

56. And it was only temporary at the time the mine was stopped?—Yes, we never expected it was to be the final. The Government would never have taken the step they took but for the fact that there was an agitation on at the time for a State mine, and this opportunity presented itself to the Government to start a State mine—it gave them an opening to get a cheap property.

57. And there was some difficulty between the chairman of your company on the Government officers *re* the charges on the haulage of the coal?—Yes. We always complained that the charge was unfair.

58. And during the time the negotiations were going on, the Government seized the plant?—Yes, after a time, and put the matter in the hands of Mr. Stringer, Crown Prosecutor, of Christchurch.

THURSDAY, 9TH DECEMBER, 1909.

HORATIO JOHN HOOPER BLOW, Under-Secretary for Mines, examined. (No. 3.)

1. *The Chairman.*] We understand that you can give us information, Mr. Blow, with regard to this petition of Mr. Bayfeild's. You know the petition—you have heard it read?—Yes, sir.

2. And you have some documents in connection with it?—Of course all the matters referred to in this petition occurred prior to my appointment to the Mines Department, but I have access to the papers, and I have found that at the time the Government resumed possession the Westport-Cardiff Coal Company was indebted to the Government in the amount of £4,470, made up of royalty £2,363, and deficiency on account of the working of the railway £2,107. As the company was unable to pay, and went into liquidation, the Government resumed possession of the land, which was a Crown leasehold. The company had certain plant, which was valued by the liquidator at £7,286 4s.; but of this sum he admitted that £2,803 was for fixtures that naturally passed to the Crown with the land, thus leaving saleable property worth only £4,483 4s., and this the Government took over in satisfaction of the debt due to it of £4,470, a formal assignment being duly executed by the liquidator. I may say here that in consideration of the payment made, or the release from indebtedness, which amounted to the same thing, the liquidator not only assigned to the Crown the whole of this property, but covenanted that no claim such as is now being made should ever be made. This clause appears in the deed: "And that the said assignee" [the Crown] "shall at all times hereafter quietly hold, use, possess, and enjoy the said premises hereby assigned or intended so to be, without any lawful interruption, disturbance, claim, or demand whatsoever from or by the said assignor or any person rightfully claiming from, under, or in trust for the said assignor." I submit, therefore, that the present claim is a breach of the covenant entered into with the Crown, in pursuance of which the Crown practically paid £4,470—at any rate, it released its claim for that sum on the company. In 1903 Mr. Bayfeild petitioned Parliament for equitable consideration for the shareholders, and the petition was referred to the Government for consideration. The Government duly considered the matter, and came to the conclusion that the shareholders had no claim against the colony, and the petitioner was so notified on the 18th February, 1904. I should, perhaps, put in a copy of the letter to Mr. Bayfeild making that intimation. It is as follows: "Mines Department, Wellington, 18th February, 1904.—Sir,—In reply to your letter of the 15th instant, I have the honour to inform you that, after consideration of the statements in the petition which you presented to the House of Representatives last session on behalf of yourself and other shareholders of the Westport-Cardiff Coal-mining Company (Liq.), the Government is of opinion that the shareholders in the late company have no claim against the colony. Under these circumstances it will not be necessary for you to come to Wellington to discuss the question with me.—I have, &c., JAS. MCGOWAN, Minister of Mines.—To A. D. Bayfeild, Esq., Westport." [Copy of letter put in.] In 1908 Mr. Bayfeild again petitioned, and, although, so far as I can see, no new facts were adduced and no officer of the Mines Department was even invited to give evidence, the Committee came to a different conclusion from that which they had reached previously.

3. Of course we had the Minister of Mines present?—Yes, sir, I presume so, but apparently no officer of the Mines Department was even invited to give evidence or to refute the statements made by the petitioner; but the Committee, notwithstanding that, referred the petition to the Government for favourable consideration. I understand from a perusal of Mr. Bayfeild's evidence that he is under the impression that his claim in 1903 was not favourably considered by the Government because the Seddonville Mine was not then paying, and he says that, the mine being a payable venture now, the circumstances have altered; but I submit that the mine is still unpayable. So, if that fact was any factor in determining the matter in 1903, it is equally a factor to-day.

4. *Hon. Mr. R. McKenzie.*] Has it any bearing on the question?—It does not seem to me to have any bearing whatever, but I perceive from Mr. Bayfeild's evidence that he gives that as the reason why he did not get monetary compensation in 1903; so if the fact was worth anything then it is worth just as much now. I think that is all I have to say, but I shall be pleased to answer any questions.

5. *Mr. J. Duncan.*] This sum of £2,107—how was it made up?—The Act that authorised the extension of the railway from Ngakawau to the Mokihinui River provided that the companies in whose interest the extension was constructed should pay to the Government any deficiency there might be as between the actual receipts from the working of the line and 5 per cent. on the capital invested.