of Mines sign that lease?—I am not sure; I think not, but could easily ascertain if the Committee desire to know.

269. If he did not you do not hold any lands from the Crown at all, except this?—Except the right to mine the river-bed.

270. When did you get that right?—About four years ago.

271. What is the area?—I think there is about 100 acres.

272. You have a lease from the Crown for that, have you?—Yes.

273. And you reckon you have another lease from the Crown for another piece?—We should have.

274. Are you going to work through the same heading?—Yes.

275. Have you applied for amalgamation of those two leases that you hold from the Crown?—No. One is entirely separate from the other.

276. I think you stated that the men in the syndicate had got their information through working for the Taupiri Coal Company or in the Taupiri Mine?—Yes.

277. What did they leave for?—Mr. Leather is still working at the Taupiri Mine.

278. I think Mr. Leather said they refused to work for your company?—Mr. Rossenbeck,

through some dispute with the manager—I forget the exact circumstances—ceased to work at the mine some months ago. Up to that time he had worked there for years.

279. Were they dismissed?—Mr. Rossenbeck was discharged; Mr. Leather has not been discharged.

280. Is there a Miners' Union there?—Yes.

281. Was Mr. Rossenbeck's case considered by them—I suppose you would not know?—I do not know. I do know there was no injustice done to Mr. Rossenbeck.

282. What I inferred from your remark was that they got the information from your company by unfair means?—I say that the knowledge which they gained, they gained by being connected with the company by being in the company's employ.

283. Were they at all singular as compared with other men working for your company or any other company?—I do not say they were.

284. The information was available to any of the miners?—Yes; any miners working in Ralph's drive.

285. So that they got no advantage over your company in that respect?—All miners working there know exactly how the workings are going.

286. *Mr. Rossenbeck.*] Mr. Alison made the statement that he was not aware of our prospecting when we started, or what we were doing. Will he stand here and tell the Committee that he never received any information through the Ralph or Harris families about all our doings from beginning to end?—Mr. Ralph is a director of the company, and whenever he has any information which he considers the company should have he gives it. As to the Huntly Prospecting Syndicate, excepting by name, I know very little of it. As to who comprise the syndicate I know nothing except that Mr. Leather is one member, and I take it Mr. Rossenbeck is another. As to what they have ascertained, or what their financial position is, I know little.

287. That is not the question. You said you were not aware we were prospecting at all?—Not when the company made the application.

288. That information being very important to your company, and Mr. Ralph being a director of the company and he being informed through the Harris family, who are related to him—you mean to say that he did not inform you of everything we were doing?—I have no doubt that Mr. Ralph informed the directors of anything which he thought they should be informed of. I do not remember that there was anything special he reported, except that you were boring on that section, and he hoped you would get coal, and that was all.

289. You said you did not know anything about it?—What I said was that I did not know anything about your syndicate. Nor do I.

290. Have you any idea that Mr. Gilberd, the man who did the boring for us, acted very suspiciously on several occasions? He put a hole down a certain depth and then refused to go further—he told us he could not go any further—he was stuck?—I do not know anything of it. What you are now saying is the first I have heard of it.

Some discussion here took place as to procedure, and *Mr. Leather* said, There are several questions I would like to ask Mr. Mueller, Commissioner of Crown Lands at Auckland. When I interviewed him in the first instance we acted on his advice.

291. *Mr. J. Allen* (to Mr. Leather).] Written or verbal?—Verbal. We sent a tracing in, and it was left over. The point is this: Why did not Mr. Mueller object to our application and send it back? It was on his recommendation—

292. *Mr. Herries.*] You mean when you applied for the prospecting license?—Yes.

293. *Mr. J. Allen.*] How much ground did the tracing cover?—It was for 100 acres, but there was no survey.

THURSDAY, 25TH AUGUST, 1904.

GERHARD J. MUELLER, ex-Commissioner of Crown Lands for Auckland District, examined. (No 4.)

1. *The Chairman.*] Will you give us your evidence, Mr. Mueller, as to what you know about this petition?—I have not been aware that a petition had been presented here. What is the wording of the petition? If you want the history of the whole transaction I can give you that quite easily.

2. *Hon. Mr. McGowan.*] The wording of the petition is: "In pursuance of 'The Coal-mines Act, 1891,' we desire to obtain, and will, full rights in accordance with this Act, being the original prospectors of Lakes Wahi and Rotoiti, adjoining the Taupiri Company's property, for coal-mining purposes. After having complied with the demands of the Commissioner and the Land Board, they have refused to grant the full area of our application, being under 2,000 acres, which is allowed by the Act." If you make your statement of the matter as far as you are concerned, I think that will meet the requirements of the Committee?—Well, I am speaking from memory, of course. The first I heard about this business was when some members of the prospecting company called at my office for the purpose of making an application for a prospecting-area. They wanted to have a prospecting-area granted them under the Coal-mines Act. Of course, I had to point out to them that there was no provision for that in the Coal-mines Act—that no prospecting-area could be granted under that Act as under the Mining Act.

3. *Mr. J. Allen.*] Was that done by letter or verbally?—That was done verbally and also by letter. There was a great deal of correspondence on the subject, and I believe that will appear in the correspondence. I pointed that out to them. I think Mr. Meldrum was with them, but I cannot exactly say who they were. They made application for a prospecting-area, comprising the whole of Lake Wahi, and, I believe, the little lake—Rotoiti. After I had pointed out to them that I could not grant a prospecting-area, and that the only way in which they could secure the land was by taking up a lease under the Coal-mines Act, they, after consultation, came to the conclusion that they would take up 100 acres right in front of the ground where they were prospect-

ing at the time. They explained to me that they had been boring for coal and were in the midst of boring some further holes, and were particularly anxious to secure the area in case they should be successful in finding coal. It then resolved itself into this: They decided upon taking up 100 acres right in front of the particular section where they were prospecting.

4. What do you mean by "taking up"?—Taking up on lease—applying for 100 acres of a coal-mining lease. Very well, this was done. It was pointed out also that it would be very hard for them to lose their deposit in case these boring operations should not prove successful. The only way I could suggest out of that was this: that I might recommend the Land Board not at once to deal with the application, but to adjourn consideration of it for a month or so, in order to give them an opportunity to get their bore down. If the Board had dealt with the application at the very first meeting afterwards, and had decided under what conditions the lease was to be granted, then, of course, if the company's attempts to bore for coal had proved unsuccessful they could not have got their deposit back again, because after once receiving notice that their lease of 100 acres was granted the deposit would have gone into the public fund. Therefore, to meet their case the Board felt that it was desirable to make matters as easy for them as possible, so we adjourned consideration of the application for a month, hoping from what they stated that during that month they would be able to find out whether there was any coal there or not. If they should be unsuccessful, well, then their application would drop to the ground and their deposit would be returned. However, a month passed—perhaps it was two months—and they made no application for the remainder. The idea, of course, I would point out again so as to make it perfectly clear, was this, that as soon as they should strike coal they could come to the office and make application for the whole lake if they liked—any area they pleased. However, as I said, a month or two passed—I cannot say exactly how long—and they never came to the office; but one morning some one connected with the Taupiri Company made inquiries at the Land Office as to what lands had been taken up for coal-mining purposes, and it was pointed out to him that 100 acres had been applied for by the prospecting company, but that the Board had not dealt with the matter. I think that gentleman was Mr. Ralph, but it may have been Mr. Scherff, the secretary to the Taupiri Company. At all events, he then made an application for, I believe, 500 acres surrounding that area of 100 acres. The application was made in perfect order, and the 3s. per acre was deposited.

5. Was it surrounding, or did it include the 100 acres?—It did not include the 100 acres; it was surrounding the 100 acres. As I was saying, this application was quite in order, they paid their deposit, and everything seemed to be right. A day or two after a Mr. Hetherington made application for the small lake adjoining—Lake Rotoiti—and after him came some members of the Huntly Prospecting Company. They wanted to make application for the whole of the two lakes. Of course, they were told that they had been forestalled, and that an application had already been made by the Taupiri Coal Company. Well, they expressed their disappointment, and Mr. Meldrum stated that he thought they had the first right, and so on; but in strict law the first applicant under the Mines Act has the first right, and of course any action the Board may take in declining or granting an application is subject to the approval of the Minister. A long correspondence, I believe, took place. The prospecting company wrote to Wellington and complained. Two or three times I reported upon this same subject, and at last the decision came from Wellington to intimate to both parties interested that their applications were refused. I did so. The next step, I believe, was that Mr. Hayes, of the Mines Department, was sent up to report upon this matter in conjunction with myself. We went to Huntly, went over the ground there, and saw most of the parties interested in it. Mr. Hayes had, prior to that, made a geological examination of the country thereabouts, and he cut out one-half of the lake—the northern part—as not being coal-bearing. Well, after considering all the circumstances of the case we reported thereon, and our recommendation was that a certain area—an area in front of the land owned by the Taupiri Coal Company—should be granted to the Taupiri Coal Company, and the other and much larger area in front of the ground which was occupied by the prospectors should be granted to them. This report was sent to Wellington, and after a while—I do not remember how long a time passed—I received intimation that our recommendation would be acted upon, and was requested to notify the Taupiri Company and the Huntly prospectors that such was the case, and to inform them of the conditions on which these coal-mining leases were to be granted. I did so. The Taupiri Company accepted the offer but the Huntly Prospecting Company refused, always asserting that they were entitled to the whole of these two lakes, that they were done out of the ground, that the others had taken advantage of them, that the Taupiri Company had evidently heard about the boring that was carried on and about the coal they had struck, and that they had forestalled them and made an application. Of course, it was just the old complaint. Then the Taupiri Coal Company's lease was issued to them, but the other lease was not dealt with. That is practically the whole of the business in connection with the matter.

6. Under what authority did you suggest that you would recommend to the Land Board to adjourn consideration of the prospecting company's application, so that the applicants might get their deposits back again?—There was no particular authority, but I explained to the Board the exact state of affairs. I told them that these people were prospecting close by, that it was a question whether they would find coal or not, and that it would be hard upon them if, in addition to having to go to considerable expense by way of prospecting, they should lose their deposit of £15 which they had to make for the 100 acres. I said I understood that the prospecting company would in a very short time—within about a fortnight or three weeks—know the result of their boring, and I thought it would be kind and considerate to adjourn consideration of their application for a month, so as to give them an opportunity to bottom the hole they were boring in.

7. What was the deposit paid for?—For the lease of the 100 acres.

8. Under the Coal-mines Act?—Yes; 3s. an acre.

9. Had you any power to grant a prospecting license under the Coal-mines Act?—No; there is no provision for it at all. In addition to this I wrote to headquarters specially in connection with this matter. I pointed out that it was absolutely necessary there should be special legislation, if the Coal-mines Act was to be amended, in that direction, so as to make it possible for people to prospect for coal and to secure to themselves, at all events, the right to select a certain area if they were successful in finding coal—as is the case under the Mines Act. My letter to that effect must be on the file, because a similar difficulty had occurred at Ngunguru, and it was after that difficulty occurred that I wrote to the Department pointing out that it was desirable there should be a provision in the Coal-mines Act which would give people an opportunity of prospecting in the same way as under the Mining Act.

10. What connection have you with the Receiver of Land Revenue on these matters—do you advise him when he is to receive a deposit, or anything of that kind?—Only in this way: that when money is to be paid I tell the parties to go over to the Receiver's room and pay it to him.

11. Do you not advise the Receiver that he is to receive money on account of a certain thing?—I would send for him and tell him that So-and-so would pay him a deposit.

12. In this case did you see the Receiver of Land Revenue?—No. I told Mr. Meldrum, or whoever it was, to go over to the Receiver of Land Revenue and pay the 3s. per acre.

13. Did you advise the Receiver of Land Revenue about that?—I think I called him in and told him.

14. That the money was for a coal lease?—Yes.

15. Then, how can you account for the Receiver of Land Revenue giving a receipt to Mr. Rossenbeck for £15 for a coal-prospecting license over 100 acres?—I have heard of that. I cannot account for it, except in this way, that Mr. Meldrum, or one of his *confrères* in this matter, would go over to the Receiver in accordance with my instructions and tell him, "I have to pay 3s. an acre for 100 acres on a coal-mining lease," or he might have said for a prospecting lease.

16. Did you not send over a note with this Mr. Rossenbeck when he went to pay his deposit fee?—No, I did not. As a rule, I called the Receiver in.

17. Did you call him in in this case?—I think I did.

18. Did you tell him what he had to receive the money for?—I must have told him it was for a lease.

19. Will you tell the Committee whether this receipt is for a coal-prospecting license or not [Receipt handed to witness]?—It is not signed by the Receiver. Evidently that accounts for it.

20. Who is the receipt signed by?—I do not know whose the initials are. It is signed "T. M. Taylor, Receiver of Land Revenue, per A. S." I think those are the initials, which would be those of one of the clerks in the Receiver's office. But I would point this out to the Committee, that it would be perfectly impossible for even Mr. Meldrum to have taken it as a prospecting license, because £15 paid for a 100-acre prospecting license would be the height of absurdity. Under the Mines Act a prospecting license costs from 5s. to £1 at the very utmost. To pay £15 for a prospecting license would be ridiculous. No such thing has ever been known.

