

and would take every step to prevent them. Clause—: I agreed to that then. I would not agree to it now, as my opinion of directors is very different now to what it was then. You see, there is no mention of allowing directors to act if they were participators in contracts with the company. There is no power here to appoint as many directors as they choose as managing directors and fix any salary they like. There are no corrupt proposals by which the directors could involve the company by jobbery in ruin. I say now that my consent in 1890 cannot honestly, as said by Mr. Deacon in that letter, to be a consent to the other articles of association, because the times have changed, and two years have elapsed since I gave my consent to any of the proposals. Now, with reference to the statement that the hull of the "Lawrence" could have been floated for about £2,000 or £3,000: Captain Leach, harbourmaster of Westport, was asked by me at the request of directors to report on the cost of floating the "Lawrence." He was suggested by me as a man who had had great experience, and a man who is generally believed to be reliable. He was asked, in conjunction with an iron-ship builder, Mr. McIsack, who had worked on the "Lawrence," and this is the report. [Four letters and a calculation produced.] The vessel was lying three weeks on the beach before Captain Leach was there, and it was the 29th when Mr. Seagar reported. I wrote to Captain Leach to explain the discrepancy between his estimate of £2,500 and that of Mr. Seagar, making it £5,000, and this is the reply. [See McIsack's letter.] He was recommended to us by Captain Bendall, by Captain Leach at Westport, and by several other persons, and has done excellent work for different employers to my knowledge. He is perfectly confident, and has had large experience in the Old Country. These are the grounds I have for saying the hull could have been floated for between £2,000 and £3,000. Even if she had cost £5,000, it would have been well to have incurred the cost, for a better boat for our purpose has never been in New Zealand. Nearly everything in her was new at the time we bought her, and she was admirably adapted for ports like Westport and Mokihinui in spring tides, and for Foxton and Wanganui. In fact, the boat was run while I was chairman for a short time, and earned a great deal of money, showing she was well adapted as regards accommodation, but not otherwise for the trade between Wellington, Westport, and Wanganui. She could have carried twice the stock that the "Moa" could do. I do not think the company could replace her here now for less than £10,000. They could have floated her for £3,000, and if it cost £4,000, or even £5,000, it ought to have been done. But I say that after the boat was wrecked not one single director went to look at her or make a reasonable effort to save her. Everything they knew about her was hearsay. I would ask if that is the proper way to conduct the business of the company? I say that any trustee of a company where a loss was involved which might be ruinous to it ought to take every opportunity to save the company to try and save the company from that loss. Mr. Macarthy telegraphed to me to visit the wreck and to act as *locum tenens*. I replied that I had other engagements and could not go. My reply is here, and I can produce a copy. The fact is this: I charge these gentlemen with shameful negligence to the interests of the proprietors of this company, that they were the cause of her loss, and that if Mr. Roskrige and Mr. Barton had not been on the boat it would never have gone out of Mokihinui at the time. Everything has been hushed up and suppressed. The causes of the wreck have never been officially ascertained. The signalman and captain of the vessel have not given depositions on the matter, and the opinion at Mokihinui is that the boat was lost through negligence and hazardous conduct. You have here the estimate of Mr. McIsack of what the boat is worth. They could have floated her into a position of safety for £100. If the directors had let them spend £100 on the risk, as had been recommended by Captain Leach, they might have sold her for a schoolhouse, or utilised her at leisure. But they did nothing of the kind; they left her there, and the machinery and hull are now worth nothing to us and would not cover expenses if sold at auction. This is the ground on which I have stated they were responsible for the loss to the company—neglect. They have no estimate from Mr. Seagar as to what she would be worth if repaired at a cost of £5,000. They wrote me an impertinent letter while I was attending Parliament, knowing that I had interested myself in getting an estimate which came to £2,000 or £3,000, asking me to get some one to do the work for £2,500. That was nearly two months after the wreck, when the boilers had come out. Why did they not discharge their own duties? Why did they come to me? They evaded their responsibility by writing to me. Had they tried in any other way to get any one else to do the work? If so, let them show that they did so. Mr. Straw, the mine-manager, was instructed to take the boilers out, and he did it. He came to me for some plant, which I got from the Harbour Board for him. That is the whole story with regard to the "Lawrence." The next matter we have to enter into is the expense connected with the Wellington office. But there is one matter I must refer to before I go any further. I must ask to have the particulars, and resolution, if any, authorising Mr. Barton to purchase trucks from the Wellington and Manawatu Railway Company. I want the voucher for these trucks, and the report of the mine-manager upon them; and I want the letter of Mr. Barton to the Buller County Council with regard to the construction of the road, and the papers connected with that. There is a letter from the Chairman to me on the subject, and my reply. With regard to the office expenditure, I stated that Mr. Deacon tendered in opposition to Messrs. Harcourt and Co. to supply office accommodation for the company. I want his application. He offered to do the work and find office for £1 a week. [Voucher, Wellington-Manawatu Company, six wheels and half-ton pedestals, £26.—(Signed) THOS. G. MACARTHY. Voucher put in.] You will see by the minutes that a resolution appointed Mr. Macarthy and Mr. Barton to provide wheels. One traded with the other. I said in my remarks that these wheels were for outside bearings. Ordinary railway-trucks run on inside bearings. The trucks for which these were sent down have no outside bearings or springs, and the pedestals are worked inside. The trucks I designed for the company were for inside bearings. The pedestals were too small and would not fit for inside bearings. Besides, the axle was cast steel, and next to impossible to turn, so that practically for inside