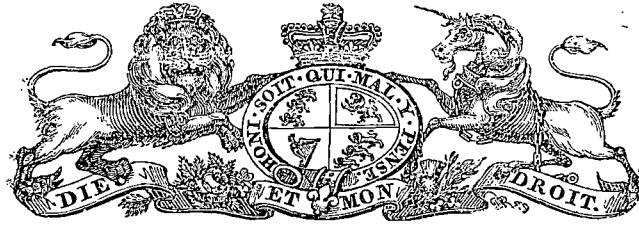


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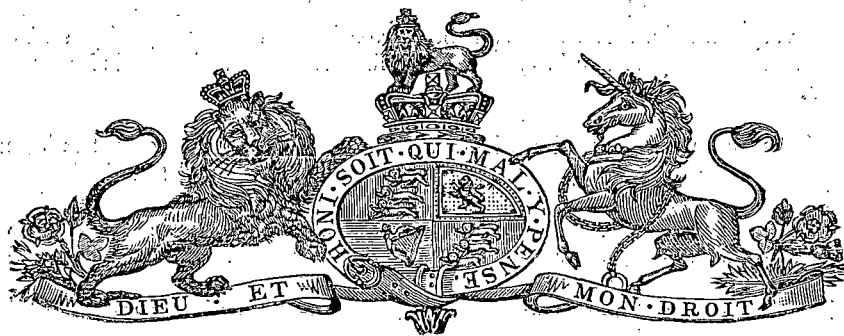
PARLIAMENT OF TASMANIA.

MR. THOMAS NICHOLS' CASE :

REPORT OF SELECT COMMITTEE, WITH MINUTES OF
PROCEEDINGS, EVIDENCE, AND APPENDIX.

Brought up by Mr. Sadler, August 31, 1900, and ordered by the House of
Assembly to be printed.

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SELECT COMMITTEE appointed on the 3rd August, 1900, with power to send for Persons and Papers, to inquire into the circumstances under which the application of Thomas Nichols for forfeiture of leases Nos. 56 and 57-93M was refused, and those leases (after, as part of 1446 acres, they were withdrawn from the operation of the Mining Act) were subsequently issued to the syndicate by whom, through failure to observe the labour covenants, they had been rendered liable to forfeiture.

MEMBERS OF THE COMMITTEE.

MR. BURKE.
MR. MINISTER OF LANDS AND WORKS.
SIR EDWARD BRADDON.
MR. HALL.

MR. GUESDON.
MR. GAFFNEY.
MR. SADLER. (*Mover.*)

DAYS OF MEETING.

Friday, August 10; Thursday August 16; Friday, August 17; Thursday, August 23; Thursday, August 30.

WITNESSES EXAMINED.

Mr. William Henry Wallace, Secretary for Mines; Honourable Edward Mulcahy, Minister of Lands and Works.

REPORT.

Your Committee have the honour to report to your Honourable House—

That they have held several meetings, examined witnesses, and carefully considered all the evidence and correspondence which have been placed before them.

They find that, on the 15th May, 1900, Thomas Nichols applied for forfeiture of the Eastern Proprietary Company's leases, Nos. 56 and 57-93M, in the Scamander district, and on that same date the Secretary of Mines addressed Mr. Irvine, informing him that the Eastern Proprietary's leases had expired, and asking if the company desired renewal.

Prior to this (*i.e.*, on the 3rd February, 1900), the Minister had, at the instance of the Manager of the Eastern Proprietary Company, and on his own initiation, withdrawn from the operation of the Mining Act the 1446 acres surrounding, but not inclusive of, the leases Nos. 56 and 57-93M. When the Secretary of Mines received Nichols' application he had already invited the Eastern Proprietary Company to renew their lapsed leases; but, in his reply to the application of Nichols, he informed the applicant that the land covered by the leases of which he asked forfeiture had been withdrawn from the operation of the mining laws, whereas, as above stated, the 1446 acres withdrawn were exclusive of the area covered by those leases.

Your Committee hold that the Secretary of Mines may be excused for the mistake he made as to leases Nos. 56 and 57-93M having been withdrawn (a mistake that he candidly admits) as forming part of the 1446 acres withdrawn; and that, in asking the Manager of the Eastern Proprietary

Company, two months after expiration of the company's leases, whether they desired to renew, the Secretary of Mines only followed a precedent which your Committee hold should not be followed in future, unless very sufficient reasons can be brought forward to justify exceptional action, and action, moreover, contrary to the law, which requires renewal to be made immediately upon the lapsing of a lease.

Your Committee also think that the withdrawal of mineral land from the operation of the mining laws at the instance of lessees, and, as in this case it is admitted to shield those lessees from outside competition, or, as Mr. Irvine calls it, blackmailing, should be only ordered where pressing and imperative necessity requires it. There only appears to be one precedent for the withdrawal of the Scamander area, and the practice is therefore not a common one.

But, as to Nichols' case, although the intimation that the leases had been withdrawn may have misled him, it cannot be said that he suffers from any wrong as to which this House can give him redress. The lease for which he applied was not open to forfeiture, and, although it had lapsed, the Mines Department had, before the application came in, practically become pledged to the renewal.

R. J. SADLER, *Chairman.*

*Committee-room, House of Assembly,
August 30, 1900.*

MINUTES OF PROCEEDINGS.

FRIDAY, AUGUST 10, 1900.

The Committee met at 11:30.

Members present.—Sir Edward Braddon, Mr. Burke, Mr. Hall, and Mr. Sadler.

The Clerk read the Order of the House appointing the Committee.

Mr. Sadler was appointed Chairman.

Ordered, That the Clerk write to the Secretary for Mines calling for all correspondence.