21. Then this receipt is absurd?—The words "mining lease" should have been substituted for "prospecting license."

22. How do you account for a mistake like this occurring?—I cannot account for it. It just happened. I did not know anything about it until months and months after.

23. But is that not liable to deceive a person who gets such a receipt?—It could not in this case, after all the transactions that had taken place between Mr. Meldrum and the Board. He was before it several times, and could not possibly have been under the impression that he had a prospecting license. The application to have consideration postponed shows that he never looked upon this as a prospecting license. Why should there be postponement in the case of a prospecting license?

24. Then, this receipt ought to read, I suppose, "A coal-mining lease in prospect"?—No.

25. How long was it proposed to delay the issue of the lease?—Only a month.

26. Not longer?—No.

27. What happened in the month?—This application, I believe, was made by the Taupiri Coal Company.

28. And the lease was completed after the month, was it?—No, it was never completed, because the prospecting company would not hear of it. They always insisted upon getting the whole of the lake.

29. You say the lease was not completed. This receipt is dated "August 4, 1902." Was this money refunded after the month?—I do not think so. It was kept pending the final arrangement with the prospecting company.

30. *The Chairman.*] Did these other companies that took up this other land for coal-mining—did they take it up on the same conditions?—Yes, they paid 3s. an acre.

31. *Mr. J. Allen.*] What I want to get at is, what happened to this £15, which is accounted for in this receipt, after the month expired?—That £15 is still in the hands of the Receiver—lying there as a deposit undealt-with.

32. Then, the issuing of this lease has been postponed until how long?—Until the matter is settled.

33. Can you tell me when the matter was settled?—No; I believe it is still pending.

34. Then, this lease has been postponed from 1902 until now?—It has not been postponed; no action has been taken.

35. What is the difference between taking no action and postponement?—Postponement may be by a resolution of the Board.

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.

65. Could they for five years?—There would be a limit. It would all depend upon circumstances. If good grounds were not shown for it there would be no postponement.

66. If what you say is right, an area of coal land might be locked up by a Land Board granting extensions of this nature from time to time without any provision in the law?—They would never do that.

67. Had you any power to leave the application over for the month?—I do not think there was any particular power.

68. You told us that the Taupiri Coal Company applied for a lease of 500 acres?—Yes; I think it was 500.

69. You cannot recollect the date, I suppose?—No.

70. You told us that it was surrounding the 100 acres, but did not include the 100 acres?—That is so.

71. Are you sure of that?—Yes. Of course, the application for 100 acres was the first. That for 500 acres was the second, and then came Mr. Hetherington's.

72. You said that the application for the 500 acres did not include the 100. Will you read this letter, please [Letter handed to witness]?—It is dated the 26th August, 1902.—“In reference to your application of the 22nd instant on behalf of the Taupiri Coal-mines (Limited), I have to inform you that Mr. Rossenbeck has already applied for a coal lease for that portion of Wahi Lake, opposite Section 48, Pepepe. Therefore, your application will have to be amended before it can come before the Land Board.” That is signed by myself.

73. Then, did not the application for the 500 acres include the 100?—They might have made that mistake, but it was put right.

74. You made a mistake, did you?—I did not know of that. The people would go to the Land Office, make their application, and make it in such-and-such a way. Then, when it would come before me for examination, I would find that they had included an area which should not be in it, and would notify them of it.

75. Did you not say just now that the application for the 500 acres did not include the 100 acres, but surrounded it?—Yes, and say so still.

76. In spite of that letter?—Many times in the Land Office applications are made under an erroneous impression and have to be amended, and this is one of them. Evidently this 100 acres was included, but I cannot remember it.

77. You have to amend your previous statement, have you not?—So far, yes. I had forgotten about that. The application had to be amended.

78. Has a lease been issued to the Taupiri Company?—Yes.

79. Do you know if it is completed by both parties?—Yes.

80. The Minister has agreed to it and the company have signed it?—Yes.

81. And the lease is complete?—It is complete as far as I know. I have done everything in connection with it that could be done.

82. Is the lease to the Taupiri Company a proper and legal lease?—A proper and legal lease.

83. Was their application for the 500 acres the prior application?—It was not this 500 acres that was granted.

84. I mean the area that has been granted?—Yes.

85. Take the amended application for the 500 acres by the Taupiri Company. Was that the prior application for that 500?—No. You see, the whole of the applications for these coal-mining areas were refused by the Minister. He refused to grant any of them.

86. That is not my question. I want to know whether the amended application of the Taupiri Company for the 500 acres was the prior application for that 500?—Yes, that was the prior one.

87. And the lease was granted in accordance with law?—No; that lease was never granted.

88. I refer to the amended application for the 500 acres?—I see what you mean now. I shall have to explain.

89. That lease was not granted?—No.

90. Will you tell us why the lease for the 500 acres was not granted when the Taupiri Company's application was the prior one?—I could not give you a proper answer to that, because it all depends upon the Minister. The Minister has a perfect right to grant or refuse.

91. That is all I want to know?—It was submitted to the Minister.

92. The application of the Taupiri Company was submitted to the Minister and was amended, was it?—No, that is just where you are wrong. When all the applications were refused and a clean sweep was made of them for the two lakes, then Mr. Hayes was sent up to go over the ground with myself; we were to inquire fully into the subject, and make what recommendations we thought proper. Mr. Hayes made a geological examination, and half of the lake was found to be non-coal-bearing. After going into the whole matter, certain recommendations were made which were forwarded to Wellington, and after a while notification reached me that the recommendations were approved of. So this land that was granted to the Taupiri Company was not granted on a proper application—it was granted them on the decision of the Cabinet in Wellington.

93. What do you mean by saying the application was not a proper one?—There was no special application made for the area. These areas were simply those recommended to be granted to these two contending parties.

94. You have said that there was no power under the Coal-mines Act to grant a coal-prospecting license. Is that so?—That is so.

95. What is your opinion, after your experience of dealings of this kind, with regard to an amendment of the law? Do you think it advisable that the law should be amended so as to provide for prospecting licenses for coal-mining areas, as the law already provides for prospecting

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.

124. Surrounding that particular area?—Yes.

125. And the area offered to the Taupiri Company, which had the first application in, was the area outside of that?—Outside of that and in front of some boreholes they said they had sunk.

126. Their own boreholes?—Yes.

127. Do you know of any communication being made to the syndicate, informing them of the fact that the Minister of Mines was going to carry out that recommendation?—Yes, that was done.

128. The instructions given to Mr. Hayes and yourself were to see the prospecting syndicate and to endeavour to come to some arrangement that would do justice to both parties; your recommendation is shown on the map, and they were informed, but perhaps Mr. Elliott could answer that better than you?—I wrote to them under your instructions.

129. So that they had an opportunity of knowing they could each get a certain area?—Both parties.

Mr. J. Allen: I would like to see that letter.

Mr. Elliott (Under-Secretary for Mines): The letter from Mr. Mueller went from the Under-Secretary for Lands. It is dated the 5th December, 1903, and is as follows: "Referring to your memo. of the 14th ultimo, 3431A, the Under-Secretary for Mines has asked me to inform you that the proposal is approved in accordance with the areas marked A and B on the plan submitted with the report of Mr. J. Hayes, Inspecting Engineer, which you forwarded with your memo. I enclose you copies of letters sent to the Taupiri Coal-mines (Limited) and the Huntly Coal-prospecting Syndicates by the Under-Secretary for Mines notifying them to this effect."

130. *Mr. J. Allen.*] Now would you be kind enough to read this letter? [Letter handed to Mr. Elliott.]

Mr. Elliott: It is dated the 11th January, 1904, and is to the secretary of the Taupiri Coal-mines (Limited): "*Re* application coal-mining lease, Wahi Lake: In answer to yours of the 29th ultimo, I have to state that up to the present I have received no notification of the decision come to by the Government, and cannot therefore as yet take action as requested. I have written to the Mines Department, asking the Under-Secretary to inform me what has been decided upon." That is from Mr. Mueller.

131. *Mr. J. Allen.*] You were informed in December that the proposal was approved, and yet you write in January, Mr. Mueller, to say you know nothing about the matter?—There will be an explanation of that. Evidently I could not at that time have had instructions from my Head Office. It will very likely be explained in the papers which Mr. Kensington has—the Auckland file. [To Mr. Kensington] Will you please turn up those instructions that you gave me on the 5th December.

Mr. Kensington (Under-Secretary for Lands): I wrote to you on the 5th December and you received the letter, because it is so entered on your file.

Witness: Does it give the date when I received the letter containing your instructions?

Mr. Kensington: Yes; it was received on the 8th December.

Witness: Then the papers must have been mislaid. There is no other explanation for it. Have you got the letters that I wrote to the Taupiri Company after I received your instructions?

Mr. Kensington: I think you had better take the file. [File handed to witness.]

Witness: Here is the explanation. This letter that I have here I wrote to Wellington on the 11th January, 1904—the same date as I wrote the letter to the Taupiri Company—and then it was cancelled because these papers were found. It is indorsed "Sent by mistake."

132. *Mr. J. Allen.*] Did you write to the Taupiri Company immediately and tell them that the letter was cancelled?—Yes, something to that effect. This letter to Wellington is marked "Sent by mistake." I was often away for three or four weeks, and in this case it may have happened that when I came back and dealt with the matter some of these papers were lying in the box unexamined by me. This is a letter that I sent to the Secretary to the prospecting syndicate on the 20th April, 1904: "Referring to the conversation I had with two of the members of your company a short while ago, I now forward herewith the respective areas proposed to be leased to yourself and the Taupiri Coal Company (Limited), as notified to you by the Secretary for Mines. The area granted to the Taupiri Coal-mining Company comprises 230 acres. The area offered your company within the Wahi Lake comprises 305 acres, that of the Rotoiti Lake 52 acres, total 357 acres. This is, as I pointed out to the members referred to, half as much again as that granted to the Taupiri Company."

133. Can you find the letter to the Taupiri Company cancelling this letter of yours of the 11th January?—I do not see it here. I may have just told Mr. Sherff if he came to the office. Here is a letter, dated the 1st December, 1903, from the Under-Secretary for Mines to the Taupiri Coal Company: "I am directed by the Hon. the Minister of Mines to inform you that after inquiry it has been decided not to refuse consent under the Coal-mines Act to the issue of two leases indicated on the accompanying tracing—that is, a lease to the Huntly Coal-prospecting Association of the areas marked B, hatched red, and a lease to the Taupiri Coal-mines (Limited) of the area marked A, hatched blue, on the following conditions: 'Area A: Royalty, 6d. per ton on all coal sold.'" Then follow the other conditions as to rent and output, and then it goes on, "Application can accordingly be made by the Taupiri Coal-mines (Limited) for the area marked A to the Commissioner of Crown Lands, Auckland, who will deal with it on compliance with the requirements of the Coal-mines Act in respect to payment of deposit, advertising, &c."

134. We know all about that. What I want is your letter?—I know they came to the office, and the lease was prepared for them. Here is a letter from me to the Taupiri Company, under date the 5th May: "I forward herewith lease of part of Wahi Lake, and ask you to return lease (in triplicate), when signed, to this office for completion."

135. That was long subsequent to the 11th January?—Yes.

136. I do not know that it is worth while pursuing the matter further. When you wrote this letter of the 11th January you had the instructions?—Yes, evidently.

137. But they were mislaid?—Yes.

138. *The Chairman.*] Were the applications for a prospecting-area from both companies for the same ground?—There was no application for a prospecting-area; the applications were for coal-mining leases, and covered a great deal of the same ground.

139. Did they cover the whole of the ground?—Yes. The prospecting association's application covered the whole of the ground, but their's was the last application put in.

140. *Mr. Leather.*] Will you kindly inform me on what date the Taupiri Company sent in their application for this area marked A on the map?—It was by letter from Mr. Sherff, on the 29th December, 1903.

141. Will you please look at the papers and find out when we sent in for the whole area—for the 1,300 acres?—Cannot you find it?

142. The date of the receipt is the 15th April, 1903. That covers the 1,300 acres?—Yes, but that was all disallowed.

143. Were we told that it was disallowed and had our money sent back to us? Can you show any letter that you sent us saying that everything was wiped off and that our money was returned?—No, that was not done. You wanted to leave the money until the matter was settled by the Wellington office. You told me over and over again that you would prosecute it and prosecute it until you got what you wanted.

144. Have you got there our first application, with the cutting from the Auckland paper?—I do not see it. The applications are filed in the application-books.

145. The application was on the 4th August, 1902?—I have not got that here.

146. There is a letter from us applying for 100 acres of Lake Wahi for coal-prospecting purposes, and an advertisement with it notifying that we, the Huntly Coal-prospecting Syndicate, had applied for 100 acres of Lake Wahi for coal-prospecting purposes. The cutting was forwarded to your office along with the application?—That may be, but you could get only one explanation about the affair if you did do that: that was that no prospecting licenses could possibly be granted under the Coal-mines Act.

