

Mr. O'Connor: I quite agree that you must take the evidence into consideration, but I submit to you that there is a difference between evidence and charges. All the evidence I have given you is documentary evidence. Anything I have stated is by way of explanation, or elaboration, not evidence. You are not in a position to take evidence before this inquiry except evidence of that kind, as you have no power to administer an oath.

Mr. Macdonald: Let me be quite clear on that point. We have no statutory functions enabling us to administer an oath, but we are instructed by the shareholders to take all such evidence as is necessary to make a full inquiry respecting the charges made by you in connection with the administration of the company, and we can do all that quite as effectually without an oath as with it. The only distinction between evidence taken on oath and evidence taken without it is that in one case a man does not render himself liable to prosecution for perjury, and in the other he does. I take it that what the shareholders require in intrusting the committee with this inquiry is a full and exhaustive investigation, and that the results shall be forwarded to them. Mr. Macarthy, I desire to know from you, as the head of the board of directors, whether you are prepared to accept the position and go on with your reply at once to the *résumé* of charges and the charges contained in the circulars, and so expedite matters, or whether you will wait for the report of Mr. O'Connor's statement, which will be furnished to you.

Mr. Macarthy: I am anxious to expedite matters, as are also my brother directors. When we commenced we were told that we were to be furnished with a copy of these charges. I now gather from you that Mr. O'Connor confines those charges to those enunciated in these circulars. That in a measure narrows the business, and will not enable us to answer the charges within their whole scope. I cannot fall in with your proposition without consulting my brother directors. We cannot go on now, as it was proposed to follow a certain mode of procedure laid down.

Mr. Macdonald: One of the practical difficulties is this—to-morrow is a public holiday, and one of the committee, Mr. Miles, has a business engagement which will necessitate his absence. Then, Mr. Greenland is anxious to return to his official business at Westport. If we do not move with some rapidity the inquiry will extend over such a time that he will be unable to give us his assistance.

Mr. Macarthy: I quite understand the position, but ask you to bear this in mind: that Mr. O'Connor had possession of the office on Saturday morning and the whole of yesterday, and I think it is unreasonable to ask us to go into the matter now without allowing us some little time—say, twenty-four hours—to consider and meet the charges brought against us.

Mr. Macdonald: When would you be prepared to resume?

Mr. Macarthy: When you could furnish us with a statement of the charges.

Mr. Macdonald: The statement of charges as narrowed down is contained in the statement, circulars, and *résumé*. You have part of these in your possession. As supplementary, the statement made by Mr. O'Connor before the committee will be furnished to you.

Mr. Macarthy: That is the point.

Mr. Macdonald: I presume that the whole or the bulk of that statement might be supplied to you by Friday. Do I understand that it is impossible for the directors to proceed to answer the charges contained in the circulars until they have been in possession for twenty-four hours of the statement made by Mr. O'Connor as supplementary to the circulars?

Mr. Macarthy: We want Mr. O'Connor's evidence in support of the charges.

Mr. O'Connor: My address is not evidence.

Mr. Macarthy: You have referred to documents in your address.

Mr. O'Connor: You have the documents.

Mr. Miles: We have yet to deal with the documentary evidence—we have not taken any evidence.

Mr. Macdonald: We have listened to Mr. O'Connor's statement, accompanied by certain documents called for by him and which are now in the company's office. Of course, they are available to the directors at any instant. Would it not be possible to go on with a certain number of items which could be dealt with at once—three or four—such as the balance-sheet and other matters of that kind which would not require a lengthy inquiry?

Mr. Macarthy: I should have to consult my co-directors, as the course suggested is not as laid down on Monday morning. We have not yet taken any means to meet Mr. O'Connor's charges.

Mr. Macdonald: You might consult your co-directors and arrange to meet some hour this evening to decide whether the inquiry can go on.

Mr. Macarthy: We shall place ourselves in the hands of the committee and endeavour to meet them.

Mr. Macdonald: The committee will subordinate everything to a speedy closing of this inquiry, and if the directors will meet this evening and discuss the question the committee will also meet and be prepared to go on at once.

Mr. O'Connor: I desire to say this: that Mr. Macarthy is under a misapprehension in stating that I had possession of the office for a day and a half. The whole of yesterday I sat in a chair with two books. Mr. Deacon was not disturbed in any way except in handing me the minute-books. The day previous he gave me assistance with the books. If you are going on the strict principles of equity, the other side have no right to get time to rebut evidence. They ought to go on and defend their case. Whoever heard of a Court of law postponing a case until the accused got the counsel's address in hand? I say it is a cruel thing to this unfortunate company to prolong the agony. I desire to record my protest against any statement being made by any interested party without evidence to support it. These seven gentlemen—I call them gentlemen—are you going—

Mr. Macdonald: You must allow the committee of inquiry to be sole judges of what they are