Ordered, That the Secretary for Mines be summoned for Thursday next, at 11:45 o'clock.

Mr. Guesdon and Mr. Gaffney took their seats.

Ordered, That a plan of the 1446 acres reserved in the interests of the Eastern Proprietary Company be laid on the Table of the Committee.

The Committee adjourned till 11:30 o'clock on Thursday next.

THURSDAY, AUGUST 16, 1900.

The Committee met at 11:30.

Members present.—Mr. Sadler (Chairman), Mr. Minister of Lands and Works, Sir Edward Braddon, Mr. Burke, and Mr. Hall.

The Minutes of the last Meeting were read and confirmed.

The Chairman laid upon the Table the correspondence and plan ordered at the last Meeting.

The Committee deliberated.

Mr. W. H. Wallace, Secretary for Mines, was called and examined.

At 1 o'clock the Committee adjourned till 11:30 to-morrow.

FRIDAY, AUGUST 17, 1900.

The Committee met at 11:30 o'clock.

Members present.—Mr. Sadler (Chairman), Sir Edward Braddon, Mr. Burke, and Mr. Gaffney.

The Minutes of last Meeting were read and confirmed.

The Chairman apologised for the absence of Mr. Hall.

Mr. W. H. Wallace, Secretary for Mines, was called, and further examined.

Mr. Wallace withdrew.

The Committee adjourned *sine die*.

THURSDAY, AUGUST 23, 1900.

The Committee met at 11:45 o'clock.

Members present.—Mr. Sadler (Chairman), Sir Edward Braddon, and Mr. Burke.

The Minutes of last Meeting were read and confirmed.

Letter from the Secretary for Mines handed in, together with list of lessees who were notified of the date of expiry of their leases, and requested to apply for renewals of their leases if they desired to continue to hold the land. (Appendix).

Mr. Minister of Lands and Works was called and examined.

Mr. Minister of Lands and Works withdrew.

The Committee adjourned *sine die*.

THURSDAY, AUGUST 30, 1900.

The Committee met at 11:30 o'clock.

Members present.—Mr. Sadler (Chairman), Sir Edward Braddon, Mr. Burke, Mr. Guesdon, and Mr. Gaffney.

The Minutes of the last Meeting were read and confirmed.

Draft Report proposed by the Chairman, and read First time.

The said Draft Report, being read the Second time, was agreed to.

The Committee adjourned *sine die*.

EVIDENCE.

THURSDAY, AUGUST 16, 1900.

WILLIAM HENRY WALLACE, *called and examined.*

1. *By the Chairman*—What is your name? William Henry Wallace.
2. What position do you occupy? I am Secretary of Mines.
3. The correspondence produced is in connection with two 80-acre mining sections, 56-93M and 57-93M, at Scamander? Yes.
4. There is one letter written by Thos. Nichols to Henry Dawson, Commissioner for the mining division in which the sections are located—that letter is not included in the correspondence—would that letter come to you, or why did you not get it? Mr. Dawson would keep the letter himself. I believe the correspondence tabled to be complete, so far as the Department is concerned.
5. The letter referred to is one giving Mr. Dawson notice of the intention of Thos. Nichols to apply for the forfeiture of the two sections, 56-93M and 57-93M, the letter being dated May 14—did you not receive that letter? I have no knowledge of that letter at all.
6. The correspondence shows that, on May 15, Thos. Nichols applied for the forfeiture of the two sections in question, and enclosed the requisite fee of £10? That is correct.
7. On the 15th of May you wrote to Mr. R. F. Irvine, Manager of the Eastern Proprietary Company, informing him that if he desired a renewal of the leases in question, he could have it? That is correct; but I did not receive Mr. Nichols' application for forfeiture of the leases until the day after I wrote to Mr. Irvine.
8. I forgot to say, that the leases referred to are now held by the Eastern Proprietary Company—is that not so? Yes; the leases were transferred to the Eastern Proprietary Company in 1889.
9. The leases expired, I understand, on 1st March—is that not so? Yes.
10. Is it customary when a lease expires to write to the lessee informing him that he can have a new lease by applying? Yes, we do it. We are not obliged to do it. The Act gives the lessee the right of renewal, but no time is specified. We, in all cases, inform the lessee that the lease has expired.
11. Do you inform a lessee if two months have elapsed since his lease expired? In this case the fact that the lease had expired was brought under my notice by the clerk who has charge of the Lease Registers, and I wrote to the lessee immediately, acquainting him of the fact.
12. Supposing Mr. Nichols had gone in and marked off the land, and then applied for it after the lease had expired, would the lease not have been granted to him? I do not know that it would have been granted. The Act says the lessee has the right of a renewal of his lease, and I presume that he has a prior right.
13. Do you consider that the lessee would have a prior right even if two months have elapsed since the lease expired? No term is specified. The right of renewal of lease is dealt with in Section 46 of the Mining Act, which reads as follows:—"Notwithstanding anything contained in any former Act, or any lease granted thereunder, any lessee shall be entitled to a renewal of his lease upon the expiration thereof, either by effluxion of time or by surrender, for a further period not exceeding the number of years for which such lease might have been granted in the first instance, upon such terms and conditions, and subject to the payment of such rent, not exceeding five times the rent previously paid by such lessee, as the Governor in Council shall think fit to impose, subject to the provisions of this Act and the Regulations made hereunder. Before the Governor in Council shall fix the amount of rent to be paid by any lessee upon a renewal of his lease under this section, the Minister shall nominate and appoint three commissioners to assess the amount of rent which ought, in their opinion, to be paid by such lessee, and such commissioners shall report to the Minister accordingly."
14. By "effluxion of time" is meant that the term for which the lease was granted has expired. Take the case of the Tasmania G.M. Co., for example. That Company, on the expiration of its original lease, had the right of renewing the lease by paying such rent as the Governor in Council determined should be paid by the Company, but the lease was renewed immediately, practically making it continuous for a longer term. In such case it was not meant that two months should elapse before the renewal of lease was asked for. Do you contend that the cases are parallel? It is open to that construction.
15. *By Sir Edward Braddon*—If two months, then two years, or any time—do you mean that? There ought to be some limit.
16. The Act says that the lease may be renewed on its expiration? Yes.
17. Surely that means immediately on the expiration of the lease it may be renewed, and not that the renewal shall be left for an indefinite time after the expiration? Strictly speaking, it does.
18. *By the Chairman*.—A party holds a lease for a term of 21 years; if they want to have it renewed they can have a renewal on the expiration of the original lease. The Act is not supposed to apply where a lease is allowed to lapse? Yes, that is so.