147. Have you got your letter pointing out that you could not grant such a thing?—I have told you and those with you over and over again. You were three times before the Land Board, and the Board told you they could not do it.

148. You say you could not do it, but you understood that we were going to bore and prospect?—So I did.

149. And you promised certain conditions if we did bore?—What were the certain conditions?

150. Here we are: "In reference to your application for a coal-mining lease under the Wahi Lake, I have to inform you that the Land Board have resolved to adjourn consideration pending the result of boring operations, which the Board understand are now in progress. Please inform the Board at your earliest convenience if you decide to go on with the matter"?—Yes, is not that right? You took up 100 acres on coal-mining lease, and the Board very kindly gave you an opportunity of prospecting, and, in case it should turn out badly, so as not to mulct you in the expense of £15, they adjourned consideration of the application.

151. Did I not point out to you at the first interview we had that this property had been bored previously by the Waikato Coal Company and had been proved barren?—You might have done that.

152. I did, and that was the very reason why we wanted to prospect the ground first. Here is a letter from your office, dated the 30th October, 1902: "In answer to your letter of the 25th instant, relative to boring for coal, Wahi Lake, I have to inform you that the question of extension of time will be considered by the Board at its next meeting on the 28th November. I should be obliged if you will forward some short account of the work in progress, as at present there is not sufficient information here to frame a recommendation to lay before the Board." Our secretary then sent you the result of the boring?—Yes; well?

153. He gave you all the particulars so that you could frame a recommendation. Then here is a letter to you from the syndicate, dated the 22nd November: "Having received yours of the 19th November, I, on behalf of the 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."?—All this I brought before the Board. They were very anxious to meet you in every possible way, and they did everything they possibly could. If they had done more they would have travelled outside the Act.

154. Did not Mr. Ralph, within twenty-four hours of our first application being put in, come to the office to acquire the whole area?—I cannot say that. The dates of the applications are given in the report to the Mines Department, which Mr. Elliott has.

155. I suppose you would believe Mr. Alison if he were to state that Mr. Ralph did so?—Yes, why should I not?

Mr. Alison: I never said so.

Mr. Leather: Mr. Alison stated, "Mr. Ralph received information that the application had been made. A meeting of directors was called, and the company applied for the whole lake-area."—

Mr. J. Allen: Is this a newspaper extract?

156. *Mr. Leather.*] I have two; one will corroborate the other, and in addition I was at the meeting. This is the other newspaper report of what Mr. Alison said: "The decision to acquire the rights under Lake Wahi was made after it became known that the Huntly Exploring and Boring Syndicate had carried on operations on Lot 48, adjoining the lake. After much pressure

the Government granted 250 acres of the lake." Now, Mr. Mueller, did you not admit that Mr. Ralph had been into the office to acquire the whole area of the lake?—I do not think I could have done so. He only made application for 500 acres.

157. Mr. Alison said at the meeting that Mr. Ralph did try to acquire the whole area?—Well, if he did, well and good. That may be; I would not say it was not so.

158. If there was not some understanding, and an inducement given to us to prospect that lake with a view to taking up the whole of the lake, why did you not send us back our money and tell us that we had no protection?—You have been told that over and over again—that you could have no protection for prospecting. You were warned, too, by members of the Land Board to be sure to make your application quickly, so that nobody could forestall you. How it happened that you were too late I cannot say.

159. I will prove to you that we were not. This is the letter to us of the 3rd December, 1902: "With 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"—Yes; that is to say, they did not insist upon payment for the area you had applied for, so as to give you every opportunity.

160. This letter is dated the 3rd December, 1902. On the 15th April, 1903, we applied for the whole area of Lakes Wahi and Rotoiti, comprising 1,300 acres, and deposited £176?—You mean to point out that this was within the six months?

161. Yes?—You are losing sight of this: that the concession the Board made to you was that they would not deal with your application for the 100 acres for six months—not that they would give you a right to put in an application for the whole lake-area within six months. They could not do that.

162. Why did you not give it to Mr. Ralph when he went in to acquire the whole area?—I do not know what you refer to.

163. I am referring to Mr. Alison's statement?—If Mr. Ralph had applied for the whole area there would have been nothing for it but to take the money and register the application.

Mr. Leather: But he did not do it; Mr. Alison said he did not.

Mr. Alison: Will you permit me to say, Mr. Chairman, that what Mr. Leather refers to is a newspaper report. It is not my evidence. It is absolutely incorrect; I stated that in my evidence.

Mr. Leather: I was at the meeting, gentlemen, and I can corroborate what the newspaper report says.

The Chairman: Will you go on with your questions, please, Mr. Leather?

164. *Mr. Leather.*] You said, Mr. Mueller, that Mr. Meldrum probably paid the deposits for which these receipts were given?—Did he not?

165. All our deposits were posted. We did not hand them in to the Receiver of Land Revenue. They were all posted?—I did not know that. I did not know what arrangement you had with the Receiver.

166. You say that you swept all the applications clean off the board and started afresh. Then, why did you not return our deposit and tell us that that was the case?—Because you told me over and over again that you would not leave a stone unturned, but that you would work and agitate and try to get what you considered you should get—the whole of the lake. Well, as the whole matter was pending I allowed the money to lie there. You could have had it at any moment, but you would not take it.

167. You never refused our application at all, when we sent in for the 1,300 acres?—No, because that was a matter for the Minister to decide, as there was a dispute between you and the others and between you and the Board as to dates.

168. There was another applicant, a Mr. Hetherington. Was he refused any of Lake Wahi prior to the 15th April, 1903?—That I cannot say. These applications are made to another officer of the Land Office. They might be there for all I know.

169. Here is a wire from Mr. Hetherington, under date the 26th March, 1903: "Informed by Department Wahi applied for. 57 acres of Rotoiti available"?—He applied for that. That was one of the applications.

170. This was in March—a month prior to our application for the whole area?—Yes.

171. We had not applied for the whole area then. That was a month prior to our application for the 1,300 acres. Mr. Hetherington instructed his solicitor to acquire all the balance of Lake Wahi and Lake Rotoiti, but all that was available was 57 acres of Rotoiti. Who was the other part of Lake Wahi protected for? You say the Taupiri Company sent in an application for 410 acres, or something like that area?—500 acres, I believe it was.

172. I saw it advertised as 410 acres?—You know that if there is any land unapplied-for anybody can come in, and if he pays the deposit and conforms to the conditions of the Act we must take the application—it cannot be refused.

173. Mr. Hetherington says, "Informed by Department Wahi applied for." Who was the balance of Wahi protected for?—I do not know that we protected it for any particular parties.

174. Well, why could he not get it?—Why did he not take it? If he had paid the money he would have got it.

175. He was refused it?—Such a thing could not be. It cannot be refused. When land is open for application whoever comes has a perfect right to insist upon his application being—

176. Why did you not let him have it? There must have been some understanding?—I do not know what you are speaking about. He applied for an area and took it up.

177. Mr. Hetherington applied for the balance, a month prior to our application for the 1,300 acres, and was refused?—I cannot understand that. It is impossible—quite.

178. The man was refused, and I would like to know why he was refused, if he had no protection over the area?—Of course, that is a question I cannot answer, because I do not believe he ever was refused. I cannot tell you why he was refused if I do not know that he was refused. He may have applied for the little lake only, and then have had an idea to apply for more, and did so. If he had applied for the whole his application would have had to be received and then reported upon, and decided ultimately by the Minister.

Mr. J. Allen: May I ask whether this file of papers produced by Mr. Kensington is to be put in?

Mr. Kensington: It is the Lands Departmental file. I have brought it up myself so as to be able to give any information that may be wanted; but it is not put in in evidence.

179. *Mr. Leather:* The recommendation as to the division of the lake-area was stated to be in the report of Mr. Hayes, the Inspector of Mines. Are you aware that Mr. Hayes mentioned that the Mines Department intended subdividing the area before he reported on the matter?—I cannot say that. I do not remember that he ever told me anything of the sort.

180. But you state here that it is the recommendation of the Inspector, after reporting on the property, that a division be made?—That is very different from the way you put it last.

181. It looks very inconsistent that he should say the Department intended to subdivide the area before ever he went over the lake with Mr. Rossenbeck and myself in order to inspect it?—I never heard him say that. We were to examine into the whole affair, take all the evidence that was necessary, and then report to the Minister. Those were the instructions. As to division, or anything of that sort, the matter was not considered until about a week or a fortnight after we had obtained all the information we required.

182. Did we give all the information you required concerning our boring operations, &c.?—I do not know, but you gave us a lot of information.

183. Is it possible that such information could leak out of your office and become public property?—It is quite possible, but I do not know that anybody except myself and the Board knew about these things.

184. But you said that probably the Taupiri Company got to know of what we had found, and that they sent in a prior application?—It looks like that on the face of it, because it appears that the same men who had been boring for the Taupiri Company had been boring for you, and so on—so you told me. There was evidently a looseness on your part and on that of the prospecting company, and you could scarcely be surprised at the information leaking out.

185. Do you believe me when I tell you that I know of the Taupiri Company's boreholes?—I quite believe that. There is no reason why you should not.

186. How do you expect anything to be kept secret that has to go into the Land Board Office?—I have scarcely ever formed any opinion about it.

187. Then, our protection really was no protection?—How do you mean?

188. You simply mean to say that our protection, as mentioned in this letter, was no protection?—It simply amounted to this: we told you that we would not proceed with your application for a coal-mining lease and saddle you with rental until your boreholes were put down.

189. You considered that we were doing legitimate work—we were not simply trying to hang on and do nothing?—I am sure of it. You did legitimate work, and nobody was more sorry for it than I when things turned out so badly. I told you over and over again that I was quite annoyed about your not coming in and making application.

190. But you gave us six months' extension of time?—Not an extension of time to make an application. We merely adjourned consideration of the affair for six months.

191. It says in this letter "six months' extension of time"?—You understood it quite well.

192. Our letter said, "We therefore request you to grant us a further extension of protection over lake-area." There is no 100 acres mentioned—no anything. We knew what we were applying for and we got it?—No protection over the lake-area was given—it was merely that consideration of your application was postponed.

193. The letter of the 3rd December, 1902, reads, "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."?—Six months' extension for your prospecting operations; that was all. It did not mean the right of making an application for the whole of Lake Wahi within six months. Certainly not. Absurd.

194. Our letter, to which that was the reply, said, "We therefore request you to grant us a further extension of protection over lake-area"?—You may put it in that way, but the answer does not convey that.

195. I wish to ask you a question or two about this report of Mr. Alison's speech at a meeting of the Taupiri Company—the report that appeared in the newspaper: "The decision to acquire the rights under Lake Wahi was made after it became known that the Huntly Exploring and Boring Syndicate had carried on operations on Lot 48, adjoining the lake. After much pressure the Government granted 250 acres of the lake"?—Who said that?

196. *Mr. Alison:* He refers to the 250 acres over there [Place indicated on plan].

197. Yes; he was refused, but "after much pressure"—bear that in mind—you granted him 250 acres?—I did not grant it to him.

198. How did he bring the pressure to bear?—You had better ask him; he is here.

199. Why did you refuse the Taupiri Company in the first instance and not give the area to him?—In which way? The company applied for 500 acres, and the application was received. Beyond that we could not do anything.

200. Prior to that. The Taupiri Company's representatives were in on two occasions prior to the 500 acres being applied for?—They may have been in the office on half a dozen occasions as

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.

222. Then why should it not have been granted?—Because the Minister has discretionary power under the Act, and if he sees reason enough not to grant an application he can exercise that power.

223. As far as you personally are concerned, do you consider there was any good reason?—As Commissioner, I saw no reason.

224. The area which has been granted to the company is considerably less than the area for which the company made application in the first instance—22nd August, 1902—is it not?—That is so.

225. Do you consider that the company was fairly treated under Mr. Hayes's apportionment of the ground, seeing that the company had applied for over 400 acres and the syndicate for only 100—the company receiving 230 acres and the syndicate 300? Do you consider that was a fair apportionment?—I considered it a fair apportionment or I would not have signed the report.

226. How do you justify it?—We had a clean field, and could deal with the whole of the area without any regard to this old affair; and I thought it would be wise, as you had been prospecting over here [Place indicated on plan] to give you this ground in front of that where you had been prospecting, and, as the coal-prospecting company had been prospecting there [Place indicated], to give them the area in front of that place.

227. You said there was the law in the first instance, and in the second instance you arrive at a decision as to apportionment, and you apportion to the applicants for 100 acres 300, and to the applicants for 400 acres 230. Do you consider that that was a fair apportionment?—If I had not thought it fair I would not have recommended it.

228. Have you, in your experience as Crown Lands Commissioner, ever known of a prior applicant being treated as the Taupiri Coal Company was treated in this instance?—There have been cases, but not with coal-mines.

229. I am speaking of coal-mines?—None in connection with coal-mines have ever come under my notice. There have been adjustments in mining matters, and so on; but in coal-mining cases this has been the first.

