

would take it unquestioned that the statement made in the shareholders' circular that the whole capital of the company had been called up was an untruth, and that the directors had, and intended to leave, £5,000 uncalled; and I beg to submit that this is another deliberate falsehood in the circular, and I refer you to the minute-book to show that the calls were made on the 12th May, 1892. I beg to submit that the cost of the management since it was brought to Wellington has increased four-fold; that money has been expended by individual directors in the purchase of goods from different persons in the town in the way of extending patronage, and by the secretary without authority or resolution of the board, neither as to prices nor amount; that work has been undertaken at Mokihinui without the knowledge of directors; and that injurious disposal has been made of the property of the company, and of property to which it has a claim, at Mokihinui, without their knowledge, as disclosed by their minutes and other documents. I also beg to draw your attention to the fact, disclosed by these minutes, that the directors have taken it upon themselves not only to combine and dictate who shall be directors, but who shall be auditors as well; that the work and business done for the company, by the system of patronage exercised, has been, in cases like that of Messrs. Johnston and Company, increased to almost double what it should have been—that of Johnston and Company's being once and a half; that during the last eighteen months, since the operations of the company have been practically stopped, the directors have been spending at the rate of about £300 per month, and that £100 of that per month at least has been entirely unproductive expenditure, and that the whole of it is ill-judged with regard to plant upon the work, and wastefully and carelessly conducted; that the directors have had numerous meetings, which the minute-book will show, at which there was an exhibition of ignorance and twaddle, but no business. Evidently, during the whole time they have been practically neglectful of the expenditure, trusting entirely to hearsay. Only one director during the time—perhaps two, Mr. Roskrue might have been there—but only one appears to have visited the property where this £300 has been spent; and I see no reason why on this occasion, as on two former occasions when I was a director, the expenses should not have stopped when the business of the company stopped, except perhaps it was the desire to preserve the interests of certain persons and to keep the commissions going. I have said that I would not take more than a certain time, and I will conclude my remarks by saying that I put in a general way the charges as to mismanagement. I have been particular, as far as in me lay, to trace out the truth or untruth of any statement. I think that should be the first consideration. We owe it to the shareholders to let them know the truth. To me and to them it is a sad truth. But I consider that, looking to the future, seeing what may occur in the affairs of this company, it would have been a guilty thing for me to remain silent, knowing that we were drifting into a position of utter ruin. The least that I could do was to inform my fellow shareholders, and to combine with them for mutual safety, if possible. And I desire to do no more. I have personal feelings of the most intense disgust and indignation with regard to the designing conduct of certain persons who have almost wrecked an enterprise in which I have had the greatest faith. I say now that our property is a good property, that I have paid into it a very large sum of money for a man of my means, and I have come to the conclusion that it is better for us to face the worst at the present time than to face it when we are further dragged on the road to ruin. If it is the aim of any combination to crush out the present company, as has been done in such instances before, in order to get a valuable property into their hands at a small sacrifice in the present and a large profit in the future, it will never be done with my consent. Finding my advice disregarded, and a course pursued inimical to the interests of the shareholders, I have done my utmost to clip the wings of those who are wishing to fly away with us to the devil. In that way I have stopped the threatened mortgages. The company is now in this position: that it can only follow the advice which I have all along given, of spending no money except what is absolutely necessary. I am prepared, if called upon to do so, to sketch out the course that I think should be followed. It would be one of safety; and I am prepared at any sacrifice myself to assist shareholders in putting the company to rights. All I ask now is that they shall know the truth and nothing but the truth.

Mr. Macdonald: Mr. O'Connor, what I desire to know from you is this: Is the *résumé* of charges, with the circulars attached thereto, handed by you to the committee on Friday last, the whole of the charges that you desire to bring against the directors and the management of the Mokihinui Coal Company (Limited), or not?

Mr. O'Connor: My answer is this: that the whole of the charges that I proposed to submit to this inquiry are contained in the circulars which the directors have had by them for nearly three months, and the *résumé* which is added to them is for convenience' sake, and does not introduce any new matter to my knowledge.

Mr. Macdonald: I wish to point out to you that it will be almost impossible for the committee to inquire thoroughly into these charges without taking notice of the statement made by you, and the details furnished by you, during the day and a half in which you have been giving evidence.

[This having practically concluded Mr. O'Connor's statement, the shorthand-writer's transcript of notes up to this point was handed to Mr. O'Connor, who some days afterwards returned them to the chairman with the following certificate: "I certify that the foregoing report of my statement, with corrections, before the inquiry, with the books, accounts, and papers referred to in the list supplied to the committee and partly referred to herein, contain the elaboration of the charges made in the circulars issued to the shareholders of the Mokihinui Coal Company by myself and other shareholders. The report must not be taken as verbally correct, and is intended for use solely by the inquiry committee before whom the statement was made.—Saturday, 19th November, 1892.—EUGENE O'CONOR. P.S.—I desire to add that, when I note as above that the report must not be taken as verbally correct, I mean no reflection upon the reporter, who has, under the circumstances, made a very excellent report on the whole.—EUGENE O'CONOR."]