19. Do you know any other case which time was given for—say two months—and then you gave the lessee notice that the lease has expired, and that he can have it renewed by applying for a renewal? Not from memory, but there are dozens of cases I can supply you with from the correspondence in the Department.

20. You wrote to Mr. Irvine on May 15, informing him that he could have a renewal of his lease, and on May 16—the following day—you wrote to Mr. Nichols, telling him that the land in question had been withdrawn from the operations of the Mining Act for a term of six months? Yes.

21. Were the sections applied for by Mr. Nichols really withdrawn from the operations of the Mining Act? No, they were not. I was under the impression that they were when I wrote, but yesterday, in going into the matter, and calculating the acreage, I found by the area that the leased sections were deducted from the area withdrawn.

22. Do you consider that Mr. Irvine, or the Eastern Proprietary Co., was entitled to a renewal of lease, considering that the conditions on which the reward for discovery had been granted had not been carried out? Yes.

23. Although they had made no discovery? Yes.

24. If that were so, should not the renewal be on the same terms as the original lease? Not necessarily. The matter of rent was referred to three Commissioners, in accordance with the provisions of the Mining Act, and the rent was assessed by these Commissioners for the renewed lease at 5s. per acre, as very little work had been done on the sections.

25. I see that the rent charged was £53 6s. 8d.—at 5s. per acre—when would the rent be charged up to? The rent was collected up to 30th June, 1901. It was collected in advance. It was, really, fifteen months' rent. In such cases, we always collect for the broken period.

26. You say you collected the rent up to 30th June, but I see it was not paid until 31st July? The rent was received by me on August 1st.

27. By the plan produced I see that 1446 acres were withdrawn from the operations of the Mining Act. Let me draw your attention to Clause 190 of the Mining Act, which reads as follows:—"It shall be lawful for the Governor in Council, by notice published in the *Gazette*, to except any Crown lands from the operations of this Act, and in like manner to revoke any such notice in whole or in part, as to him seems fit, from time to time." What is the object of that Clause—is it that any one person can, by applying, have mineral land withdrawn from the operations of the Mining Act? Yes.

28. Is not the object of that provision rather that the land may be withdrawn from the operations of the Mining Act in the interests of the Government—in the public interests? No, I should say that the object of the Act is also for the express purpose for which it was applied in this case—to protect the original lessees.

29. Let me draw your attention to Clause 189 of the Mining Act, which reads as follows:—"It shall be lawful for the Governor in Council to resume any portion of the land held under any lease, licence, or any other right under this or any former Act for the purpose of laying out a town, or for constructing roads, railways, or tramways, or for any other purpose; and, at any sale that may be made of any of the lands so resumed, the right of mining thereon may be reserved to the Crown, or to the lessee, or other person from whom the land so sold may have been resumed, who shall be entitled to compensation out of the Consolidated Revenue Fund for all buildings and mining works on such lands when resumed, such compensation to be ascertained by arbitration in such manner as may be prescribed. And the Minister may remit a proportionate part of the rent payable by such lessee or other person for so much of such land as is resumed as aforesaid." Do you not think that those two sections, 189 and 190, should be read and construed together? No; Clause 189 deals with the withdrawal of land from the operation of the Act for public purposes, and Clause 190 deals with exemption of land from the operation of the Act for any purpose.

30. Was not the object of the withdrawal from the operations of the Act of these 1446 acres solely in the interests of the Eastern Proprietary Company? Yes, the application states that that was the object.

31. By the withdrawal of these 1446 acres you actually withdrew from the operations of the Mining Act practically the whole of the Scamander mineral field, with the exception of the leased sections? Yes, nearly the whole of the field.

32. You said just now that the Eastern Proprietary Company had discovered nothing on these reward claims? I did not say that.

33. Mr. Commissioner Glover says so in his memo. included in the departmental correspondence. Let me refresh your memory. Mr. Glover, in his memo., writes:—"These leases were obtained as *reward for discovery*. Having been held for five years without result, it was *no discovery* at all"? They must have made a discovery in the first instance, before the applications were lodged. Samples would have to be sent in to the office; also a report as to the nature and extent of the discovery. This would have to be done before the leases for the reward claims would be granted.

34. Do you think that the Eastern Proprietary Company were entitled to a renewal of the lease, considering that they had not made a discovery? Yes, under the provisions of the Act, I consider that the company were entitled to the renewal.

35. Only under the Section of the Act quoted? Yes, under Section 46.

36. Although this company had made no discovery—only done some prospecting—do you still consider that they were entitled not only to a renewal of their lease, but also to obtain wholly in their interests the withdrawal of 1446 acres of mineral lands—practically the whole of the mining field? The land was withdrawn from the operations of the Act in the interests of the

company, to allow them to obtain capital to develop two 80-acre sections, and I understood that the reef was running through their sections in a north-westerly direction.

