

44. The Government are making use of that telephone at the present day?—We had to put it in repair, though.

45. The Government took advantage of that 1,000 pounds' worth of prospecting and the £300 for the telephone, and the 2,803 pounds' worth of fixtures that they are actually using now. There are the bins there that could not be taken down, but any honourable person in charge of a Department would say, "We will allow this unfortunate company so-much"?—I suppose that as a mere witness I am not entitled to the protection of the Chair when I am told that any honourable man would take a different view.

46. I am not referring to you, because you had nothing to do with it. I say that the Government took advantage of the company?—The only thing I can say in reply is that I claim to be an honourable man personally, and if it had been my own private transaction I should have acted exactly as the Government did.

47. *Mr. Greenslade.*] You say you would have acted in exactly the same way. You are aware of the whole of the circumstances, are you?—You may have something else in your mind—I am referring to the re-entry by the Crown on this leasehold land.

48. Are you aware that the liquidator on behalf of the shareholders did his very utmost so far as he could to protect the interests of the shareholders?—That may be so, but unless he could fulfil his bond what was the use of that?

49. Are you aware that the Government distrained for unpaid deficiency and royalty, even to the extent of seizing the office furniture?—I think they took everything; but everything that was not a fixture they paid for.

50. And as a private individual you would have done the same thing?—Yes.

51. *Hon. Mr. R. McKenzie.*] Do you know whether the records show that this mine had been abandoned for some considerable time by the company before the Government entered into possession? The mine was standing idle, and, as a matter of fact, was on fire?—Yes. I think I can give you the dates. The Westport-Cardiff Company ceased work in September, 1899, and the fire broke out shortly afterwards. The Government did not enter into possession until the 23rd May, 1900.

52. Eight months afterwards; and the mine was practically on fire all the time?—Yes.

53. *Mr. Greenslade.*] Do you know how much the company spent in the endeavour to subdue the fire?—I do not know how much, but I understand from the records that it was very little.

54. *Hon. Mr. R. McKenzie.*] Mr. Bayfield says that he and others were prepared to give the liquidator more for the mine and plant at that time than the Government gave—that is, £4,470. Is there anything on record to show that Mr. Bayfield ever made that offer to the Crown?—No, there is not. Furthermore, in making that statement I have no doubt Mr. Bayfield took into consideration the fixtures. When he said he would be willing to pay more than £4,470 he meant not only for the portable property, but for the fixtures also. The fixtures became the property of the Crown, and we allowed a sum of £4,470 for the removables.

55. At that time the company owed the Government some £4,470. Do you think that if Mr. Bayfield had come to the Government and said, "I will give you £1,000 for mine, plant, and all, and will undertake to start the mine again and carry out the covenants of the lease," and had proved that he had substantial backing to carry out his undertaking—do you think the Government of the day would have accepted that offer?—It is the business of the Mines Department to encourage mining, and I am sure that the Minister of Mines, if he had received a *bona fide* offer that would have meant the carrying-on of mining on the same scale as provided for in the lease, would have been only too pleased to close with it.

56. Anyhow, there is no record, as far as you know at present, that Mr. Bayfield ever made any offer of the kind?—I believe he applied for a lease of the land.

57. But did he make any offer at all to put down a deposit of, say, £1,000, as any company would do before the lease would be granted?—I think that no such offer as that was made.

58. *Mr. Bayfield.*] I did not get the chance. Are you aware that at the time there was pressure being brought to bear upon the Government to take the property over and start it as a State mine?—No. I had no connection with the Mines Department then, and do not know what took place.

59. *Hon. Mr. R. McKenzie.*] Is it not the case with parliamentary Committees, when they inquire into the same petition in different sessions, that they do not want the petition sent a second time to the Department concerned for a report, because when they ask for such a report the usual reply is "We have nothing to add to our report of such-and-such a date"?—That is so, if the petition is in the same terms as before. I made no complaint on that head; but it struck me as being a little singular that the Committee should last year practically reverse its decision without our being given an opportunity of being heard.

ARTHUR D'O'LY BAYFIELD further examined. (No. 4.)

*Witness:* A question was put to me the other day by Mr. McKenzie which I could not answer. I wrote to Mr. Hargreaves, and have now received his reply.

*The Chairman:* You might read his letter.

*Witness:* "Christchurch, 8th December, 1909.—A. D. Bayfield, Esq., Wellington.—DEAR SIR,—In reply to yours of the 4th instant, you are probably aware of the circumstance which led up to the closing of the mine. In September, 1899, in company with Mr. Heywood, I interviewed the Premier and Minister for Railways, Mr. Cadman. At this interview, to our surprise, the Premier offered to provide pound-for-pound subsidy up to £6,000 for opening up the Cave area. Upon my pointing out the absurdity of our receiving public money while liabilities to Government remained unmoved, he replied that there would be no difficulty about relieving the company