230. *The Chairman.*] Do you admit that the syndicate's application was, in for the 1,300 acres prior to the other company's?—No.

Mr. Leather: Prior to the application for the 230 acres.

Witness: That was no application at all. The 230-acre area was never applied for.

231. *Mr. J. Allen.*] Yes it was?—It was an allotment by the Minister.

232. Here is the letter showing that they applied?—Yes, after they got notice that the Government was prepared to give them a lease of the 230 acres. Then they applied.

233. *The Chairman.*] What do you mean by saying that you had a clean sheet?—The applications covering Lakes Wahi and Rotoiti were all disallowed. The decision of the Minister was that none of the applications should be granted, and, they being done away with, it gave us who had to report upon the matter a clean sheet, so to speak—we could deal with the areas in what we thought was the best way. We set about it, and a geological survey, as I explained before, showed that there was no coal in the western part of the lake-area, nor was there any down here [Place indicated on the plan]. This was the coal-area [Indicated].

234. I am not troubling about that. Do you not think that was misleading the first applicants—saying that you had a clean sheet? After you had applications in you would sweep them off and make a fresh start; we understand that is what you meant?—I only said it came to that. I did not do that.

235. I am asking if that was fair to the first applicants. If other applicants knew that this was going to be done they could have their application in before the others?—I do not know about that. When the Government decided that the applications should not be granted they gave instructions at the same time that a special report upon the whole affair should be furnished.

236. They would cancel these applications and start taking fresh ones?—Yes.

237. *Mr. Millar.*] The secretary to the prospecting syndicate distinctly asked in his letter for a further term of protection for six months?—Yes.

238. The Land Board's reply grants that application?—But the word "protection" there is very misleading. At first the Land Board only extended the time. When the application for the 100 acres was made in the first place Mr. Meldrum requested that it should not be proceeded with at once, as they were just on the point of bottoming one of the boreholes. I represented that to the Board; I told them exactly how the company stood, and expressed the opinion that it would not be fair to mulct them in further payments, seeing that they were spending a great deal of money in prospecting there. I suggested that perhaps we had better hold over consideration of the application for a month, so as to give the prospectors an opportunity to get their prospecting-holes put down. To this the members of the Board agreed. So we adjourned consideration for a month, and I believe nearly two months passed, when application was made for a further postponement for six months; and the members of the Board being particularly anxious to foster, as far as possible, every industry that might be started, they said, "Very well; let that application stand over for six months, and we will not deal with it till then." This is what the syndicate call "protection." But it is a very different thing from having a right to apply for any other part of the lake—I mean a prior right. We could not give that. There could be no such thing as granting a prospecting-area under the Coal-mines Act.

239. Is this land within a mining-area, or under the Mining Act?—No.

240. Then, you, as Commissioner of Crown Lands, and the Land Board, were dealing with the matter?—Yes.

Mr. Millar: The Mining Act distinctly makes provision for dealing with mineral leases outside of a mining-area, and there the word "protection" is used freely.

Mr. Herries: Coal is not included.

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.

THURSDAY, 8TH SEPTEMBER, 1904.

H. J. H. ELLIOTT examined. (No. 5.)

1. *The Chairman.*] What is your name?—H. J. H. Elliott
2. What are you?—Under-Secretary of Mines.
3. You are here to give evidence in regard to the petition of W. S. Meldrum and others—the Huntly Coal-prospecting Syndicate?—Yes.
4. *Mr. R. McKenzie.*] This lease was made out to be granted on the 30th June last?—Yes.
5. What does it apply to?—It was applied for to the Auckland office—not here.
6. Did you get an application?—No.
7. Did the Lands Department?—The lease was forwarded by the Commissioner of Crown Lands at Auckland.
8. Do you know whether it was applied for?—I have a letter from the company, dated the 29th December, 1903, as follows: “Taupiri Coal-mines (Limited), Auckland, 29th December, 1903.—The Under-Secretary, Mines Department, Wellington.—SIR,—I have the honour to acknowledge the receipt of your letter of the 1st December, and in terms therewith have made application to the Commissioner of Crown Lands at Auckland for a coal-mining lease of that portion of Lake Wahi marked on your plan as area A. Your conditions state that the royalty is to be 6d. per ton on all coal sold. This may mean to include slack, which no doubt is not intended, the royalty on slack being always one-half of the royalty on coal. For the river-bed coal we pay 4d. per ton for coal and 2d. for slack. We reduced the selling-price of our slack some time ago to 2s. per ton, in order to comply with the conditions of the Railway Department, who refused to carry slack at a reduced rate unless we made the reduction referred to. To expect us now to pay a royalty of 6d. on slack which we sell at 2s. seems scarcely reasonable. I have, &c., FRANCZ SCHERFF, Secretary.”
9. Does the Mines Department know whether this land has been applied for or not?—No applications for leases come from Land Boards; they come from the Warden or Commissioner of Crown Lands, as the case may be.
10. Where are the leases made out?—In the local office where the application is made.
11. Was this lease signed by the Governor on the 30th June?—I have no doubt it was, as the recommendation to the Governor to sign the lease is marked, “Signed, 30/6/04, P.”
12. Does that mean by the Minister or Governor?—That is by the Governor, I take it—that is the signature. That is on the covering-sheet forwarding the lease.
13. When did it go to the Governor?—The date of the minute to the Governor is 28/6/04.
14. When was this presented for signature?—On the 28th June, 1904.
15. You swear to that being sent?—I do not make false statements.
16. You have no application for it?—No; but, in terms of our letter to the Taupiri Company, they replied in the letter of the 29th December, 1903, previously read.
17. The Commissioner of Crown Lands stated in his evidence that the Minister sent instructions to cancel both applications. Will you turn up that instruction which was sent to the Commissioner of Crown Lands in Auckland?—I do not think he was ever told to cancel them.
18. Have you got the instructions that were given to Mr. Mueller and Mr. Hayes?—Yes.
19. Mr. Mueller says that he received instructions from the Mines Department that the Minister refused to sanction either of the leases?—They were to be held over. There is a letter to the Huntly Syndicate on the 6th July. The minute is that no lease is to be issued, and of that the Commissioner of Crown Lands was informed on the 29th May, 1903. The minute is dated the 28th May.
20. That is the letter I want?—That is only a minute; I cannot find the copy of the letter on the file. [Letter subsequently read in answer to question No. 32.]
21. I want the instructions?—The instructions were, “The Inspecting Engineer had better proceed to Auckland and, in company with the Commissioner of Crown Lands, lay off areas, and afterwards such areas may be thrown open on a certain date.—J.McG. 8/10/03.”
22. What date is that?—8th October, 1903. The Inspecting Engineer noted it on the 22nd October.
23. And it stated that the areas would be thrown open?—Yes.
24. After that you received no applications from anybody?—I have told you the application would go to the Commissioner of Crown Lands.
25. So far as the Mines Department is concerned, are you aware whether the Commissioner of Crown Lands received any applications after that date?—He was told to receive applications in accordance with the report of Mr. Hayes.
26. You are aware the applications must be in writing and they must have a date?—I cannot tell you what applications are made in Auckland. They would be on the Auckland file.
27. Would it be necessary for these applications to be made in writing according to the Mines Act?—Applications must be made in writing to the Warden or Commissioner, as the case may be.
28. So that if any application was made and the Minister refused to grant, the lease would be illegal?—No.
29. You think it did not apply—I mean subsequent to the refusal to grant it?—No lease was to be granted.
30. You say there was no application?—No new application was made to the Mines Department.
31. I want the minute-book of the Auckland Land Board. Mr. Mueller in his evidence said the Auckland Land Board resolved to grant these people protection for six months, and I want to see if ever that resolution has been rescinded by the Land Board. You say there was legal application for that protection?—No.
32. I want that letter with regard to the refusal to grant leases?—It is dated the 29th May,

1903: "The Commissioner of Crown Lands, Auckland.—Referring to Mines record 1903/456, which was forwarded to you on the 30th ultimo, I am directed to inform you that no coal leases will at present be consented to by the Hon. the Minister of Mines in favour of either of the applicants for areas in the vicinity of Lake Wahi, Waikato, whose applications are now before you. Will you please note accordingly and return the record quoted above.—H. J. H. ELIOTT, Under-Secretary."

33. What is the record referred to?—It is on this file of papers. The first intimation the Mines Department had of the applications of the Huntly Coal-prospecting Syndicate, who are not a body corporate, was as follows: "25th April, 1904.—The Hon. the Minister of Mines, J. McGowan, Esq.—HON. SIR,—We, the undersigned, called the 'Huntly Coal-prospecting Syndicate,' promoted for the purposes of prospecting for coal on Government lands and acquiring a new coal industry to give employment to men who could not find employment at the collieries: In approaching you we put our case clearly before you from the beginning of our operations, which were started at Lake Wahi, situate to the west of Huntly about one mile. After consulting the Commissioner of Crown Lands for the prospecting rights, he advised us to apply for an area on Lake Wahi as a precedent to the whole area. We therefore applied for 100 acres for coal-prospecting, depositing 3s. per acre. The Commissioner then advised the Land Board to adjourn consideration pending the result of our boring operations, which were then in progress. Now this locality has been prospected before by the Waikato Coal and Shipping Company between fifteen and twenty years ago, and found barren of coal; but from our observations we came to the conclusion that the coal, if any, lay under the strata known as the bed-rock. We struck that strata at about 160 ft., which corresponded with former borings. We had a long struggle in getting through this bed, as it consisted of blue boulders, which are shifty, being of a loose formation, costing us on an average £2 per inch to bore. We were hand-boring up to 210 ft., at which time we contracted with a machine borer, who then finished the hole, the prospects being 22 ft. of coal. We then applied to the Land Board for six months' protection, as the machine borer could not proceed with our work, he having promised to bore two holes for the Taupiri Coal Company, and, instead of boring two, bored five, thus hampering us in our operations. When at last we procured the borer's services we determined to place a hole close to low-water mark of Wahi Lake to prove the lake, the first hole of which he had to abandon on account of (as he stated) a broken pipe. We then placed him 3 ft. away, and paid a man to watch operations. On being more satisfactory this time, striking coal similar in thickness to our first hole, we then decided to go east about half a mile on a point jutting into Lake Rotoiti, first applying for coal-prospecting rights over 10 acres of Rotoiti, the result being 10 ft. coal top seam and 24 ft. in the bottom seam. As our time for protection was approaching termination, we decided to apply for the whole area of Lakes Wahi and Rotoiti, comprising in all 1,300 acres, more or less for coal-mining purposes. We sent in our application, accompanied with 3s. per acre, after advertising in the *Star* twice at an interval of seven days. We sent our representative, Mr. W. Leather, to Auckland to await the Land Board's decision. He was informed that there were two more applications in for portions of the same area, after which being granted we could have the remainder, but he declined pending further investigation. We are dissatisfied with the stand the Land Board has taken in the matter, we being the prospectors with the precedent—the other applicants have done nothing. We consider that we have been unjustly treated. The Land Board stated that they would recommend our case to the Minister.—Trusting that this humble petition will warrant your immediate attention, we remain, Hon. Sir, THE HUNTLY COAL-PROSPECTING SYNDICATE—W. S. Meldrum, Secretary, W. R. Leather, farmer, miner [and fifteen others]."

34. They were assumed to be applicants?—They applied to the Minister of Mines setting forth their position with regard to their transactions in Auckland.

35. That is the letter of the 25th April, 1903, from the Huntly Coal-prospecting Company to the Hon. the Minister of Mines?—Yes. I think I should explain what was done about that letter. It was the first intimation the Mines Department had of negotiations for a lease at all. That letter was sent to the Minister, who forwarded it to me. I sent a minute to the Commissioner of Crown Lands, Auckland, as follows: "Can you explain the grievance of the syndicate? I do not understand how the syndicate were allowed to take up a prospecting-area nor why they were allowed protection for such area, as there is no provision for either of these objects in 'The Coal-mines Act, 1891.'—H. J. H. ELIOTT, Under-Secretary. 29/4/03."

36. Has the Commissioner of Crown Lands or the Land Board any discretionary power?—The Land Board has no power at all.

37. Is he not in the same position as a Warden?—His position is defined by the Act.

38. Has he any discretionary power?—He cannot grant without consent.

39. He cannot grant prospecting licenses?—There is no provision for prospecting licenses.

40. What is to prevent him?—Because it is not a mining district. The only power the Commissioner of Crown Lands has is to grant prospecting licenses provided for in the Mining Act; but the Mining Act does not apply, and coal is specially exempted from the Mining Act.