37. Although these 1446 acres were withdrawn in the interests of this company, no conditions, I understand, were inserted in the renewed lease to provide for the company carrying on work? No; the land having been withdrawn from the operations of the Act, the company could do nothing on the withdrawn land.

38. They could, I presume, still work the two sections for which they obtained renewed leases? Yes; but they could do nothing on the land withdrawn from the operations of the Act. They could only develop their own two sections. That is what the land was withdrawn for—to enable the company to develop their sections; and if they found that the reef ran into other vacant land they could take up such land after expiration of the period of protection.

39. Would the company have a prior right to take up the land that had been withdrawn? No; the term of protection would expire on a certain day, and then the whole of the land would be thrown open on equal terms to all comers.

40. Has the term of reservation expired? Yes.

41. Have the company applied for a renewal of the protection or reservation? No; there is no application to hand for a renewal.

42. Do you know what work has been done on the two sections held by the company? No, I did not look it up.

43. Have the company worked the land for the last two or two-and-a-half years? I do not know, but I can obtain the information for you.

44. Mr. Nichols states that no work has been done by the company on its sections—will you let us know if that be correct? Yes, I will furnish you with that information.

45. *By Mr. Hall.*—When an application is made for the forfeiture of a mineral section, has a Commissioner power to grant the application? No, a Commissioner has not that power.

46. Does he forward such application to the Mines Department? Yes.

47. Can you explain, then, why Mr. Nichols' application for the forfeiture of these two sections was not forwarded to the department by Mr. Dawson? It is not a formal application for forfeiture, it is only an intimation of his intention to apply for forfeiture.

48. I understand you to say that this area—some 1446 acres of mineral land—was withdrawn from the operation of the Mining Act. I presume that the withdrawal was made on the application of the Manager of the Eastern Proprietary Company? Yes.

49. And did you recommend that this land should be withdrawn from the operation of the Act solely in the interest of this company? I cannot say if I recommended the withdrawal of the land, but the application will show.

50. I see, on looking at the application, that there is no recommendation by you of the withdrawal of the land? I have no recollection of making any recommendation.

51. Do you hold that Section 190 of the Mining Act, provides that such withdrawals of land from the operation of the Act, are to be made in the interests of a single company holding two sections? Yes.

52. You hold that such cases as that of the Eastern Proprietary Company come under that Section of the Act, and are met by it? Yes.

53. Can you give a similar case of where nearly a whole mining field is withdrawn from the operation of the Mining Act on the application of a single company? Yes; the Seymour Coal Field was withdrawn from the operation of the Mining Act on the application of the Morning Star Company.

54. Do you think that such withdrawals should be made in the interest of a private company—that such can be done under Section 190 of the Mining Act? Yes.

55. Do you recollect the circumstances under which the Seymour Coal Field was withdrawn from the operations of the Act? They contemplated floating it into a large company, and intended to introduce a Bill into Parliament to apply for similar concessions to those previously granted to the East Coast Coal Mining and Harbour Company.

56. I presume that that company also proposed to construct a railway or tramway? Yes.

57. Do you then really consider that the withdrawal of this land on the East Coast was similar to the withdrawal of the land at the Scamander? The circumstances are similar, but not exactly the same.

58. Had you any intimation from the manager of the Eastern Proprietary Company that the company intended to construct a tramway or railway, or to carry out any extensive works? No.

59. Had you any such intimation from the Morning Star Company with regard to the Seymour coalfields? Yes.

60. I understood you to say that if the Eastern Proprietary Company had made application for the whole or any part of the withdrawn land—the 1446 acres—during the time it was reserved, that they would have been regarded as prior applicants? No, I said distinctly the opposite.

61. Then, what could have been the object of withdrawing the land from the operation of the Mining Act? To save the company from being blackmailed, or to prevent others from coming all round them. The reserved land could not be worked whilst it was withdrawn from the operation of the Act, and the company would have no prior right to take it up. As a matter of fact, the term of withdrawal expired on the 2nd of this month, and the land has been open to any one who wished to apply for it.

62. I want to be clear on this point: on the application of the manager of the Eastern Proprietary Company, the Minister of Mines applied to the Governor in Council to withdraw 1446 acres of land from the operation of the Mining Act—is that correct? Yes.

63. In granting that application, and in withdrawing the land from the operation of the Act, do I understand you to mean that the company were protected on the sections they held under lease, and could also carry on their prospecting operations on those sections? Yes.

64. Within the reserved area the company held certain sections under lease? Yes.

65. Then, I understand you to say that, during the term for which this land was reserved from selection, the company could not mine on any land outside the sections they held under lease? Yes, that is so; the company could not work any land outside their own sections.

66. Then, I cannot make out the object in withdrawing this land from the operations of the Mining Act: you are sure on that point? Yes.

67. In his letter dated 15th May, Mr. Nichols made application for the forfeiture of the two sections held by this company? Yes.

68. On the 16th May you wrote to him stating, that the two sections for which he applied had been withdrawn from the operation of the Mining Act. I want to have this matter cleared up. In reply to my previous questions, you say that the two sections within this area were leased, yet you tell Mr. Nichols in your letter that this particular land has been withdrawn from the operations of the Mining Act: how do you explain that? I have already admitted that this was not correct; that I had made an error in the matter.

69. *By the Minister for Mines.*—With regard to the renewal of this lease—have you not expressed the opinion that the reading of Section 46 of the Mining Act is rather a matter for legal interpretation? Yes, that is my opinion.

