

MINUTES OF EVIDENCE.

THURSDAY, 11TH NOVEMBER, 1909.

ARTHUR D'OYLY BAYFEILD examined. (No. 1.)

1. *The Chairman.*] You appear here on behalf of the shareholders of the Westport-Cardiff Coal Company?—Yes.

2. What is your authority for acting on their behalf?—Meetings were held at Westport and Christchurch in 1903, at which I was authorised to act in this matter. At the meeting in Christchurch no exception was taken to my acting, except by Mr. Hargreaves, the liquidator. He now offers no opposition, and he and I are in perfect accord. He is familiar with my petition now.

3. You know who the shareholders are?—I have the list, sir. Here is a list of the shareholders—the official list, as taken from the statement filed in the Supreme Court.

4. *Mr. Greenslade.*] When was that list taken out?—It is the last list of shareholders. It was taken out for the Supreme Court.

5. *The Chairman.*] You appear on their behalf and with their consent?—Most decidedly.

6. When was that consent given?—I have the memo. somewhere here.

7. Do you remember the year—was it in 1903?—It would be in 1903. I can give you the minutes as taken at the meeting. The Christchurch meeting was held on the 12th October, 1903.

8. How many were present?—Mr. Hargreaves, Mr. Foster, Mr. Connel, Mr. Schumaker, Mr. Forwood, Mr. Brown, Mr. Hayward, and myself. Mr. Harris had also been present and left.

9. Was a resolution passed arranging for you to act on behalf of the shareholders?—Yes, it was proposed by Mr. Connel: “That, in the event of any recovery being made from the Government on the petition being presented, this meeting recommends the liquidator of the company to pay a commission of 15 per cent. to Mr. Bayfeild, as suggested at Westport.” I might say that I am personally bearing the whole of the expense. I have been three times here, and if I had not felt that at some time I should get some settlement of this matter I should not have undertaken it at my own individual expense. The Westport meeting was held on the 4th September, 1903. There were present the Rev. Mr. McCallum, Messrs. Powell, Bailey, Suisted, Horne, and myself. I read a communication from Mr. Hargreaves to the effect that I should prepare a petition to the Government for consideration. The Rev. Mr. McCallum proposed, and Mr. Bailey seconded, “That Mr. Bayfeild be empowered to draw up a petition to Parliament for compensation to the shareholders of the Westport-Cardiff Coal Company for loss of property taken over by the Government and now being worked as a State mine, and that payment of costs of dealing with the matter be by way of commission at the rate of 15 per cent. on any money recovered.” I hope I have put the matter clearly to the mind of the Committee, because it is exceedingly painful to me to have my position before the Committee questioned.

10. Do you wish to make a statement with regard to this petition you have presented, in addition to what you have said in regard to your right to appear?—A point was raised by the Hon. Mr. R. McKenzie in regard to the wording of the petition. The Hon. the Minister of Mines has taken exception to the statement made by me, as follows: “That your petitioner finds it again necessary to petition your honourable Parliament in the matter of equitable consideration for the shareholders of the above-named company, being given to understand that the Government desire that the consideration to be paid shall be fixed by a Committee of your honourable House.” Regarding the petition before the Committee in 1908, the then Under-Secretary for Mines, Mr. Hamer, informed me that an oversight had been made through not getting the Committee to suggest an amount, and I, of course, had to accept the position. In February of this year I interviewed the Right Hon. the Prime Minister, who gave me to understand that he was ready to recommend a consideration, but the difficulty lay in agreeing to the amount. The right honourable gentleman said he would refer the matter to Mr. McKenzie. I then had to say, “I must be perfectly frank with you, Sir Joseph: Mr. McKenzie is a shareholder, and perhaps it is well that he should not be concerned in the matter,” or words to that effect. I would like the Committee clearly to understand that the shares held by Mr. McKenzie were so small that I knew it would not be an important matter, but I thought it was a wise course to refer to the fact. I also told the Prime Minister that Mr. McKenzie had never helped me in the matter. That, sir, is my answer to the point raised by the Hon. Mr. McKenzie. The honourable gentlemen is under a misapprehension as to the Westport-Cardiff Company having been in financial difficulties. That was not the case. Our difficulty was not one of indebtedness. The statement that we were in financial difficulties would give the impression that we were embarrassed; but we kept ourselves clear in that respect. The difficulty arose through our not being able to get the Government to make a reduction in the railway haulage-rates, which we regarded as excessive; and the honourable gentleman will recollect also that at that time there was an agitation on foot for a State coal-mine. That is evidence that I have not given before, but after what has cropped up I thought I had better give it. The company not succeeding in getting a reduction in the haulage-rates, the Government were able to satisfy the demand for a State coal-mine by taking possession of our property.

11. But, if you were not in difficulties, how did the Government come to take possession?—We considered that our assets, even by the Government's own showing, were of great value. We had no liabilities outside of what was owing to the Government—none whatever.