

wished to make the best arrangement they could, either with Messrs. Johnston and Co., or with any one else—what would be the position of Mr. Gale? Would he take side with his employers or the company, and point out the weak spots in the arrangement; or would he take the part of his employers, Johnston and Co., and use his position on the board to secure them the agency? You will see Mr. Gale's position is that of defending the charges against Messrs. Johnston and Co., and that is the position he must take up on anything which goes before this board. He is looking after his employers' interest, or else his employers would not have him there. I wish to make that remark because I think it is a fair aspect of the case. There is another small matter which crops up here, and I ask Mr. Deacon to supply the petty cash-book disbursements for July. Mr. O'Connor says, "Mr. Blair has a monopoly of the custom of the company in the supply of stationery, books, and that he makes a handsome profit therefrom." [See directors' reply in circular.] I have called for a return of Mr. Blair's account. It shows that the total value of the board's purchases is £56. It does not matter to me what the amount is. To some people, a Scotchman, for instance—I mean no offence—£1 is thought as much of as £20 by an Irishman. The fact is the same, does Mr. Blair participate, while holding his position of director, in profits made out of the company? If he does he has no right to be on the board of the company. The directors say, "The bulk of this expenditure was incurred in rectifying the blunders and omissions in the original memorandum and articles of association of the company." I know that is not correct. I have called for a letter and circular sent by the secretary to the Westport shareholders, and the reply of the chairman of the shareholders thereto. I presume that is all that is required from me to have these documents produced.

Mr. Miles: Your objection to Mr. Blair is solely on the ground that he supplies goods to the company? The reason I ask that question is because the directors make a statement that Mr. Blair was elected a director on your casting vote.

Mr. O'Connor: This is speaking of 1890, and shows the dishonesty of the whole circular. They now go back to 1889, when he was put on the board first. This is dealing with the election of Mr. Blair to replace me. I do not dispute that he may have been elected on my casting-vote in 1889. I proposed nearly every one on the board, as far as I understand. But that is an untrue statement in answer to me, because they must know perfectly well that Mr. Blair is now on the board to displace me. This is a deception which is in part with the whole thing. If you look, at the annual meeting of 1890 you will find on record the fact he and Mr. Gale were proposed. Other nominations were withdrawn because it was known that the directors had proxies to control the meeting. They had previously canvassed the country for proxies, and, by misrepresenting various things and maligning me, they got support from people who did not know me, and who are now very sorry. I also object to Mr. Blair as neglecting and mismanaging our affairs for his own * as others. I stated that a person canvassed for Mr. Gale. I have no evidence of my own as to that, but I know every one in Westport was canvassed, and I know that Mr. Greenland was canvassed by Johnston's traveller. People all over the country were canvassed, and letters were written to me afterwards explaining why some of them had sent their proxies, circulars having been sent out threatening to put the company into liquidation and to strike certain calls. I have not got those documents, but I claim the right to comment on them. [Circulars put in.] I never saw some of these documents before, and I find there are misstatements in them. In the first place, I have to call your attention to this: there is a distinct threat of placing the company in liquidation and striking calls of 1s., which they cannot do by the articles of association of the company. This shows the ignorance of the directors, putting a thing like this into the circular. It is stated that £7,000 was required for opening the railway to the mine. This is a misstatement expressly made to terrorise the shareholders into sending in their proxies. When I returned from Home I inquired why this work was to be done, and I was told that the Railway Commissioners had given notice, and insisted upon it. Mr. Macarthy said they had given instructions to the company, and there was no way of getting out of it. I was amazed, because arrangements had been made with the Railway Commissioners that we should be allowed to look after and work our own line. I know from Mr. Maxwell that it would not be practicable to run their trains upon it. I went to the Railway Commissioners, and was told by Mr. Maxwell that never, from the day I saw them on the Mokihinui Company's business, had any person been to see them on the subject. And I say now, and I will prove it before this is over, there have been some slips upon the railway necessitating an expenditure of about £200; but, beyond this, I state now that for £100 I can put that line in a position to work with the Government trucks, and the Commissioners will offer no objection to its being done. If the company desires to do an act of madness—viz., to attempt to make the line fit for passengers and the heavy trains of the Government line running at high speed, they would have to undergo great expense. But the Commissioners have not insisted on the Westport Colliery Company doing it, and do not want it done in regard to our company. In Mr. Greenland's presence, after he had been appointed to act on behalf of the Westport shareholders, I asked the railway-manager at Westport what it would cost to put the line in a fit state for the Government railway-trucks, and Mr. Peterkin said, "I would undertake to do it with six men in a week." This does not include slips. I asked Mr. Greenland to make a note of that at the time, because I thought it was of some importance to the company. This estimate of £7,000 was made by Mr. Barton, and is one of the points of disagreement between us. When the line was laid out at first it was done in the most economical way, with the view of measuring our work to our means. When that was done it was in an incomplete manner. To make it equal to passenger traffic and quick trains would require considerable expenditure and much beyond what we are required to do. We have run Government trucks on the line since and have run them with safety. A locomotive

* The word in this sentence, which sentence was interpolated by Mr. O'Connor, when revising the shorthand writer's transcript, is undecipherable.—COMMITTEE.