70. The practice that you followed in this case has been the practice of the Department in similar cases, is that not so? Yes.

71. The practice that has been followed by the department for many years? Yes.

72. Have you not already seen the difficulty that arises in construing the sections of the Mining Act referred to, and informed me of the matter, with the view of having it set right in the Amending Mining Act now being considered? Yes, I have.

73. When the application for a renewal of the lease came from Mr. Irvine on behalf of the Eastern Proprietary Company, was mining very brisk in the Scamander District? No, it was not.

74. And since the reserved land has been thrown open no application to take up the land has been sent in, has there? No.

75. The land is open for selection now, is it not? Yes, anyone can apply for it and take it up.

76. The renewal of the lease of the Eastern Proprietary Company for a term of 10 years is following out the provisions of the Mining Regulations, which limits the granting of a lease to a reward claim for 10 years, is it not? No, there is no limit.

77. Regulation 7 provides that no lease for a reward claim shall be granted for a longer period than 10 years, does it not? That is for gold—the limit for minerals is 21 years, under Regulation 10.

78. If you had received Mr. Nichols' letter applying for the forfeiture of the leases, and Mr. Irvine's letter on the same day, would you have considered it to be your duty to acquaint Mr. Irvine of the fact that his lease had expired, and that he had the right to renew it? I think I would have done so. At the same time, I would have informed Mr. Nichols that his application could not be entertained, as the lease had expired, and that the prior applicant, the holder of the lease, as the lessee, had the right to renew his lease.

79. Regarding the Morning Star Company—had that company ever held a lease at all? No.

80. How many thousands of acres of land were withdrawn in the interests of that company? Ten thousand acres.

81. Has that company ever held any lease whatever? No.

82. How long has the land been withdrawn? Twelve months.

83. Has it ever come officially under your knowledge that the Eastern Proprietary Company have done a considerable amount of work on their two sections? No.

84. Have you not officially learned that the Company have driven a tunnel for about 1000 feet, and have expended something like £3000? I have not been officially acquainted of it.

85. The Mines Department takes no action to enforce the labour covenants unless action be taken from outside? No; in no single instance has it been done.

86. Then you have not been informed that the Company have driven a tunnel a distance of 1000 feet, and have spent £3000? No.

87. There has been no interference of any kind, other than that shown in the correspondence tabled? No.

FRIDAY, AUGUST 17, 1900.

WILLIAM HENRY WALLACE, *recalled and examined.*

88. *By Sir Edward Braddon.*—If it is customary to give notice of lapsed leases, why has no stereotyped form of notice been adopted by your office? It is only recently that leases are beginning to lapse. Leases that were granted for 21 years are only just now beginning to fall in, and we have no stereotyped form of notice. We simply write to the lessees and inform them that their leases have lapsed, and that they can have them renewed by applying and paying the usual

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89. You admit that nearly the whole of the Scamander field (exclusive of the certain leases) was withdrawn at the instance of the Eastern Proprietary Company—what justified this? The

Company gave as their reasons for asking that the land be withdrawn from the operations of the Act in the application made for the withdrawal, but I cannot say exactly now what reasons they gave.

90. Was it on your recommendation that this withdrawal took place? It was not on my recommendation. The application was submitted to the Minister, and he approved of it.

91. Then it was not done on your recommendation? No.

92. You say that 1446 acres were withdrawn to enable the Eastern Proprietary Company to get capital to work their sections—how was this to have the effect of attracting capital? Well, it was more than that; there were other reasons. One of the reasons given in applying for the withdrawal was, that it was to give the Company time to get capital to develop their sections. Another reason was, that in the event of the Company making a discovery while their prospecting operations were being carried on, they wanted to keep outsiders from coming in and taking up adjoining sections, thus reaping the benefit of the operations of the Company during the six months.

93. The chief reason assigned by Mr. Irvine, the Manager of the Company, was to save the Eastern Proprietary Company from blackmailing. Do you know whether blackmailing by any particular person or persons was referred to? No.

94. Have you any idea to whom Mr. Irvine referred as “those who may become associated with them (the Eastern Proprietary Company)?” I presume by that is meant the lessees of the land adjoining—Beahr and others. Behar is one of the party.

95. Do you know of any syndicate that, as being associated with the Eastern Proprietary Company, may have been referred to as “those who may become associated with them?” Yes; there is a very large English company—the Cape Copper Company. Hedley Button is the representative of this company, and I understood from him during an interview that if the prospecting operations of the Eastern Proprietary Company proved to be satisfactory, that his company would take up the ground adjoining, and purchase the Eastern Proprietary Company's sections.

96. Do you know of any local persons associated with Button or the Eastern Proprietary Company? No.

97. Do you know of any local persons, outside Button or the Eastern Proprietary Company, to whom Irvine referred? No.

98. When Nichols applied for the forfeiture of the leases, had the lessees failed to comply with the labour covenants? I cannot say; there was no evidence that the labour covenants had not been complied with; there had never been any enquiry, and the leases were protected by Commissioner Dawson for nearly two years—from 14th November, 1899, to 14th May, 1900—but the leases were not held by the Eastern Proprietary Company at that time. The leases were not transferred to the Company till 17th May, 1899. I would here like to mention a matter to which the Chairman referred yesterday, when he asked if any work had been done on the sections held by the Eastern Proprietary Company, or if any discovery had been made by them. I then said I would endeavour to furnish information on that subject. No report on this particular subject has been presented to me, but I find that a report was made to my predecessor by the then Mining Geologist, Mr. J. Harcourt Smith, under date 15th May, 1897. In his report of that date on the Scamander Mining District, in dealing with the Eastern Proprietary Company, Mr. Smith states that this Company holds an extensive property, consisting of 10 sections, the total area being 474 acres, of which 160 acres are held as reward claims for copper. The outcrop of the main lode can be traced, with few breaks, for over two miles. The main workings are on the Section 56-93M, where a long tunnel has been driven along the lode, starting on the north side of a large creek running through the section in a north-easterly direction. . . . The tunnel, starting at a point about 130 feet above sea-level, has been driven a distance of 870 feet in a general north-easterly direction, and several good shoots of ore, apparently dipping south, have been passed through. . . . From this stope, and from the ore obtained in driving the tunnel, about 120 tons of hand-picked ore were sent away, returning an average of 28 per cent. copper and 17 ounces of silver per ton. There are also about 300 tons of second-class ore at grass, which appears to have been very carefully sampled, and assayed from 10 to 15 per cent. copper and 10 ozs. silver per ton.

