

and it has since been put in repair, and is used for the State coal-mine. The Telegraph Department states that had not the Mines Department taken possession of the wire it is probable that the Railway Department would have purchased part of it.

There is nothing on record as to the statement by Mr. Bayfeild that a promise had been given that the whole amount of deficiency would be wiped out, instead of a part only.

Question 5. Mr. Bayfeild overlooks the fact that the lease was forfeited for non-compliance with conditions, and the ground re-entered upon before the deed of assignment of the plant, &c., was given in payment of the debts due to the Crown, and before the lease was determined the Government offered to assist the company.

Questions 6 and 14. The only notice served on the company was that, as the conditions of the lease had not been complied with, the lease had been determined and the land re-entered upon. There was nothing mentioned about the fire.

Question 54. As I have previously shown, this statement was objected to by the Government as being incorrect.

Question 72. The Government took steps to endeavour to extinguish the fire as the company was in liquidation and would take no action.

Question 75. The company was not able to raise the £5,000 required by the Government for further development.

I have endeavoured in the foregoing notes to furnish in as brief a form as I can a narrative of the position of affairs up to the signing of the deed of assignment, and I think it is shown by the correspondence that if the company had been in a financial position to carry on the mine the lease would not have been cancelled.

Mines Department,  
Wellington, 4th November, 1903.

H. J. H. ELIOTT,  
Under-Secretary for Mines.

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## APPENDIX.

The Westport-Cardiff Coal Company (Limited), (in liquidation),  
Christchurch, 22nd November, 1900.

SIR,— Re *Westport-Cardiff Company's Movable Plant.*

In accordance with your request, I now beg to hand you a list of removable plant and material as returned by the company's late engineer, to which I have attached values amounting to a total of £7,286 4s.

With regard to your suggestion—that matters might be settled by the Government taking over the plant at a valuation and after deducting the full amount of the company's indebtedness to pay over any balance to me—I am willing to fall in with this suggestion provided that the above valuation is accepted, in order to save the unnecessary expenses of a further valuation, and that the Government also agrees to the shareholders reserving the right to appeal to Parliament for refund of the Westport-Ngakawau deficiency claim should the Government be unable to allow such refund in terms of the petition now under consideration.

I also enclose particulars of permanent plant and works, nominally valued at £7,014—an additional sum of £10,029 8s. 10d. having been expended thereon and written off.

Yours, &c.,  
T. W. Stringer, Esq., Christchurch. W. H. HARGREAVES, Liquidator.

The Westport-Cardiff Coal Company (Limited), (in liquidation),  
Christchurch, 11th December, 1900.

SIR,— Re *Westport-Cardiff Company (Limited).*

I am in receipt of your letter of the 10th instant advising me that the Under-Secretary of Mines informs you that the Government are unable to waive the claim for deficiency due by the company prior to the 31st March, 1897, but are willing to take over all the chattels on the property in satisfaction of the amount due for rent and deficiency.

In reply to the above, and referring to my letter of the 22nd November and our interview upon this question of fixtures and plant, I understand that you have advised the Government that everything which was annexed to the soil at the time of re-entry belongs to the Government, and that any right we may have had to remove same at the time of re-entry was lost—notwithstanding our application to do so—by reason of our failing to tender the rent and royalty then claimed; also that the several chattels and movable plant are all that we can claim to have either valued or sold under distress for rent. I also understand that you are authorised to settle with me on the basis of the Government taking over the chattels and giving me a receipt in full discharge of all claims against the company, also that the Government for public reasons desire an immediate settlement.

Without admitting the legal right with regard to fixtures to be as stated by you, and as I am desirous of assisting the Government in dealing with the property, I agree to the Government taking over the chattels in discharge of the company's debt. I do this, however, without prejudice to the company's right to appeal to the Government for favourable consideration, in terms of the recommendation of the Railways Committee last session, and to the company's right to petition Parliament for further relief.