41. What was the date of the minute?—29th April, 1903.

42. What was Mr. Mueller's reply—the Commissioner of Crown Lands?—He replied on the 7th May, 1903, as follows: "The Under-Secretary, Mines Department, Wellington.—Coal leases: In reference to your minute on papers No. 1903/456, of the 29th April, returned herewith, I have to inform you that the Huntly Coal-prospecting Syndicate applied to me for a coal-prospecting license. They were informed that there was no provision in the Act for granting one, and that they were 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 lease for a time. Meanwhile the syndicate found coal by boring. The Taupiri Coal Company knew of it,

and handed in an application for a 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 only 100 acres. Undoubtedly the prospecting company made the discovery that coal existed under the lake. The Board have made no recommendation to the Hon. 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. I enclose litho. showing position of applications.—G. MUELLER, Commissioner of Crown Lands.—P.S.: The prospecting company can still have the land marked A-B."

43. Do you tell me there is no power to grant prospecting licenses in the Mining Act?—Not for coal.

44. Will you read sections 66, 67, 68, and 69 of the Mining Act, page 29?—[Sections read.]

45. You say there was no power to grant prospecting licenses?—Yes.

46. Will you admit that coal is a mineral?—That is a scientific question.

47. Mineral licenses can be applied for up to 350 acres?—320 I think it is—half a square mile.

48. As far as your knowledge of the law goes, was there anything in the Mining Acts of the colony to prevent the Commissioner of Crown Lands in Auckland allowing these men to prospect on any Crown lands?—Other than coal, no.

49. Are mineral licenses issued in this country for prospecting?—Yes; in terms of the sections I have read.

50. Do you know whether a mining license allows prospecting to go on anywhere?—Not for coal.

51. Do you know the case down at Mokihinui?—I do.

52. Are you aware whether there was a party of working-miners prospecting for coal down there?—I am aware that a party of miners had been working at Mokihinui without any authority.

53. Do you know whether the Government have paid them for prospecting for that coal?—I believe the House voted them a sum of money.

54. Did the payment go through your office?—It did. There was a payment made for the work done. It was a special vote of the House.

55. It was for prospecting for coal?—It was passed by the House.

56. Do you know whether that party of miners were promised a lease if they got coal?—Yes, they were promised a lease.

57. Have they got it yet?—No, they would not take it.

58. The payment for that prospecting went from your office?—Yes, for certain work. I do not think it was for putting a bore here and there.

59. I ask you if the payments for this prospecting went through your office?—No, not for prospecting.

60. What was it for?—For a tunnel or shaft.

61. What was the tunnel or shaft for?—I have not seen the place.

62. Did they make any reports to your office?—The only report that we have is that they did not pay us.

63. Was there not a difference between the position of those men and the others who got paid—that some of the men did not get paid for prospecting on the Crown lands?—I do not know of any difference.

64. *Mr. Allen.*] Will you read clause 3 of the Act?—Yes. [Clause read.]

65. *Hon. Mr. McGowan.*] I want to ask a question in regard to the Mokihinui Mine. Was there an application for a subsidy, made by a number of miners who were thrown out of employment by the stoppage of the mine, to work some coal there? Have you any knowledge of that?—Yes; you mean when the Mokihinui stopped.

66. Yes, was any money granted?—The only grant I know of was that voted by the House.

67. Part of it was paid?—Yes, I do not think it has all been paid yet.

68. Can you tell me how much they owe the Government at the present time?—Somewhere about £1,000 for rent of plant and for royalty on coal.

69. Have they paid any rent or royalty?—No.

70. *Mr. R. McKenzie.*] Have you given them a lease?—No; as a matter of fact they ought to be turned off.

Hon. Mr. McGowan: They were working there on State coal, on Crown lands.

71. *Mr. R. McKenzie.*] You say that those men were allowed to go and work there on account of being put out of the Mokihinui Mine—is that your answer?—As far as I know.

72. Do you know how long the Mokihinui Mine has stopped work?—For a long time—and then the fire occurred.

73. You stated that those men were given work on account of being unable to find work in the Mokihinui Mine?—I understand so.

74. Do you know how long the Mokihinui Mine was closed before these men went to work at all?—I do not know.

75. You do not know how long?—Do you mean the present men?

76. Are you aware that the Mokihinui Mine was closed six years before the men went to work at all?—Yes, the present men.

77. You say they owe so much for rent and royalty?—Yes.

78. And you did not give them a lease?—No.

79. Does any one owe you rent or royalty if you do not grant them a lease?—No, they cannot owe it if they have no lease, but they ought to be turned off the land.

80. *Mr. Witheford.*] What was the understanding between the Commissioner of Crown Lands at Auckland and the Land Board. If I understood the letter rightly, it was a paragraph stating this: that he could not understand why these men were allowed protection. Then the reply from the Commissioner was this: that no doubt the prospecting company proved that coal existed under the lake, as if these men were entitled to special consideration. Can I see that letter?—Yes; the letter of the 7th May. [Letter already read.]

81. *Mr. Mueller* says, "They were informed that there was no provision in the Act for granting a license and they were to apply for a lease"—They did not do so.

82. You put in a minute to say that you could not understand why they were allowed protection. What protection does that refer to?—For coal-prospecting. The Commissioner of Crown Lands had no authority to give them any protection.

83. But the fact is that they had protection?—The Commissioner of Crown Lands has to discharge the duty of protecting the Crown lands, and if he does not proceed against persons for trespass nobody else will do so.

84. In your reply you said you could not understand the protection being allowed. Did you understand that they had been given a privilege or concession that they ought not to have given to these men?—Yes. The first letter we got from the syndicate I sent up to the Commissioner of Crown Lands.

85. *Mr. Allen.*] The reply to your reference to the Commissioner of Crown Lands is put in?—Yes

86. *Right Hon. R. J. Seddon.*] What is about the area issued for coal-mining leases?—From an acre upwards.

87. What is the area in this district?—Not great. It is nearly all freehold land up in the Waikato.

WILLIAM ROBERT LEATHER examined. (No. 6.)

88. *The Chairman.*] What is your name?—William Robert Leather.

89. *Mr. Allen.*] I want to know how much money the syndicate has spent in prospecting?—This was before I came to Wellington—£488 10s.

90. How long have they been at work?—I could not give you the dates, but we have been about nine months altogether—that was about our time. We were boring a considerable time before we asked for the protection, and we had only finished about a month before our protection expired.

Mr. R. McKenzie: These men got a certain promise from the Commissioner of Crown Lands. Supposing I got protection from the Warden for six months, was I going to question that protection?

91. *The Chairman.*] Were they aware of the Act?—We have made that statement that we knew the Act perfectly well. I went to the Warden myself and inquired. I said, "This place has been prospected before, and we are prepared to spend money on prospecting if you are prepared to give us protection." That was to Mr. Mueller.

92. *Mr. J. Allen.*] Were you aware that he had no power to grant a prospecting license?—We knew he was the Warden. We applied for a prospecting license, paid the money and got a receipt, and it was left over pending our operations.

93. Were you aware or not that the Coal-mines Act prohibited him from granting you a coal-prospecting license?—It does not say "prohibit"; it gives him a discretionary power.

94. Were you not aware that under the Coal-mines Act neither the Warden nor the Commissioner of Crown Lands had power to grant you a prospecting license?—We were not aware that he had not the power.

95. *Mr. R. McKenzie.*] When you applied for this protection, were you aware that he had power to give you such protection?—Decidedly.

96. If you were not aware, would you have spent your time and money?—No, not a shilling.

97. Are you satisfied now that he had power to give you protection?—Yes.

98. *Mr. J. Allen.*] Have you read the Coal-mines Act?—Yes.

99. And clause 3?—Yes; and if we had not intended to prospect this area we would have sent the money down without interviewing the Commissioner at all.

100. If the Commissioner says there was no such thing will you contradict him?—Yes; he advised us to send in for the area and it would be held over, and that if we were successful we could take the whole area. Should we as a lot of miners, knowing that there was coal there, have taken it on such conditions? Instead of putting obstacles in our way they should have assisted us.

101. *Mr. R. McKenzie.*] When you started this prospecting you expected to get the protection?—We never expected any difficulty because we believed what the Commissioner had said.

102. When you got this protection you were satisfied?—We were told that we had got the claim first.

103. Were you satisfied that you were safe under your protection?—Yes.

104. And you spent your time and money on that understanding?—Yes. Before the report ever went in we were informed that the Department intended to make a subdivision. How can it be after the report went in? We were told so by the man who went to report.

105. *Mr. Mueller*, in his evidence, says that Mr. Hayes declared that one part of this ground was barren?—Yes.

106. How many acres are coal-bearing?—There might be 100.

107. How much in the 220 acres would be coal-bearing?—Perhaps 150 acres.

108. *Right Hon. R. J. Seddon.*] You say of the area that has been offered to you that only about half that area, compared with what is offered to the company, is coal-bearing. In other words, you are getting the worst end of the stick?—Yes.

109. Was there any selection given you or right of first selection after subdivision?—Never.
110. They gave them the first right?—And we came in after.
111. *Hon. Mr. McGowan.*] You say you have only 100 acres of coal-bearing land?—Yes.
112. *Mr. R. McKenzie.*] I wish to ask whether you are petitioning for monetary consideration or whether for the ground?—We are applying for the whole area.
113. You are not asking the colony to give you any consideration in the shape of money?—No.
114. I would like to know the area of the two leases that the Department agreed to issue?—“Mines Department, Wellington, 1st December, 1903.—SIR,—Referring to letter No. 1160, of the 6th July last, I am directed to inform you that after inquiry it has been decided not to refuse consent under the Coal-mines Act to the issue of two leases indicated on the accompanying tracing—that is—a lease to the Huntly Prospecting Association of the areas marked B, hatched red, and a lease to the Taupiri Coal-mines (Limited) of the area marked A, hatched blue, on the following conditions: Area B: Royalty, 6d. per ton on all coal sold; rent, 2s. per acre; 1,000 tons of coal to be produced within two years; output for third year 5,000 tons, for fourth year 10,000 tons, for fifth year 15,000 tons, for sixth and following years 20,000 tons. Application can accordingly be made by the prospecting syndicate for the area marked B to the Commissioner of Crown Lands at Auckland, who will deal with it on compliance with the requirements of the Coal-mines Act in respect to payment of deposit, advertising, &c.—I have the honour, &c, H. J. H. ELIOTT, Under-Secretary.—The Secretary, Huntly Coal-prospecting Syndicate, Huntly, Auckland.”
115. *Right Hon. R. J. Seddon.*] On the 29th the company applied?—Yes. There was another applicant, Mr. Hetherington, who made an application a month prior, when he applied for the balance of the lake-area through his lawyer, Mr. Coleman, who acts for him, and I received the following wire just after I left last Thursday: “On inquiry for Hetherington at Crown Lands Office, 26th March, 1903, was verbally informed that an application had been made to lease Lake Wahi for coal-mining purposes.—COLEMAN, solicitor.”
116. You stated that you applied to the Land Board for protection?—Yes.
117. *Mr. R. McKenzie.*] Before that protection expired you applied for a lease of the whole area?—Yes, within a month before the expiry of our protection.
118. *Right Hon. R. J. Seddon.*] And how long after that did the company apply?—The company applied before that—for the balance of Lake Wahi.
119. Your protection only applied for the 100 acres?—We asked for the lake-area. There was nothing granted us.
120. *Mr. R. McKenzie.*] When you applied for a lease you put in a certain deposit amounting to about 3s. an acre on the whole area—£192 15s.?—Yes.
121. These receipts show that your first deposit was on the application for the lease?—Yes.
122. Then you made a subsequent deposit of £170?—Yes.
123. Which was the balance of the money?—Yes.
124. Has the Land Board in Auckland got your money?—Yes.
125. Before that had you received a letter from the Mines Department saying that the Minister had refused his sanction to any leases?—Yes, I received that letter.
126. Did Mr. Mueller and Mr. Hayes go to Huntly to inspect the ground?—Mr. Hayes did.
127. Did they tell you to make a fresh application?—Yes.
128. Did you ever make any fresh application afterwards?—No.
129. Were you satisfied that the extension of protection granted you on the 2nd December, 1902, was sufficient to protect your interest?—Yes.
130. You got that protection on the sanction of the leading Crown controlling officer in Auckland?—Yes.
131. On that protection you depended to safeguard your rights?—Yes.
132. Are you still depending on that protection?—We are.
133. Did you ever get any notice that it was cancelled in any way?—No.
134. *Right Hon. R. J. Seddon.*] Has any one else got any title to the ground?—The Taupiri Company has.
135. *Mr. R. McKenzie.*] Will you read clause 7 of “The Coal-mines Act, 1891”?—Yes [Clause 7 read.]
136. Have you ever consulted a lawyer on this matter?—We are awaiting the decision on our petition, and we feel inclined to prosecute the matter for all it is worth.
137. After having read this clause do you think it would have been better, before petitioning the Government for a review of your case, to have taken legal advice?—We intend to go into the matter further. This is only preliminary. We intend to go further if we do not get satisfaction here.
138. Do you know how many acres of Crown lands the Taupiri Company has?—Yes. Two lakes and Waikato River bed. The Auckland coal ring has 20,000 acres, I think, though it is mostly got from the Natives.
139. *Right Hon. R. J. Seddon.*] Suppose it was possible for the Committee to make a recommendation about giving you more than 300 acres or giving you the land, where would you take it?—[Witness explained on plan.]
140. *Mr. J. Allen.*] Would you rather have money or a further extension of this land?—If there is any coal in it we will follow it.
141. Which would you have, money or more land?—It is coal we want. Will the Crown prospect that area and say there is coal and prove it to us?
142. You know pretty well about this land—you know whether it is coal-bearing or not. Would you sooner have money or land?—I should have to consult our syndicate before answering.
143. *Mr. R. McKenzie.*] You consider that the granting of this lease has affected your interest

after spending your time and money on it. If the Crown has power to cancel that lease do you think compensation should be given?—Yes.