99. *By the Chairman.*—In his official memo, Commissioner Glover says—“These leases were obtained as reward for discovery. Having been held for five years without results, it was no discovery at all.” If that is the case, have the Eastern Proprietary Company any right to a renewal of their lease. They applied for reward claims, and obtained a lease for these claims for five years; and when the five years had run out, without having made any discovery, had they any right to a renewal at all? I think so. I think that we were bound to grant the Company a renewal of their lease. We could not withhold a renewal under Section 46 of the Act.

100. Although they had discovered nothing? They must have discovered something. The report of the Mining Geologist shows that the Company had done a considerable amount of work on their sections, and had obtained about 400 tons of ore, some having been sent away, and the balance at grass. Under those circumstances I think that the memo. of Commissioner Glover is not quite correct.

101. It is an official report, is it not? Yes.

102. Do you still hold to your interpretation of Section 46 of the Act, and contend that it is meant to apply to such cases as that of the Eastern Proprietary Company? Yes. The section may be construed in so many ways that there is room for difference of opinion; but that is always the way in which I have interpreted it.

103. What term was the lease renewed for? For 10 years.

104. You have given a renewed lease for 10 years when the original lease was only for five years. Section 46 of "The Mining Act," under which you say the renewed lease was granted, states that a renewal of the lease shall be granted, under certain specified conditions, for the term for which the original lease might have been granted. Now, the original lease was only for five years, but the renewed lease is for 10 years, how do you account for that? The section says "for which the lease might have been granted." We might have granted the first lease for 21 years, and, consequently, could have granted the renewed lease for any term up to 21 years.

105. *By Mr. Burke.*—Was the renewal of the lease granted to the company before the application of Mr. Nichols for forfeiture was sent in? No, afterwards.

106. *By Mr. Gaffney.*—At the time when the forfeiture was applied for, had the lease that was granted to the company expired? Yes.

107. The lease had actually expired? Yes.

108. Had the lease formerly granted to the company been forfeited? No, the lease had expired, but it had not been forfeited.

109. What reasons were given for not giving the applicant for forfeiture a chance, instead of allowing the previous lessees to obtain a renewal of their lease which they had allowed to expire? I do not quite understand the question.

110. You say that the lease was not forfeited when Mr. Nichols applied for the sections? No, they were not forfeited.

111. The lease, you say, had expired, but was not forfeited? Yes, that is correct.

112. Yet, when Mr. Nichols applied for the forfeiture, although the lease had expired, his application was not recognised? No.

113. How was it that you granted the late holders a new lease? There was no lease in existence when Mr. Nichols' application for the forfeiture of the lease was received, therefore we could not receive the application for the forfeiture of a lease that did not exist.

114. Although the lease had lapsed? The lease had expired, but had not been forfeited.

115. There was an application sent in for the forfeiture, and that application was not recognised; but, after that, I understand that another lease, or a renewal of their old expired lease, was granted to the company? The renewed lease has not been actually issued; but the Governor in Council has approved of the renewal of the lease being granted. The company have become entitled to the renewal of the lease under Section 46 of "The Mining Act."

116. Is it customary when a company applies to the department to have withdrawn from the operations of the Mining Act certain land they have been leasing—is it customary for the department to withdraw such land? The leased land was not withdrawn. I have already stated that this was an error.

117. Is it customary on the application of a company to have a large block of land surrounding their leased sections withdrawn from the operations of the Mining Act? Yes, if good and sufficient reason for such withdrawal are given. But there have not been many such cases—not more than half-a-dozen in all.

118. *By Sir Edward Braddon.*—Not nearly half-a-dozen cases—do you know any other case than that of the Morning Star Company, the circumstances of which are entirely different? I cannot remember just now any other case.

119. *By Mr. Gaffney.*—When he applied for the forfeiture of the lease would not Mr. Nichols have just as good a right to take up the sections as the original lessees had to obtain a renewal of their lease, after having allowed their lease to lapse? No; I think not, under Section 46 the Act, whereby a lessee becomes entitled to a renewal of the lease.

120. I presume only if he carries out the labour covenants? No; there is no stipulation as to carrying out the labour covenants.

121. Do I understand that if I hold a lease for a section I can apply to the department and have withdrawn from the operations of the Mining Act a block of land surrounding my section? Yes, if a good reason be shown; but such cases have been very rare.

122. *By the Chairman.*—Some 10 weeks had elapsed between the lease having expired and the application for its renewal being made—do you think that such a lapse of time should not cause the forfeiture of the lease? No.

123. If six months had elapsed would the company still be entitled to a renewal of their lease? I would say that there should be a limit, but a reasonable time is allowed. It is a mistake that a limit to the time is not determined by the Act. It will be remedied in the new Mining Bill. I have drawn the attention of Ministers to this matter several times.

