

MINUTES OF EVIDENCE.

FRIDAY, 18TH SEPTEMBER, 1908.

ARTHUR D'OYLY BAYFEILD examined.

1. *The Chairman.*] What is your name?—Arthur D'Oyly Bayfeild.

2. I understand, Mr. Bayfeild, that you wish to make a statement for the information of the Committee containing additional information in regard to your petition?—Yes.

3. You have prepared that statement?—Yes. The statement I wish to make by way of fresh evidence in support of my petition is bearing upon the treatment by the Government of the Mokihinui Company as compared to that of the Westport-Cardiff Company. The Government bought the former company's mine and plant from the liquidator of the company, through his agent, for the sum of £4,500, and, although I can only find that payments of portion of this sum were made, I respectfully submit that, the company being indebted to the Government, the latter were in no way bound to pay the former anything legally, but could have acted in the same way as they have done towards the Cardiff Company—simply seized their property. I do not say, nor do I think, that the Mokihinui Company should not have received consideration: all I ask is that the shareholders of the Westport-Cardiff Company should receive the same consideration as the Mokihinui Company did, and in a more marked manner the Point Elizabeth Company, who received £21,000, and the promoter of the company £1,500, although legally the Government were not bound to pay anything. The action of the Government entirely relieved the Mokihinui Company from liability on account of deficiency under the Westport-Ngakawau Railway Extension Act, whereas had they complied in part only with the conditions of their lease no deficiency would ever have accrued. The Westport-Cardiff Company, as was pointed out by their chairman of directors and secretary in their petition of June, 1896, did much to benefit consumers by way of cheaper coal—as the State is now doing; they more than complied with the conditions of their lease, still they were subjected to extreme treatment, the injustice of which I trust will be removed. My second point, in addition to my evidence under the petition of 1903, is that the Cave area, now being successfully worked, has improved the prospects so much; and in view of the Government expert's report, as presented to Parliament in 1901, showing that this area was expected, as a minimum, to yield a million tons of coal, I feel that the Government can again fairly be approached to redress the grievance felt by the old shareholders of the Westport-Cardiff Company.

4. *Mr. Colvin.*] I see by your statement of 1903 that, of the £4,470 owing by the company, £2,363 was for royalty: do you know who is entitled to that royalty—is it the Government?—No, not the Government. The royalty would go to the Westport Harbour Board.

5. Do you know whether the Government has paid the Harbour Board that amount for royalty?—I applied to the Secretary to the Board for information on that point, and his answer is to this effect: that, so far as he knows, they have not received the money. From the accounts furnished it is impossible for them to say. The Railway Department, which really controls the endowments, keeps the accounts and simply pay over lump sums without details.

6. But you are not aware of it having been paid?—No, I am not aware of it. There is nothing to show that it has been paid.

7. Then, at the time the Government took over the property you only owed them this sum set down as deficiency, £2,107?—Yes; but still we are bound to admit our liability to somebody for the royalty. Of course, though the Government took over the property, it is only fair that the Board should have the benefit of the royalty.

8. Was it by arbitration that this value of £4,516 was put on the property?—No. That sum was arrived at on the report of Messrs. Gordon, McKay, Hayes, and Jamieson. I can produce the report of those officers if the Committee desires.

9. Then, the Government officers made the valuation?—Yes; that is shown in the report presented to Parliament in 1901.

10. That would leave you over £3,000 to your credit?—It left us more than that. The petition sets out the balance as £4,324 7s. 8d.

11. And you consider that the Government owes the company that amount?—We feel that we are still entitled, at the very least, to that difference.

12. *Dr. Chapple.*] There seems a slight discrepancy, Mr. Bayfeild, between the evidence given by you in 1903 and your present petition. In your evidence then you stated, "The petition also sets out that the Government claims against the company are, for rent and royalty up to the 30th June, 1900, £2,363 17s. 6d.; for deficiency under the Ngakawau Extension Act to the 31st March, 1900, £4,632 18s. 2d., a total of £6,995; but your present petition sets the amount of the claim for royalty at £2,107?—I think that is the total deficiency, and would include the amount due by the Mokihinui Company. I am informed the amount for deficiency due by the Westport-Cardiff Company is £2,107.

13. It seems to me that there should be some explanation forthcoming as to why the Westport-Cardiff Company allowed to be seized, for a debt of £6,995, a property valued at £7,000. That is incomprehensible to me?—In my principal evidence I said it was done under pressure. The correspondence between the solicitor for the Government and the liquidator shows this.