144. If compensation is to be paid, your opinion is that it ought to be paid over to either one or the other?—Yes.

145. And granting you a small area would not enable you to work it satisfactory?—Yes, and probably the people would not put a shilling into it.

146. How far down is the coal?—300 ft.

147. You would have to take a shaft down 300 ft?—Yes.

148. And you have to go down that depth perhaps for 100 acres, if coal-bearing?—Yes.

149. You have prospected this ground and spent money on it, and this lease is given over your heads—the compensation ought to be given to the Taupiri Company?—Yes.

150. You do not want any compensation—you want the ground?—Yes.

151. *Right Hon. R. J. Seddon.*] You are aware that the company was notified of the subdivision of the 230 acres?—Yes, decidedly.

152. Did you protest?—Yes, I protested at a meeting of the Land Board. I told them I would take it to the House.

153. Did you write to the Minister of Lands and protest?—He has a petition from us.

154. But at the time—this was in January last?—We wrote to the Minister.

155. Were you aware of this proposed subdivision, and did you then object?—Yes. We told them we had prior application to the whole area.

156. To whom did you tell that?—To the Mines Department. It is in the correspondence. It was sent to the Commissioner. He wrote us in regard to the lithograph tracing, and we informed him that we still adhered to our former application. Mr. Mueller wrote to us and we replied.

157. That was before the Waste Lands Board dealt with it?—

158. *Mr. R. McKenzie.*] Did you inform the Mines Department that you intended to interview the House and petition against this?—Yes, I interviewed Mr. McGowan twelve months ago. There was a letter of the 19th May, 1904, in regard to the matter.

159. Have you got any idea what was stated in that letter?—We stated then to the Commissioner that having prospected and found coal he could not consider any other applicant in the matter, and we therefore adhered to our former application.

160. Did you intimate to the Mines Department that you intended to petition the House unless justice was done to you in the matter?—We had done so before this.

161. Was it verbal or in writing?—I interviewed Mr. McGowan and showed him the petition we intended to present.

162. And in face of that the Mines Department issues a lease for 230 acres?—Yes.

163. *Hon. Mr. McGowan.*] I think you interviewed me twelve months ago?—Yes.

164. What was the object?—We wanted what we claimed as our rights as regards the whole area of this lake.

165. And why did you come down in order to get that if you had made application in accordance with the law?—Because Mr. Mueller said there were two other applicants in for the same area.

166. Were they in before or after you?—We had protection and they were put in while we were protected.

167. Is it not a fact that the Taupiri Company tried for the whole area last year?—They got an application in after much pressure.

168. Did you not come to me to object to their application?—Yes.

169. And from the result of your coming to me did you not make application for the area according to law?—You know they had the application in.

170. And their application was in order as far as you know?—I have nothing to do with that.

171. Were you or were they in advance?—We were in advance.

172. Was your rent paid in advance before them?—We were in advance.

173. If you had your rent paid and your application in first you would have got the grant?—It seems not.

174. *Mr. R. McKenzie.*] With regard to your interview with the Minister of Mines, did you tell the Minister of Mines that you intended to petition Parliament if you did not get justice?—Yes.

175. And in the face of that, as soon as Parliament met the Minister issued a lease for the property which you thought you had protected?—Yes.

176. *Right Hon. R. J. Seddon.*] How much coal land has the Taupiri Company got in that district?—Freehold and leasehold, the principals have about 10,000 acres in the Huntly District.

APPENDIX.

No 1.

Report on Petition of W. S. Meldrum and 91 Others (No. 341), Goldfields and Mines Committee, Session 1904.

THE position of the various applications for coal leases at Lake Wahi, Waikato, is explicitly stated in the report of the Commissioner of Crown Lands at Auckland to the Under-Secretary for Lands (11th May, 1903).

Subsequently the Inspecting Engineer to the Mines Department and the Commissioner of Crown Lands at Auckland were instructed to submit a report upon the application for coal leases, and copy of the report of these officers, with tracing, is attached hereto, and in accordance with the recommendation in the report a lease has been issued to the Taupiri Company.

The petition is returned herewith.

H. J. H. ELIOTT, Under-Secretary.

No. 2.

TELEGRAM from JAMES COLVIN, Esq., Chairman of the Goldfields and Mines Committee of the House of Representatives, to JAMES MACKENZIE, Esq., Commissioner of Crown Lands, Auckland.

THE Goldfields and Mines Committee of the House of Representatives desire you to forward to me copies of all resolutions, minutes, and correspondence pertaining to the business of the Auckland Land Board in connection with the prospecting of the Huntly Coal-mining Syndicate, and the application for a lease for coal-mining purposes by the Taupiri Coal-mining Company. The Committee will meet again on Tuesday next, the 13th instant, when they hope to have the information required in their hands.

JAMES COLVIN,
Chairman of the Goldfields and Mines Committee.

Re MINING FOR COAL, WAHI LAKE.

IN reply to your telegram of the 9th instant, I forward herewith extracts from the Land Board minutes having reference to the above.

I regret that I cannot forward any other correspondence, as the whole of the papers in connection with the matter are in Wellington.

James Colvin, Esq.,
Chairman of Goldfields and Mines Committee, Wellington.

J. MACKENZIE,
Commissioner of Crown Lands.

"27th March, 1903.—*Re* Huntly Coal Prospecting Syndicate. Taupiri Coal-mining Company and R. Fetherington applied for various areas for coal-mining purposes under Wahi and Rotoiti Lakes. It was resolved,—That applicants be requested to explain the proposed course of procedure, and indicate on litho. or plan the approximate position of shafts, machinery, buildings, and trams. Further, that they be informed of the conditions under which the Board will recommend the Minister to grant the lease."

"22nd May, 1903.—*Re* Taupiri Coal Company, a letter was received from the Taupiri Coal Company stating how they proposed to work the ground if a coal lease is granted them. It was resolved,—To adjourn consideration."

"Resolution of the 26th June, 1903,—That the persons interested in the Wahi Lake coal-lease applications be communicated with, and asked to agree between themselves as to a satisfactory division of the area with the view of the Commission reporting to the Board at the next meeting."

"29th July, 1903.—A letter was received from the Huntly Coal Prospecting Syndicate and Taupiri Coal Company stating that they cannot agree to area which each should select. It was resolved,—To report result of negotiations to the Hon. the Minister of Mines, and recommend the refusal of all applications, and offer the two applicants a fair division of the Wahi Lake—terms, conditions, rentals, &c., to be fixed by the Land Board on their notifying acceptance of proposed subdivision."

No. 3.

APPLICATIONS FOR LEASES OF COAL-BEARING AREAS AT THE WAHI LAKE (AUCKLAND DISTRICT).
(*Précis* of Auckland Office File 3431 on Subject.)

"*The Coal-mines Act, 1891.*"

Section 4. The Warden in every mining district, and the Commissioner of Crown Lands of a land district, in any portion thereof which is situate outside of a mining district, may, with the consent of the Minister, grant leases of land for raising coal subject to the provisions of this Act and not otherwise:

Provided that no such lease shall be granted until the application therefor has been twice advertised at an interval of one week in some newspaper circulating in the district.

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.

Auckland Office File, 3431 A.

/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,

the question of applying to the Crown for a lease of a considerable area, was actually discussed by the directors long before the Huntly Coal Syndicate made any application to you, and we were surprised to learn that 100 acres of the lake had been applied for by them. Two of the syndicate are, and have been for years, working in the company's mine, and in undertaking this prospecting, there can be no doubt but they have acted on information gained while in the company's service. . . . I would further point out that from the surface to the bottom of the coal-seam in our last borehole, the distance was 350 ft., of which 119 ft. was running sand, water, and boulders. As the hole now being put down on edge of lake is further to the dip, we do not expect to bottom the seam under 400 ft. The initial expense of shaft-sinking in such country, &c., would be almost sure to result in failure to a new company, whereas my company has only to continue the present headings to work the lake coal and bring it through the present workings. . . . I am enclosing tracings showing headings and boreholes testing the deep channel of country. . . .

/489, 1/7/03.—*C. C. L., Auckland, to Sec'y, Taupiri Coal-mines Company.*—"At a meeting of the Land Board held 26th June last, the following resolution was passed: 'That the persons interested in the Wahi coal-lease applications be communicated with so that they may come to some understanding between themselves as to a satisfactory division of the area, to enable the Commissioner to report to the Board at the next meeting.' Will you please see the Huntly Coal-prospecting Association with a view to the settlement of the difficulty."

/490.—*Similar letter to Huntly Coal-prospecting Association.*

/493, 8/7/03.—*Huntly Coal-prospecting Syndicate* state "they can in no way deal with the other applicants, and consider that as we hold the precedent over the whole area, our application for the whole having gone in prior to the expiration of protection held by us, and on the whole area of both lakes being granted us, we may then consider the matter."

/494, 17/7/03.—*Taupiri Coal-mines (Limited), to C. C. L., Auckland.*—State, "Our Mr. W. J. Ralph interviewed Mr. Leather at Huntly on Tuesday last and was informed that his syndicate was not prepared to consider any suggestion for division of the area referred to, &c. . . . Under these circumstances I regret there seems no hope to coming to any terms with the applicants for leases of Wahi Lake. . . .

/495, 28/7/03.—*C. C. L., Auckland, to U.-S., Mines*, informing him of above facts, and that Land Board of 24th July recommended the Government to "refuse both applications and offer the two applicants a fair division of the lake, as shown on attached tracing. Terms to be fixed by Board on the approval being received relative to the subdivision."

/508, 12/11/03.—*Copy of report by John Hayes, Inspecting Engineer*, on matter after inspection on the ground. [Copy attached.]

/510B, 5/12/03.—*Under Sec'y of Lands to C. C. L., Auckland.*—"The U.-S. of Mines has asked me to inform you that the proposal is approved in accordance with the areas marked A and B on the plan submitted with the report of Mr. Hayes, Inspecting Engineer, which you forwarded with your memo. I enclose copies of letters sent to the Taupiri Coal-mines (Limited), and the Huntly Coal-prospecting Syndicate by the U.-S. Mines, notifying them to this effect."

Copies of Letters to Huntly Coal-prospecting Syndicate and Taupiri Coal-mines (Limited), by the Under-Secretary of Mines.

I am directed by the Hon. the Minister of Mines to inform you that after inquiry it has been decided not to refuse consent under the Coal-mines Act to the issue of two leases indicated on the accompanying tracing, that is, a lease to the Huntly Coal-prospecting Association of the areas marked B, hatched red, and a lease to the Taupiri Coal-mines (Limited) of the area marked A, hatched blue, on the following conditions:—

Area A.	Area B.
Royalty, 6d. per ton on all coal sold.	Ditto.
Rent, 2s. per acre.	Ditto and 2d. per ton.
1,000 tons of coal to be produced within two years.	Ditto.
Output for third year, 3,000 tons.	5,000 tons.
" fourth " 4,500 "	10,000 "
" fifth " 9,000 "	15,000 "
" sixth and succeeding years, 10,000 tons.	20,000 "

Applications can accordingly be made to the C. C. L., Auckland, who will deal with them on compliance with the requirements of the Coal-mines Act in respect to the payment of deposit, advertising, &c."

/515, 11/1/04.—*C. C. L., Auckland, to Taupiri Coal-mines (Limited).*—"I have received no notification of the decision come to by the Government, and therefore can as yet take no action as requested."

/514, 11/1/04.—*C. C. L., Auckland, to U.-S. Mines* (evidently sent in error).—"I have kept a copy of Mr. Hayes's report but not of plan. Kindly send me a copy of plan and state decision come to by Minister."

/517A, 19/1/04.—*U.-S. Mines, to C. C. L., Auckland.*—"I forward herewith tracing of plan of Mr. Hayes, and have to state that decision of Hon. Minister of Mines is contained in the copies of letters forwarded to you by U.-S. for Lands on 5th ultimo."

/522, 16/3/04.—*C. C. L., Auckland, to Huntly Coal-prospecting Syndicate.*—"The U.-S. Lands has informed me that on the 1st December, 1903, the U.-S. Mines communicated with you in respect to lease for the area marked B on tracing furnished you. . . . Up to the present no application has been received from you, and I have to ask whether you have abandoned your claim."

/522B, 19/3/04.—*Huntly Coal-mines Syndicate, to C. C. L., Auckland.*—"In reply I beg to state the intentions which the Minister has been apprised of some time ago being "That the syndicate are determined to adhere to their application for the whole of Lakes Wahi and Rotoiti, 1,300 acres, the full amount of lease-money having been paid in to your Department."