124. By the correspondence it is shown that 10 weeks elapsed between the lapsing of the lease and the granting of the renewal of the lease—do you not consider that period too long? No, I think up to three months is a reasonable time to allow. A man is liable to overlook this kind of thing. I do not know why such should be the case; but there is a great difference in the way people, even business men, do business with the Government and with private individuals. When a lease is granted for a long term a man is liable to overlook the exact date on which the lease expires, and I think it only right to remind him of the fact that his lease has expired, and to allow a reasonable time for him to renew his lease before actually forfeiting it.

THURSDAY, AUGUST 23, 1900.

EDWARD MULCAHY, *called and examined.*

125. *By the Chairman.*—Your name and position, Mr. Mulcahy? Edward Mulcahy, Minister of Lands, Works, and Mines.

126. The Committee has received a letter from the Secretary of Mines, supplying information asked for by the Committee, in which he states that the cases of the Eastern Proprietary Company, at Scamander, and the New Morning Star Company, at Seymour, are the only two instances in which land has been withdrawn from the operations of the Mining Act in the interests of companies—Can you tell the Committee anything further in regard to this matter? I cannot give any evidence on that point.

127. Do you know if Button was one of the persons interested in the Eastern Proprietary Company? I do not know. Now that you mention it, I remember Button speaking to me about some company, but I do not remember if it was the Eastern Proprietary Company. I believe this was before I took office as Minister.

128. *By Sir Edward Braddon.*—Was the withdrawal from the operation of the Mining Act of the 1446 acres in question, made at the instance of the Eastern Proprietary Company, to have the consequence that that company would include the area withdrawn in the larger company they proposed to float? No; I never contemplated that the withdrawal of the land would give the Eastern Proprietary Company any priority whatever with regard to taking up the land.

129. Do you think it would have been in the interests of mining generally to give to the Eastern Proprietary Company what was practically a monopoly of the whole field? No, I do not think it would be; and I did not give the Eastern Proprietary Company what was practically a monopoly of the whole field.

130. The Secretary of Mines, in reply to Question No. 20, states that it was not on his recommendation the withdrawal took place; that the application was submitted to the Minister, and he approved of it—is that correct? That statement is correct, but it might be read in two ways. What occurred was this:—The letter came to my office some time in January, whilst I was on the West Coast. On my return the Secretary of Mines laid the letter before me, and we went into the matter, and agreed on the course decided on. No active mining was going on at the time in the district, and the Eastern Proprietary Company had done a considerable amount of work on its leased sections. The company was liable to be interfered with by the people taking up land surrounding its leases, and feared being blackmailed by people taking up land in the immediate vicinity.

131. What were the considerations that induced you to approve? The desire to afford the company the opportunity to float their company without being hampered and interfered with.

132. It appears from the letter of the Secretary of Mines of this date, that the only other instance in which such withdrawal has been conceded in the interests of a company, is that of the New Morning Star—do you regard the instance of the New Morning Star Company as at all analogous with the present case? No, not by any means. The New Morning Star Company had never taken out any lease or done anything to warrant them in receiving any consideration whatever. I was very much astonished to find that such a very large area of land had been reserved in the interests of that company.

133. Is it not a fact that the New Morning Star sought the withdrawal of an area which was useless to mining, except as a coalfield, which had been previously exploited at considerable cost by other companies, and which could only be developed by the construction of tramways and other expensive works? I do not know that it is a fact. I know that there has been a little prospecting for coal in that district, but never anything done on a large scale.

134. Do you remember the name of the company that got a Bill passed through Parliament some years ago to provide for carrying out work on the Seymour field? I do not know the name of that company, but I remember that there was such a company: they got very large concessions, but did not do anything with them.

135. Do you remember when it was that those concessions were granted? I do not remember; it might have been about 10 or 12 years ago.

136. Has anything been done on that field by anybody since that time, until the New Morning Star Company obtained their concessions? That is rather a large question. I do not know what work has been done on the whole of the East Coast coal fields during that period; there has been some prospecting done there, but I do not think that much work has been done.

137. Have any leases been taken out on that field? I could not say; but the New Morning Star Company and the Seymour Company are not on the same ground. The greater part of the New Morning Star Company's ground is south of Bicheno, and Bicheno is 30 miles south of Seymour. The land reserved for the New Morning Star Company is several miles south of that reserved for the Seymour; the reservation might take in the fringe of the old Seymour Company's land on the north side, but the area is by no means the same land. I had that opinion of the New Morning Star Company and their concessions that, when the company asked for a renewal of its concessions, I would only grant it a renewal of 640 acres, and on the usual terms and conditions as to the performance of prospecting work.

138. The company is not now, then, under any obligation to construct tramways or other expensive works? No, nothing of the kind is stipulated; the ordinary conditions only are stipulated.

139. The Act says that a lease may be renewed on its expiration? Yes.

140. How do you interpret that? If I had interpreted it personally, I should have been disposed to expect the lessee to apply for the renewal immediately the lease had expired, or within a few days, or, better still, prior to the expiration of the lease. As a matter of fact, I was never consulted at all about this phase of the matter. The usual practice of the department was carried out in the usual way, and without reference to me—as an ordinary departmental matter.

141. Then your view of the matter is practically what the Secretary of Mines interprets it to be? Practically, yes.

142. I put the question to him—"Surely the wording of the Act means that immediately on the expiration of a lease it may be renewed, and not that the renewal shall be left for an indefinite time after the expiration," and he replied—"Strictly speaking, it does." You are of opinion that the lease should be renewed immediately on its expiration? The Act being silent on the question of time, I think it is the duty of the Minister, or of the Secretary of Mines, to give a liberal interpretation to it, and there being no other application for the lease, to give the lessee the right of renewal. No one would imagine that the Act would give an indefinite time.

