

Mr. Miles : I have pleasure in stating my mind on this occasion in a few words, and with as little heat as possible. It seems to me we have given Mr. O'Connor every opportunity to lay his charges in full detail before this inquiry, and this committee has taken a large amount of time and trouble to enable him to ventilate the matters complained of ; but we cannot continue to do so unless we are backed up by Mr. O'Connor in conducting the business in a business-like form. Mr. O'Connor, having been given every opportunity and facility in our power to enable him to bring any evidence in support of his charges, must see that, in fairness to the directors, we must give them an opportunity of gathering together whatever details they wish to place before us in answer to his charges. He has made to us a full statement—a very long statement—of his complaints, and I think, in fairness to those gentlemen, if they ask for time to come before us with one statement of their defence, he should allow them to have it. Whether we can take up the various complaints in a fragmentary state or not seems to me to be beside the question. Undoubtedly, if the directors are agreeable that we should go on in a fragmentary manner, we can take up the question of the balance-sheet and the position of Messrs. Johnston and Co. as agents. But I think it would be more convenient to this committee, and far less expensive to the company, if we accede to the request of the directors to come before us with one statement of their defence. We do not want to come here day after day, saddling the company with expenses which they will have to bear consequent on our attendance, and if the defence can be made in one statement, in the same manner as Mr. O'Connor has laid his charges before us, it will be more convenient and less expensive, while it will attain the same end.

Mr. Greenland : I ask whether the directors will state when they will be prepared to answer Mr. O'Connor's charges handed to them last Friday. [A pause.]

Mr. Macarthy : I do not consider that silence gives consent in this case. I would like to point out that the record practically establishes the position we take up here. We were to be furnished with notes of the proceedings from day to day, and then to go on with our defence. Mr. Miles's remarks point to this : that Mr. O'Connor will have a further opportunity of calling evidence. I understood that Mr. O'Connor's case was at an end.

Mr. O'Connor : I have the right of reply.

Mr. Miles : We have, as a committee, nothing yet before us in the way of books and accounts to support Mr. O'Connor's complaints. When these questions come before us he will produce these books and accounts to establish his charges.

Mr. Macarthy : I take it that the whole of the books of the company are before you.

Mr. Macdonald : When the defence comes to be considered Mr. O'Connor's evidence will have been furnished to the committee. The documents and books will speak for themselves.

Mr. Macarthy : The whole of the documents and books are at the disposal of the committee.

Mr. Macdonald : What the committee presume they will receive from the directors is a statement enabling it to weigh Mr. O'Connor's statements and charges, and that the directors will take up the books and documents of the company, both those produced by Mr. O'Connor and others, and ask the committee to look at them from another aspect.

Mr. Macarthy : That is the course we shall adopt. On Monday, in laying down the course of procedure, we placed ourselves in your hands. Now we are asked to adopt another course to suit, I may say, Mr. O'Connor's convenience. When the inquiry commenced on Monday he said he would take about a couple of hours. I thought myself that two days would be required to take evidence in this case.

Mr. Greenland : Is there no way of expediting matters by getting these things copied out ?

Mr. O'Connor : With regard to the evidence, I have stated that I would be prepared, when I got the shorthand-writer's report, to insert the folio of the book where the evidence could be found, except the statements of account. My references to the ledger and letter-book will appear in my evidence, which I expect to have copied out. So that you have every particle of evidence, which is now in possession of the directors ; and I think I am not far wrong when I say that they know where every bit of it is to put their fingers on it. It is pretty well thumbed now, I know. With regard to the balance-sheet, that ought to be easily answered. I do not think there need be any fencing about it. I quite agree with the remark that it would facilitate proceedings if the directors would go on as I have done, doing the thing right off. But they want to get all the shorthand-writer's notes before doing anything.

Mr. Macdonald : I have consulted with the shorthand-writer, and it is physically impossible for him to complete his copy, even under very great pressure, before Friday. The only point is yourself, Mr. Greenland. I understand from you that you are in some difficulty with regard to getting back to Westport, and are seriously considering the question of going away on Friday and asking leave to return again.

Mr. Greenland : I have telegraphed asking for an extension of time, and I think I shall get it.

Mr. Macdonald : So far as you are concerned, the inquiry can proceed ?

Mr. Greenland : Yes.

Mr. Miles : Will you let me make one suggestion in reference to the position ? I make this as a suggestion to the directors as a probable way out of the difficulty. The first charge is the falsification of the balance-sheet. How would it suit the directors if we proceed to satisfy ourselves whether the balance-sheet is falsified or not ? If the balance-sheet is falsified, and this committee brings in a judgment to that effect, I take it that the directors—or, at all events, the shareholders—would consider that sufficient to decide whether the directors had forfeited the confidence of the shareholders. It just occurs to me, in thinking the matter over, that if the balance-sheet is found to be false Mr. O'Connor attains the end he is aiming at.

Mr. Macarthy : I must ask you, gentlemen, before considering that phase of the position, to state whether I am wrong in the position I am taking up—whether we are not adhering to the course agreed upon.