/526c, 20/4/04.—*C. C. L., Auckland, to Huntly Coal-prospecting Syndicate.*—"I now forward herewith the respective areas proposed to be leased to yourself and the Taupiri Coal Company, as notified to you by U.-S. Mines."

/534, 4/5/04.—*Huntly Coal-prospecting Syndicate, to C. C. L., Auckland.*—"In our opinion it is not for you to propose to us what area we shall lease. We prospected the whole property and spent our money before others thought the property was any good. We also made application for the whole property in proper order and in accordance with your own advice at the beginning and of course expect to be granted the whole area applied for. In conclusion, we intend to obtain our rights whatever your opinion may be, and we hope you will not hang the matter up much longer."

/535, 21/5/04.—*C. C. L., Auckland, to Huntly Prospecting Syndicate.*—"You are taking quite an erroneous view of your position. . . . As you refuse to take up the areas granted you by the Minister, you cannot complain if at any time the land is allotted to others for coal-mining purposes. Under the Coal-mining Act an application lodged does not confer the right to the land applied for. The ultimate decision rests entirely with the Minister, and in the case of the Wahi coal-bearing lands he has given his decision."

12th November, 1903.

Re Applications for Leases of Coal-areas near Huntly.

I HAVE visited the locality and considered the matter with the Commissioner of Crown Lands (Auckland). Two members of the Huntly Coal-prospecting Syndicate accompanied me to point out the ground and boreholes sunk by that party, and also met the Commissioner (Mr. Mueller) and myself with their Secretary to discuss the situation.

To elucidate matters I have prepared the accompanying tracing. It will be remembered that the Huntly Coal-prospecting Syndicate originally applied for an area in Lake Wahi, and that a subsequent application for an area to the west, north, and east of that just referred to was made by the Taupiri Coal-mines (Limited), as is shown on the litho. map accompanying the letter of the Commissioner of Crown Lands, to the Under-Secretary for Mines, under date of 7th May, 1903, as is also the application of Mr. J. R. Hetherington for the area of Lake Rotoiti. Mr. Hetherington being a member of the Huntly Coal-prospecting Syndicate, we were assured that his application was on behalf of the syndicate, and would, if granted, form a portion of the syndicate's area.

The tracing shows the present limits of the operations of the Taupiri Coal-mines (Limited) from Ralph's shaft. (Their other properties, Taupiri Extended and Taupiri Reserve, are not shown, these being on the other side of the Waikato River.)

The surface-area, coloured blue, shows the ground held by, or available to, the Taupiri Coal-mines (Limited) for coal-mining purposes, and this, considered in relation to the present limit of their workings, which (including unworkable coal) practically represents about nine or ten years' work, may be reasonably inferred ample for trade-requirements for the next half-century, even allowing for deficiencies in the coal and increase of trade. It appears that no application was made by the Taupiri Coal-mines (Limited) for an area under Lake Wahi until the prospecting syndicate had struck coal in the boreholes Nos. 1 and 2 on Section 48 and the edge of the lake, and a glance at the litho. map already referred to renders comment superfluous. If the area applied for by the Taupiri Coal-mines (Limited) were granted, the small area originally applied for by the Huntly Coal-prospecting Syndicate would not be of any real practical value for actual mining by any other company but the Taupiri Coal-mines (Limited) owing to the fact that it, together with the small amount of freehold land available, would be too small to warrant the expenditure necessary to connect the mine with the railway at Huntly, and that of the mining plant and general capital charges.

After careful consideration of the whole matter, the Commissioner of Crown Lands (Mr. Mueller) and I have come to the conclusion that the Taupiri Coal-mines (Limited) be given an opportunity of making an amended application for the area marked A, and a similar opportunity be given to the Huntly Coal-prospecting Syndicate in respect to the area B, including Lake Rotoiti, upon such terms and conditions as will insure work being actually carried out under these areas, and prevent their being held locked up or for speculative purposes. In the event of either party failing to make the amended application within a stipulated time, the areas to be open for application by any one.

We have been led to make this recommendation in view of the fact that some real consideration is due to the Huntly Coal-prospecting syndicate for having, at considerable cost, proved the existence of coal under areas which had been previously considered non-coal-bearing, and that they should, in equity, have the right to a sufficient area of land and lake as would warrant the establishment of a colliery.

I think the south-western boundary-line of area B is approximately the boundary of coal in that direction, and that the western end of the lake-area (beyond the continuation of the dividing-line between Sections 31 and 32, Block XI., Rangiriri Survey District) may be left out of any coal-mining areas in the meantime. If workings in area A or area B prove the continuation of coal to the west, an extended or additional area could then be applied for.

In respect to area A, it would take about fifteen months' steady work, six days per week and three shifts per day to reach by underground headings from Ralph's Mine (Taupiri Coal-mines (Limited)), assuming no difficulties were met with. It is possible that the company might sink a winding-shaft on, say, Section 44, 45, or 46. This would, however, necessitate a bridge across the Waikato River, and a branch line of railway or a tramway.

To open up area B a tramway would have to be constructed and barges used for conveying the coal across the river. This, with the capital costs of opening up and equipping the mine for an output of, say, 30,000 tons per annum, would involve an expenditure under favourable conditions of some £12,000. There is, however, some prospect of another colliery being opened up on freehold lands to the west of Lake Wahi, which would be connected with the Government line of railway at Huntly by a branch-line, and, in this case, no doubt a siding to a colliery working the area B could be arranged for.

I would therefore recommend that the following conditions should apply :—

Area A.—Royalty, 6d. per ton on all coal sold. Rent, 2s. per acre. 100 tons of coal to be produced within two years. Output for third year, 3,000 tons ; output for fourth year, 4,500 tons ; output for fifth year, 7,000 tons ; output for sixth and succeeding years, 10,000 tons.

As the output last year from Ralph's mine was over 52,000 tons, it will be seen that the above scale allows of other properties being worked concurrently with Area A.

Area B.—Royalty, 6d. per ton on all coal sold. Rent, 2s. per acre. 1,000 tons of coal to be produced within two years. Output for third year, 5,000 tons ; output for fourth year, 10,000 tons ; output for fifth year 15,000 tons ; output for sixth and following years, 20,000 tons.

When royalty exceeds rents, the latter cease. See section 11, "The Coal-mines Act, 1891."

JOHN HAYES,

The Under-Secretary, Mines Department, Wellington.

Inspecting Engineer.

No. 4.

Department of Lands and Survey, (District Office, Auckland), 11th May, 1903.

Re Coal Leases, Wahi Lake.

IN answer to your memorandum of the 5th instant, No. 50429/3, I have to state that the matter in connection with these coal-mining leases stands as follows :—

The Huntly Coal-prospecting Syndicate applied to me for coal-prospecting leases, and I informed them that there was no power under the act for granting such an application ; that if they wanted to secure the whole or any part of the Wahi Lake they must make application for it as a coal-mining lease. After consultation, they decided to apply for a lease of 100 acres, and they deposited 3s. for each acre. Having commenced prospecting operations on Section 48 adjoining the 100-acre lease, shaded black on the accompanying litho., they requested that the Land Board should not at once deal with the application, but hold it over so as to give them an opportunity to get some of the bores down on Section 48. Accordingly, the Land 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. The Taupiri Coal Company paid their 3s. per acre, did the requisite advertising, and, in short, complied with all the conditions of the Act.

Next, Mr. J. R. Hetherington made application for a coal-mining lease covering Rotoiti, a small lake close to Wahi Lake, and a few days after this was done, the Huntly Coal-prospecting Company made application for the whole of Wahi Lake and Rotoiti, complying also with the requirements of the Act.

The matter was brought before the Board, and, of course, there could be only one decision under the Coal-mines Act. Priority fixes an application, so then clearly the matter stands thus : The Huntly Coal-prospecting Company ranks first with its application for 100 acres, the Taupiri Company comes next with their application for 500 acres, then J. R. Hetherington with his application for Rotoiti, and lastly the application put in by the Huntly Coal-prospecting Company, for both of the lakes, can only be satisfied to the extent of the balance of Wahi Lake, for which they were the first applicants.

Mr. Hetherington's application need not be considered in connection with this matter, as he is a member of the Huntly Coal-prospecting Company, and that company assured me that it really did not matter whether the lease is granted to him or the company.

The only ground in dispute then is the 500 acres applied for by the Taupiri Coal Company. I saw one of their directors this morning, and I find that his company has also been carrying on prospecting on lands adjoining the lake, and that the company intend to work the seam under the lake through Section 45, which belongs to the company or Mr. Ralph.

There may or may not have been sharp practice on the part of the Taupiri Coal Company by jumping the Huntly Coal-prospecting Company's chance of extending the area it had already applied for, but the fact remains that the Coal-mines Act gives the first applicant the right to the land.

G. MUELLER.

The Under-Secretary for Lands, Wellington.

Commissioner of Crown Lands.

No. 5.

SIR,—

Taupiri Coal-mines (Limited), Auckland, 22nd August, 1902.

On behalf of the Taupiri Coal-mines (Limited), I beg to apply for a lease for coal-mining purposes of that portion of Lake Wahi fronting allotments 26, 27, 44, 45, 46, 48, 49, in the Parish of Pepepe, as shown on the plan attached hereto, marked blue.

I beg to enclose cheque for £37 10s., being deposit at the rate of 3s. per acre on the estimated area of 250 acres.

I have, &c.,

F. SCHERFF, Secretary.

Department of Lands and Survey (District Office), Auckland, 26th August, 1902.

IN reference to your application of the 22nd instant on behalf of the Taupiri Coal-mines (Limited) I have to inform you that Mr. Rossenbeck has already applied for a coal lease for that portion of the Wahi Lake opposite to Section 48, Pepepe Parish, therefore your application will have to be amended before it can come before the Land Board.

G. MUELLER,

The Secretary Taupiri Coal-mines (Limited), Auckland.

Commissioner of Crown Lands.

SIR,—

Taupiri Coal-mines (Limited), Auckland, 30th August, 1902.

In reply to your letter of the 26th instant, informing me that Mr. Rossenbeck has already applied for a coal lease for that portion of the Wahi Lake opposite to Section 48, Pepepe Parish, and that therefore our application would have to be amended, I now beg to apply for a lease of that portion of Lake Wahi fronting allotments 26, 27, 28, 29, 44, 45, 46, 48, 49, 145, 53, as shown by red lines on the tracing enclosed herewith, less that portion of the lake opposite Section 48, already applied for by Mr. Rossenbeck.

The Commissioner of Crown Lands Auckland.

I have, &c.,
F. SCHERFF, Secretary.

Department of Lands and Survey, District Office, Auckland, 10th February, 1903.

Coal Lease, Wahi Lake.

WITH reference to your application relative to above, I have to request you to comply with the provision of section 4 of "The Coal-mines Act, 1891," by advertising twice at an interval of one week in some newspaper circulating in the locality, and furnish copies of advertisements to this office; and as the area is computed to contain 408 acres, I have to request you to pay to the Receiver of Land Revenue, Auckland, £23 14s., in addition to the £37 10s. paid.

If this request is not complied with within two weeks from this date, the application will be considered lapsed.

G. MUELLER,
Commissioner of Crown Lands.

The Secretary, Taupiri Coal-mines (Limited), Auckland.

Taupiri Coal-mines (Limited), Auckland, 4th March, 1903.

Re Coal Lease, Wahi Lake.

SIR,—

In reply to your letter of the 10th February, I beg to inform you that I have paid to the Receiver of Land Revenue £23 14s., being the balance due for application, and that I have inserted the notice required by section 4 of the Coal-mines Act, in the *Waikato Argus* of the 20th and 27th February, copies of which papers are forwarded herewith.

The Commissioner of Crown Lands Auckland.

I have, &c.,
FRANZ SCHERFF, Secretary.

[Inserted in the *Waikato Argus* and the *Waikato Times* of the 20th and 27th February.]

PUBLIC NOTICE UNDER "THE COAL-MINES ACT, 1891," AND ITS AMENDMENTS.—Notice is hereby given that, pursuant to section 4 of "The Coal-mines Act, 1891," the Taupiri Coal-mines (Limited) have made an application to the Commissioner of Crown Lands for a lease for coal-mining purposes of that portion of Lake Wahi fronting Allotments 26, 27, 28, 29, 44, 45, 46, 48, 49, 145, and 53, Parish of Pepepe.

FRANZ SCHERFF, Secretary.

Auckland, 17th February, 1903.

Department of Lands and Survey, District Office, Auckland, 6th April, 1903.

Proposed Coal Lease, Portion Wahi Lake.

IN reference to your letter of the 4th March, I have to inform you that the Land Board wish to know what the proposed expenditure and output during the first five years is to be. The Board have postponed consideration until this information is supplied.

The Secretary, Taupiri Coal-mines (Limited), Auckland.

HUGH BOSCAWEN,
For Commissioner of Crown Lands.

Taupiri Coal-mines (Limited), Auckland, 24th April, 1903.

