

may rely upon it that Mr. Greenland's absence shall not burke it. Whether he returns or not, the committee will proceed to draw up a report upon the evidence produced. If we decide to go on to-morrow, we shall take steps to notify you, gentlemen, and also Mr. O'Connor, of our intention.

Mr. Blair (to Mr. Macarthy): Do you say you can go on at once in the absence of Mr. Greenland? Is that the position?

Mr. Macarthy: Yes, that is so.

Mr. Blair: The question is whether the committee is legally constituted. If so, it can go on with the proceedings at once. You are under no obligation to wait for one who has treated the parties to the suit in the way he has done. Here we are, as Mr. Macarthy says, in the position that the whole future of the company depends upon the inquiry coming to a conclusion. We are prepared to go on, and the whole thing is stopped owing to the dereliction of one member of the committee. The committee can go on, and it has no excuse for not going on.

Mr. Gale: In reference to the remarks of Mr. Macarthy upon the company tendering for the supply of coal, there is also the necessity for putting out the coal to pass over the railway to pay the guaranteed 5 per cent. on the cost of construction provided for in the Act of Parliament. That is a serious matter. We being the only company there, the whole of the guarantee falls upon the Mokihinui Coal Company.

Mr. Macdonald: How long do you think the directors' reply will take?

Mr. Macarthy: I understand from the mode of procedure laid down that the committee will intimate what the directors have to reply to. My idea is that you will point out the salient points which we will have to reply to, but not so elaborately as Mr. O'Connor did. I am under the impression that we shall only require one day, unless you want an extraordinary amount of detail. I would point out that Mr. O'Connor went into only part of the company's business. There are other things to be considered—the proceedings up to the removal of the management to Wellington, and also what has to be done to remedy the laches of Mr. O'Connor's management during the time he conducted the business of the company in Westport. He has not referred to these. He has flung all the mud he can, and, like a little boy, has run away leaving us to do the best we can. In considering Mr. Greenland's action I think you should take into consideration with that action the remarks made by Mr. O'Connor last Monday, when he said that the inquiry was all at an end, that he had all the papers, and would take the matter into the Supreme Court. I think those were the words he used, with a little more gesticulation and a certain amount of vigour.

Mr. Macdonald: The objection to going on this morning is of a twofold character. First, we feel, as I have already said, that however discourteously Mr. Greenland has apparently acted towards us, his colleagues, in going away without giving any notice except by a letter which reaches us after his departure from the city, we ought to communicate with him before going any further. Second, that Mr. O'Connor appears to be under the impression that, as this committee passed a resolution that they would not proceed further with this inquiry until he returns the documents which he has taken away from the possession of the committee, he is under the delusion that by abstaining from returning the documents, and the absence of Mr. Greenland, the committee will not go further with the inquiry, and that he has succeeded in burking it. I can quite see—and Mr. Miles agrees—that very possibly that is the run of thought in his mind. However, when we get a communication from Mr. Greenland—and whether we get an answer or not—we shall be in a better position later on to know exactly what view of the matter to take. We also feel that we ought to deal with Mr. O'Connor by resolution, and place it on record that it is the intention of the committee to take such other steps as may seem to them desirable to obtain the papers wrongfully taken away from them. What position the committee will allow him to take up in the inquiry after his conduct is another matter which will engage their attention at a later period, but they will advise Mr. O'Connor this morning what course they intend to adopt respecting him. Looking at the whole of the facts, the committee will decide during the day whether they will go on with the inquiry to-morrow, and will inform the directors officially whether they will do so or not.

Mr. Macarthy: I would point out that we have not had the shorthand-writer's notes of Mr. O'Connor's statement and charges. I would ask that you sign each sheet before handing them to us, because it is a very difficult matter to deal with a man like Mr. O'Connor.

Mr. Macdonald: There are certain changes that Mr. O'Connor has made in the shorthand-writer's notes which may or may not be material in altering the effect of anything Mr. O'Connor has stated. You will gather what I mean when you go through the report. I take it that what he has altered is what he meant to say to the committee, and may be accepted as such.

Mr. Miles: There can be no doubt as to that question, because it already appears upon the records that Mr. O'Connor has stated that the contents of that statement of his are true.

The inquiry was then closed until 10 a.m. next day.

*Friday, 25th November, 1892.*

The committee met at 10 a.m. *Present:* Mr. Macdonald (chairman) and Mr. Miles; and in attendance, Messrs. Macarthy, Gale, Barton, Allen, and Blair (directors), Mr. Deacon (secretary of the company), and Mr. Straw (mine-manager).

Mr. Macdonald: The committee have met this morning in accordance with resolution in order to hear any evidence the directors may desire to adduce. The committee are desirous of giving you, Mr. Macarthy, as chairman of the board of directors, a free hand in offering any explanations you may wish to make, or in any evidence you may wish to give, as was done in the case of Mr. O'Connor. They would suggest to you, however, that it might be as well to begin with your answer to the charge of falsifying the balance-sheet, and after that is dealt with to take the