

at Mokihinui what he was building that for, he replied that I would know when it was finished, and the directors know that I reported that to them and they took no notice of it. They know that on several occasions Mr. Straw has acted outside his authority, notably in the case of the Hut seam. I mention these matters to show that they had no ground for supposing Mr. Straw was a person in whom they could put unlimited confidence as paymaster, general manager, and confidential adviser for the whole business of the company. I have stated these things by way of comparison between the management at Westport and the management in Wellington. I would now go back to the letter-book as a test of the work done. The letter-book from January, 1891, to the 14th November, 1892, shows that three hundred sheets have been used, including the letters of the chairman or anybody else. That is for 22½ months an average of three letters a week. The letter-book from April, 1887, to April, 1888, one year, contains 308 letters, or about six per week. The minute-book also shows that there is a very small amount of work, and the accounts are mostly of a gross character—large payments—and really not at all as heavy as at Westport in many respects, and do not involve the same amount of work. With regard to the position of managing director—the position was not sought by me. When first entering into the company—starting it in fact—it was not in my mind to take part in the management. I took a number of shares, and personal friends of mine also joined, and we thought we had a good prospect. We managed it as well as we could. I engaged an office, but the heavy work—such as getting shareholders and other work—was done by myself entirely without charge. Afterwards I got so involved in the business of the company that the directors begged me to continue the management. We first appointed an engineer to lay out our railway. That gentleman made a mistake. He laid our railway-line 10 ft. too low for our wharf. We were leaving the matter to him as an expert, but when I saw what was being done we dispensed with his services, and the directors asked me to look after the work myself. My experience of public works extended over twenty-two years. I had supervised work for the Provincial Government and the Harbour Board at Westport, and the County Council, and the directors felt anxious that I should continue the management to save their money. I was Chairman of the County Council, I was managing my business in stock valued at £25,000 a year, and I was a member of the General Assembly. I got £200 a year from the County Council for what I did, and I got the same from this company, but I did double the work for this company. I found after a while that I had to do everything. It is wrong to say that I have received the money stated as managing director. Out of that I had to pay charges and costs. I was really acting as overseer, corresponding secretary, legal adviser, manager, and did everything possible to save the money of the company. You will find that everything was not referred to solicitors, as it is in Wellington. I understand that there was some motive on the part of Mr. Allen in appointing Mr. Brandon as solicitor, and since that Mr. Allen has put all the business in his way, and his bill, I guarantee, will be a very serious matter. And on some occasions the advice asked was not at all necessary. When the directors found that they could not get shipping they sent me to Melbourne, after I had travelled the country at considerable expense selling shares. I had to remain in Melbourne three months in my endeavours to float the company there, but I arrived at an unfortunate time. I tried very hard. I engaged an office at my own expense and entertained financial gentlemen and others there to facilitate my object. I think I charged £100 for my expenses, and not a shilling for entertaining and other costs. When I returned here to the shareholders I had an offer from a Sydney firm for 42,000 shares paid up, and on consulting Mr. Allen and Mr. Roskrige and others we came to the conclusion that we would try to get the extra capital in Wellington. Johnston and Co. came forward with an offer that they and their friends would take a certain number of shares on condition that we gave them a preference for the agency of the company. I expressed myself satisfied that they should get the agency whether they took the shares or not, and the other directors agreed to this. Messrs. Johnston and Co. got their friends to take some, and seven or eight thousand shares were taken up. I think I sold more than four thousand myself. The arrangement was that we should transfer to these gentlemen in Wellington the management of the company. Previous to that the directors had carefully influenced the shareholders in the election of directors not to select all Westport men, but gentlemen representing their interests who were not residents in that locality. On that ground Mr. Allen, Mr. Randall Johnston, and Mr. McDowell were elected directors at my nomination, and Mr. Roskrige at Christchurch. Mr. Allen and Mr. McDowell never attended a meeting at Westport, but Mr. Roskrige did. Some one was always kept on the directory to keep in touch with the shareholders and satisfy their reasonable requirements. When the directory was removed to Wellington, finding that the management of the affairs of the company in my absence was vested without control in the hands of Messrs. Allen, Joseph, and Seagar—the minutes will show what I mean in that—I proposed a resolution to the effect that Messrs. Rogerson and Roskrige, who were not in attendance at the meetings, should be called upon to resign. That resolution was carried. Mr. Rogerson did resign at my request in order to make room for another Wellington shareholder to strengthen the management here. Mr. Roskrige declined to resign, and was supported in that course by his friends, Mr. Seagar and others. Previous to this the annual election had taken place, and the question was raised by me as to the appointment of a chairman. I was appointed chairman, but I did not press my service upon the directors. I pointed out to them that my residence at Westport would debar me from giving constant attendance here, but if they desired it I would continue the management of the company. They appointed me chairman, and afterwards with the concurrence of all the directors, present and absent, they appointed me managing director until the completion of the works, at the salary provided by the shareholders. I want this committee to know that my appointment proceeded from the Wellington directors entirely. I continued in the office of managing director, discharging all my duties as such, which required constant attendance at Mokihinui, where the works were progressing. I found that Messrs. Seagar, Joseph,