

underlined. The other part is suppressed, and it is not suppressed in the minute-book. There is another suppression. Why was it not mentioned in the directors' circular that instructions were given to Messrs. Newbegin and McGee as well to be associated with Mr. Seagar, who was authorised to survey the "Lawrence"? It was understood that the first resolution was qualified by not allowing the purchase of the boat except by instructions. I have asked for a copy of these instructions, but I do not think Mr. Deacon has been able to find them.

Mr. Deacon: They were written by yourself.

Mr. O'Connor: I wrote them, but I handed them to you to hand to Mr. Seagar. You should have a copy or the original. These instructions were signed by Mr. Allen and by Mr. Macarthy. These are the instructions. I say these are the true instructions given by Mr. Macarthy, Mr. Allen, and myself, and he acknowledged this afterwards in his correspondence, copies of which I have. Not one line of that was penned by any one but myself. They just signed it and accepted it. It shows my mind on the subject of the boat, and whether I was a consenting party to the purchase of it. That was apart from the false allegations made in regard to myself by Mr. Seagar. My disagreements with him were of a serious character. I made representations to the directors of what I was doing, and the language I used to that committee meeting was such as I should not care to repeat, but certainly I declared that I would not trust him. In order to effect a compromise in my opposition to Mr. Seagar being intrusted with any such power, I accepted a suggestion given by Mr. Macarthy that we should get some one else to join with him in examining the boat, Mr. Macarthy being anxious for peace, so that we should limit the instructions previously given that he should be subject to instructions. These instructions were prepared, and Mr. Newbegin and Mr. McGee were appointed coadjutors, and that was covered by an agreement which would have left the company perfectly safe in their purchase. I say that I have something to complain of that a gentleman who was associated with me in preventing a blow being given to this company should say I was a consenting party, and I am very sorry for his sake that he has done it.

Mr. Allen: I will acknowledge everything if I see my signature.

Mr. Macarthy: I would like to see if the letter of instructions was signed.

Press-copy of letter produced. 4th August, 1889, letter-book, page 282. [Letter copied in Mr. O'Connor's private letter-book not supplied by Mr. O'Connor.]

Mr. O'Connor: I say Mr. Allen was supposed to have signed the letter because Mr. Macarthy took it to him to be signed. Mr. Seagar ordered everything in Sydney, and paid £50 deposit. I put in a copy of the letter of Mr. Seagar's showing the circumstances under which he bought the boat, and I have asked for a copy of the letter to Mr. Newbegin to us showing how Mr. Seagar bought the boat, in no way complying with the instructions whatever. I could show that when Mr. Seagar brought the boat down here she was handed over to his custody and kept in the greatest secrecy for a considerable time. He gave instructions to the officers of the boat to be very careful what they said to me about her, and he misrepresented everything about the boat and purchased a large quantity of material for her. It was only after taking a trip in her that I was able to show how totally unsuited she was for our trade, and impressed that upon the other directors. The boat was not long running when she came into Westport full of water, and soon after the shareholders were afraid that the men would be drowned in her. I referred to that in my memorandum of instructions, and said that she was weak in the centre. When I was on board I found the vessel was working in the centre. The insurance companies stopped her running, and she had to be put into dock and repaired at a cost of some £500 or £600. I do not think it is necessary for me to go into the badness of the bargain, and the way in which the wretched thing was done, owing to the commissions made out of the transactions. The boat was absolutely worthless for our purposes. She involved us in endless expense, and was quite unfitted for our work. I do not propose to take up the time of the inquiry on that subject. All I wish to do is to maintain the truth of what I have said, and the falsehood of the statement of the directors in their circular, showing how they suppressed part of the resolutions in order to make it appear that because I was chairman of the meeting therefore I was giving my consent; and I say that must have been known to one of the gentlemen signing the circular—Mr. Macarthy. I do not think Mr. Macarthy would deny that, and if he did, I could bring witnesses to prove it. Now with regard to the purchase of the "Lawrence" I have done. I have shown that the directors have purposely eliminated words here which are underlined, so that they could not say they did not see the words "subject to instructions," and that they have also suppressed the instructions, that they have also suppressed the resolution of the 2nd August, page 23, and all connection with it, and also suppressed what they know to be the case, that they have frequently discussed the matter with others and have acknowledged that Mr. Seagar's instructions were evaded. It was discussed that Seagar should be made responsible, and these discussions took place over and over again, and were known by every member of the Board. And it was known that such matters would come up when the original matter came to be discussed. The next thing is that "Mr. O'Connor states that the 'Lawrence' was run during the labour troubles at very great disadvantage and at great risk." The refutation to that is that I moved that the directors be allowed to run the steamer, and also to discontinue the insurance. As I said in my circular, the risk was that she was a bad boat to steer, that she was unfitted for the trade, and that she was only running three trips a month, and we were losing by her, that through the obstinacy and bad management of the directors we only had five trucks on the railway line, and both vessel and men had to wait while trucks went up and down, and that the whole thing was grossly mismanaged, and tons upon tons of coal sent into the river. At the same time, under the arrangement with Johnston and Co., the boat only averaged three trips a month. I would like to look at the log-book. The accounts will show the dates on which the boat left Mokihinui, and what loads she was capable of taking with plenty of water on the bar, and the results will show exactly whether she was treated as I