Re Coal Lease, Wahi Lake.

SIR,—

In reply to your letter of the 6th April, I am directed to inform you that the company are now carrying on boring operations in order to ascertain the coal-measures in connection with above lease.

As soon as ascertained a scheme for working the property will be determined upon.

The Commissioner of Crown Lands, Auckland.

I am, &c.,
FRANZ SCHERFF, Secretary.

Department of Lands and Survey, District Office, Auckland, 30th April, 1903.

Coal Lease.

IN reference to your application for a coal lease for land under the Wahi Lake, I have to inform you that the matter has been considered by the Land Board, when it was resolved that you be requested to explain the proposed course of working and indicate on litho. or plan the approximate position of shaft, machinery, buildings, and trains, and that the following are the conditions that the Board propose to recommend the Minister to approve of, when granting a lease:—

Term, twenty-one years. Royalty, 4d. per ton, payable half-yearly. Rent, 5s. per acre per annum. Expenditure in opening and developing: Within twelve months, £500; within twenty-four months, £1,000; within thirty-six months, £2,000. Output first year, nil; second year, 1,000 tons; third to seventh year, 2,500 tons; eighth to twenty-first year, 5,000 tons.

The Secretary, Taupiri Coal-mines (Limited).

HUGH BOSCAWEN,
For Commissioner of Crown Lands.

Taupiri Coal-mines (Limited), Auckland, 12th May, 1903.

SIR,—

Re *Coal Lease Wahi Lake*.

In reply to your letter of the 30th April, I beg to state that our 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.

Our 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.

I have, &c.,

The Commissioner of Crown Lands, Auckland.

F. SCHERFF, Secretary.

SIR,—

Taupiri Coal-mines Office, Fort Street, Auckland, 20th May, 1903.

In support of my company's application to lease a portion of Lake Wahi, I beg to state that we have been working in the direction of the lake for the last three years, and in addition to driving headings in that direction, we have put down a series of boreholes for the purpose of ascertaining the trend of the seam. This is costly work, as in some places running sand overlies the coal-measures for a depth of 119 ft., this has to be piped, and makes the work slow and expensive. Seeing that our developments in the direction of the lake were proving satisfactory, the question of applying to the Crown for a lease of a considerable area was actually discussed by the directors long before the Huntly Coal Syndicate made any application to you, and we were surprised to learn on inquiry at your office, that 100 acres of the lake had been applied for by them. Two of the syndicate are, and have been for years working in the company's mine, and in undertaking this prospecting there can be no doubt but that they have acted on information gained while in the company's service.

"The Coal-mines Act, 1891," says, "Precedence shall be in the order of the receipt of the applications by the Warden or Commissioner," and as my company's application was in first, we claim in all fairness that it shall be granted. I would further point out that from the surface to the bottom of the coal-seam in our last borehole, the distance was 350 ft., 119 ft. of which was running sand, water, and boulders, as the hole now being put down on edge of lake is further to the dip, we do not expect to bottom the seam under 400 ft. The initial expense of shaft-sinking in such country, and the attendant difficulties would be almost sure to result in failure to a new company, whereas my company have only to continue the present headings to work the lake coal and bring it through the present workings. In conclusion, sir, I trust that in dealing with our application, consideration will be given to the fact that we are prior applicants, that my company have already paid the Crown thousands of pounds in royalty, and that we have already spent some hundreds of pounds in development-work in anticipation of working this lake coal.

I am enclosing plan showing headings and boreholes testing the deep channel of country; this was ascertained after driving in various directions, and the proposed main heading is set on that course.

Yours, &c.,

G. Mueller, Esq., Commissioner of Crown Lands.

FRANZ SCHERFF, Secretary.

Department of Lands and Survey, District Office, Auckland, 2nd June, 1903.

Coal Lease, Lake Wahi.

IN reference to your application for a lease of a portion of the above lake, I have to inform you that the Land Board resolved to adjourn consideration.

HUGH BOSCAWEN,

The Secretary, Taupiri Coal Company.

For Commissioner of Crown Lands.

Department of Lands and Survey, District Office, Auckland, 1st July, 1903.

Coal Leases, Wahi Lake.

At a meeting of the Land Board held 26th June last, the following resolution was passed: "That the persons interested in the Wahi coal-lease applications be communicated with, so that they may come to some understanding between themselves as to a satisfactory division of the area, to enable the Commissioner to report to the Board at the next meeting." Will you please see the Huntly Coal-prospecting Association with a view to the settlement of the difficulty.

HUGH BOSCAWEN,

The Secretary, Taupiri Coal-mines Company, Auckland.

For Commissioner of Crown Lands.

SIR,—

Taupiri Coal-mines (Limited), Auckland, 17th July, 1903.

In reply to your letter of the 1st July—i.e., recommending our company to communicate with the Huntly Coal-prospecting Association *re* division of area of Lake Wahi applied for by both the above prospecting association and by this company, I beg to inform you that our Mr. W. J. Ralph interviewed Mr. Leather at Huntly on Tuesday last, with that object, and was informed by him "that his syndicate was not prepared to consider any suggestion for the division of the area referred to, that he had been acting on the advice of the Crown Lands Office all along, that he knew that his syndicate was entitled to the whole of the lake, and that it must be granted to them."

Under these circumstances I regret there seems no hope of coming to any terms with the applicants for lease of Wahi Lake, and I therefore trust that your Board will now grant the applications made by us on the 23rd and 30th August last, they being made in accordance with the provisions of "The Coal-mines Act, 1891."

I have, &c.,

The Commissioner of Crown Lands, Auckland.

FRANZ SCHERFF, Secretary.

SIR,—

Mines Department, Wellington, N.Z., 1st December, 1903.

I am directed by the Hon. the Minister of Mines to inform you that after inquiry it has been decided not to refuse consent under the Coal-mines Act to the issue of two leases indicated on the accompanying tracing, that is, a lease to the Huntly Coal-prospecting Association of the areas marked B, hatched red, and a lease to the Taupiri Coal-mines (Limited) of the area marked A, hatched blue, on the following conditions:—

Area A.—Royalty, 6d. per ton on all coal sold. Rent, 2s. per acre. 1,000 tons of coal to be produced within two years. Output for third year, 3,000 tons; output for fourth year, 4,500 tons; output for fifth year, 9,000 tons; output for sixth and succeeding years, 10,000 tons.

Application can accordingly be made by the Taupiri Coal-mines (Limited) for the area marked A to the Commissioner of Crown Lands, Auckland, who will deal with it on compliance with the requirements of the Coal-mines Act in respect to payment of deposit, advertising, &c.

I have, &c.,

H. J. H. ELLIOTT, Under-Secretary.

The Secretary, Taupiri Coal-mines (Limited), Auckland.

SIR,—

Taupiri Coal-mines (Limited), Auckland, 29th December, 1903.

The Under-Secretary for Mines informs me in his letter dated the 1st December, that application can now be made by our company for that portion of Lake Wahi marked A on plan. I therefore beg to apply for a coal lease of Area A, Lake Wahi, containing about 250 acres.

The amounts paid to you as deposits on former applications for lease of Wahi Lake—viz., £37 10s. on the 22nd August, 1902, and £23 14s. on the 4th March, 1903, making a total of £61 4s., please transfer to the credit of the present application.

I have, &c.,

The Commissioner of Crown Lands, Auckland.

FRANZ SCHERFF, Secretary.

Department of Lands and Survey, District Office, Auckland, 11th January, 1904.

Re Application, Coal-mining Lease, Wahi Lake.

In answer to yours of the 29th ultimo, I have to state that up to the present I have received no notification of the decision come to by the Government, and therefore cannot as yet take action as requested.

I have written to the Mines Department asking the Secretary to inform me what has been decided upon.

G. MUELLER,

The Secretary, Taupiri Coal-mines (Limited), Auckland.

Assistant Surveyor-General.

SIR,—

Taupiri Coal-mines (Limited), Auckland, 18th May, 1904.

I have the honour to forward herewith lease of part of Wahi Lake, in triplicate, duly signed by the directors of this company.

I have, &c.,

The Commissioner of Crown Lands, Auckland.

FRANZ SCHERFF, Secretary.

Department of Lands and Survey, District Office, Auckland, 11th July, 1904.

I BEG to request you to pay to the Receiver of Land Revenue, Auckland, £1 1s., fee for coal lease of portion of the Wahi Lake.

JAMES MACKENZIE,

Commissioner of Crown Lands.

The Secretary, Taupiri Coal-mines (Limited), Auckland.

(Per F. K.)

Revenue Receipt No. A2, 25578.

Lease No.

Auckland, District Office, 6th August, 1904.

RECEIVED from Taupiri Coal-mines (Limited), as lease fee for portion of Wahi Lake marked A, 230 acres, the sum of one pound one shilling.

T. M. TAYLOR,

£1 1s.

Receiver of Land Revenue.

SIR,—

Department of Lands and Survey, Wellington, 9th September, 1904.

I have the honour to forward herewith for the information of your Committee copies of applications, together with public notices, of the Huntly Coal-prospecting Syndicate, the Taupiri Coal-mines (Limited), and James R. Hetherington, for coal-mining leases at Lakes Wahi and Rotoiti.

I have, &c.,

WM. C. KENSINGTON,

Under-Secretary.

The Chairman, Mines Committee, Parliament Buildings, Wellington.

DEAR SIR,—

The Huntly Coal-prospecting Syndicate, Huntly, 9th April, 1903.

On behalf of the Huntly Coal-prospecting Syndicate, I beg to apply for the extension of our boundaries (of our application) for the whole area of Lakes Wahi and Rotoiti, comprising in all 1,300 acres, more or less, for coal-mining purposes. We have complied with the Act by inserting notice in *Star*, first to appear on Saturday, 11th April, and second on 18th April. Enclosed you will please find cheque in payment of lease of area. Kindly inform me if all correct.

Yours, &c.,

W. S. MELDRUM, Secretary.

G. Mueller, Esq., Commissioner of Crown Lands, Auckland.

7—I. 4A.

[*Auckland Star*, 18th April, 1903.]

NOTICE.

WE, the Huntly Coal-prospecting Syndicate, have this day applied for the extension of the boundaries of our application for the whole area of Lakes Wahi and Rotoiti, comprising in all 1,300 acres, more or less, for coal-mining purposes, in compliance with "The Coal-mines Act, 1891."

W. S. MELDRUM, Secretary.

SIR,—

109, Queen Street, Auckland, 26th March, 1903.

On behalf of Mr. J. R. Hetherington, of Huntly, farmer, we hereby apply under the provisions of "The Coal-mines Act, 1891," for a lease to him for the full term allowed by the Act, and at such rental as may be agreed upon for raising coal subject to the provisions of the said Act, of Lake Rotoiti, near Huntly, except the 10 acres, more or less, leased to the Huntly Coal-prospecting Syndicate.

The Lake is situated between sections 163 and 164 of the Parish of Pepepe, County of Raglan, and comprises, as we understand, 66 acres 1 rood 8 perches.

We enclose herewith our cheque for the sum of £8 11s. (eight pounds eleven shillings), being a deposit of 3s. per acre, as required by the Act.

Yours, &c.,

WM. COLEMAN,

The Commissioner of Crown Lands, Auckland.

Solicitor for J. H. Hetherington.

[*The New Zealand Herald*, 23rd April, 1903.]

NOTICE.

NOTICE is hereby given, pursuant to "The Coal-mines Act, 1891," that application has been made to the Commissioner of Crown Lands at Auckland, by James Russell Hetherington, of Huntly, farmer, for a lease under the provisions of the said Act, of Lake Rotoiti, near Huntly, in the Parish of Pepepe, and County of Raglan, excepting ten acres, more or less, leased to the Huntly Prospecting Syndicate. Dated at Auckland this 15th day of April, 1903.

WILLIAM COLEMAN,

109, Queen-Street, Auckland.

Solicitor for the applicant, James Russell Hetherington.

Taupiri Coal-mines (Limited), Auckland, 4th March, 1903.

Re COAL LEASE, WAHI LAKE.

IN reply to your letter of the 10th February, I beg to inform you that I have paid to the Receiver of Land Revenue £23 14s., being the balance due for application, and that I have inserted the notice required by section 4 of the Coal-mines Act in the *Waikato Argus* of the 20th and 27th February, copies of which papers are forwarded herewith.

I have, &c.,

The Commissioner of Crown Lands, Auckland.

FRANZ SCHERFF, Secretary.

[*Waikato Argus*, 27th February, 1903.]

NOTICE UNDER "THE COAL-MINES ACT, 1891," AND ITS AMENDMENTS.

NOTICE is hereby given that, pursuant to section 4 of "The Coal-mines Act, 1891," the Taupiri Coal-mines (Limited) have made an application to the Commissioner of Crown Lands for a lease for coal-mining purposes of that portion of Lake Wahi fronting Allotments 26, 27, 28, 29, 44, 45, 46, 48, 49, 145, and 53, Parish of Pepepe.

FRANZ SCHERFF, Secretary.

Auckland, 17th February, 1903.

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