143. The Act says, "on the expiration"? That does not mean that the applicant shall be on the doorstep of the department at midnight on the day on which the lease expires, to obtain a renewal of his lease.

144. What time do you consider would be a reasonable period to elapse between the expiration of a lease and its renewal? Well, two or three months. I should have required to have the notice calling attention to the matter to be sent prior to the lease having expired, had it been brought under my notice; but the practice of the department for some years has been that adopted in this instance.

145. *By the Chairman.*—Mr. Irvine, Manager of the company, says in his letter asking that the land might be withdrawn from the operations of the Mining Act, that his chief reason was to save the company from blackmailing. I presume that the 1446 acres were withdrawn under the terms of that letter—what does Mr. Irvine mean? I think it means, although it does not appear on the face of the letter, that the company feared that they would be hampered and interfered with in their operations by persons taking up residence areas and prospecting licences on the land adjoining their sections. Intending prospectors might have taken up prospecting areas or obtained residence licences outside the sections of the company, and, without working the land themselves, might have prevented the company from obtaining it. All that was done was to protect the land for six months. Of course, if an application for a lease came in at the same time as an application for a prospecting area for the same land, the application for the lease would override the application for prospecting area—the application for lease would take priority.

146. Suppose someone else applied for a lease of the land? The lease would, of course, be granted to the one applying first.

147. The main reason assigned in applying for the withdrawal of the land was, that the company might be blackmailed? Yes.

148. Do you know whether blackmailing by any particular person or persons was referred to? I have no idea.

149. Do you know who were these referred to who might become associated with the Eastern Proprietary Company? No; I have some idea now who was meant, but I did not know at the time. Some leases have been taken over by the company.

150. Do you know anything of any syndicate? No; I know very little about the Eastern Proprietary Company. I took them to be the original lessees, and never thought much about them. I would here like to explain a matter to which reference has been made. It has been said, or rather put into the mouth of a witness, that I withdrew from the operations of the Mining Act practically the whole of the Scamander mining field. I produce map or plan of the Scamander field, by which it will be seen that within the area of land withdrawn, there is really a larger area held under lease.

151. *By the Chairman.*—That land has not been applied for; it is not much good? No one can say that. No one can say that practically the whole of the field has been withdrawn.

152. The land outside the reservation is mountainous country—I know the field personally? So is some of the land withdrawn. You will find inside the reserved area boundary over 1500 acres of land actually held under lease, apart from that withdrawn. To say that the whole of the Scamander field amounts to only 3000 acres is absurd. I would like to say that; personally, I have had no interviews with anyone about this reservation. I have had no personal interviews with anyone on either one side or the other. I do not know any of them. I was not consulted about the matter of the application for forfeiture or the removal of the lease; it was an ordinary matter, which was dealt with by the department in the ordinary way.

153. *By Sir Edward Bradton.*—About the blackmailing referred to by Irvine in his application—is Thos. Nichols referred to? I have no idea to whom he referred.

154. Do you think that Thos. Nichols was referred to? I can hardly give an opinion, but I do not think so. I took it that the object of the company was to prevent the land being dummied, or held under licence to their detriment.

APPENDIX.

Mines Department, Hobart, 23rd August, 1900.

DEAR SIR,

IN compliance with your request, I forward herewith a List of Lessees who were notified of the date of expiry of their leases, and requested to apply for renewals of their leases, if they desired to continue to hold the land.

With reference to withdrawal of land for a stated time from the Mining Act, in the interests of companies, I have to inform you that the New Morning Star and the Eastern Proprietary Companies, as stated in my evidence, are the only companies who have, to my knowledge, obtained such concessions.

Yours obediently,

W. H. WALLACE, *Secretary for Mines.*J. K. REID, *Esq., Clerk of the House of Assembly.*

No.	Name.	Expired.	Notified.
1940-91M	D. W. Albury and J. Mitchell	1 October, 1898	12 October, 1898
1961-91M	Alfred Maddox	Ditto	Ditto
1960-91M	Thomas Pickett	Ditto	Ditto
1962-91M	John Russell	1 November, 1898	Ditto
1941-91M	J. Upchurch	1 October, 1898	Ditto
237-83	Sunbeam and Twilight Gold Mines, Limited	1 October, 1897	Ditto
238-83	Ditto	Ditto	Ditto
59-93	Tasmanian Copper Company	1 October, 1898	Ditto
60-93	Ditto	Ditto	Ditto
35-87G	Moonlight Gold Mining Company	1 June, 1898	31 May, 1898
153	Tasmania Gold Mining and Quartz Crushing Co.	19 February, 1888	Ditto
154-	Ditto	Ditto	Ditto
157	Ditto	Ditto	Ditto
166	Ditto	Ditto	Ditto
288	Ditto	Ditto	Ditto
223-83	Tasmanian Exploration Company, Limited	17 September, 1898	Ditto
70-87G	Tasmanian New Golden Gate Extended Mines	1 July, 1897	20 August, 1898
57-87G	Ditto	1 July, 1898	3 June, 1898
1274-91M	Edward Cawthorne	Ditto	Ditto
3144-87M	John Francis	1 April, 1898	20 August, 1898
3204-87M	J. C. Lever	1 July, 1898	Ditto
130-91M	Robert Quiggin	1 September, 1897	Ditto
1531-91M	George Sharman	1 August, 1898	Ditto
8-93G	J. Parsons and W. J. Baily	1 March, 1898	Ditto
21-89	Mt. Lyell Extended Mining Association, No Lty.	1 January, 1900	10 May, 1900
		Ditto	13 July, 1900