

Mr. Macarthy: From the incorporation of the company. There is a further memorandum I put in, in the shape of a document from Messrs. Johnston and Co., our agents, which will show that the whole profit on the sale of the cargo of the "Terranora" was brought into account for the year 1890, although rendered on the 9th January, 1891:—

The MOKIHINUI COAL COMPANY (LIMITED) in Account with JOHNSTON AND CO.

Cr.		£	s.	d.	£	s.	d.
By Coal ex "Terranora," p.s., to Lyttelton—228 tons 7 cwt. 1 qr. at £1 per ton	..	228	7	3			
To p.s. "Terranora," bunkers—53 tons at 10s. per ton	..	26	10	0			
					254	17	3
Dr.		£	s.	d.	£	s.	d.
To Freights, Mokihinui to Lyttelton—228 tons 7 cwt. 1 qr. at 10s. per ton	..	114	3	7			
Commission—£228 7s. 3d. at 2½ per cent.	..	5	14	2			
Balance down	..	134	19	6			
					254	17	3
To balance	..				£134	19	6

E. & O.E.

Wellington, N.Z., 9th January, 1891.

(Signed) JOHNSTON AND CO.,

Per W. J. Hanlon.

I propose now to come to the question of the "Lawrence." Mr. O'Connor, in his circular, says, "It is well to remark that the unfortunate purchase of this boat was made against the advice and consent of the only representative the Westport shareholders had upon the board (Mr. O'Connor)." Now, in refutation to that statement I will refer you to the minutes of the directors' meeting held on the 18th July, 1889. Mr. O'Connor was chairman, and there were present Messrs. Allen, Joseph, and Seagar. It was resolved that a telegram be sent to Messrs. John See and Co., of Sydney, asking that the steamer be placed under offer for £6,000 for a fortnight. The confirmation of this resolution took place on the 13th August, thirteen days afterwards, Mr. O'Connor in the chair, when it was resolved that Mr. Charles Seagar be appointed agent to purchase the steamer "Lawrence" at Sydney or Newcastle for the sum of £5,500, subject to instructions. [See minutes.] I submit to you that Mr. O'Connor's statement that the steamer was bought against his advice and consent is absolutely false in the face of these two resolutions. This last resolution is followed by another, when it was resolved that the chairman (Mr. O'Connor) and Messrs. Macarthy and Joseph be appointed a committee to make arrangements with the bank for an overdraft for the purchase of the steamer. These were the two meetings at which I was not present. Mr. O'Connor was, and has done me the honour to state that I was present when he made use of those references to instructions. But the record will show that I was not present at either of these two meetings. On the 11th September, the chairman being Mr. O'Connor, the secretary was instructed to record on the minutes the purchase of the "Lawrence" from Messrs. John See and Co. for £5,500. This was followed by another resolution, that instructions be given to Mr. Seagar for the purchase of the "Lawrence" at Sydney. Mr. O'Connor was chairman at that meeting. The records show no dissent. I think the whole of these records show most distinctly that Mr. O'Connor did not dissent from the purchase of the steamer. Now we will go a little further. I will put in a letter to show you that for some time prior to the purchase of the "Lawrence" Mr. O'Connor was pressing on the directors the purchase of a steamer, as far back as 1887:—

"Sir,—

"Westport, 13th December, 1887.

"Having perused Mr. O'Connor's letter of the 22nd ultimo to you on the proposed purchase of a steamer, and his subsequent telegrams relative to the same subject and the coal-supply contracts with the New Zealand Government, we wish you at once to advise him that, considering the proposed steamer purchase and entering into coal-supply contracts as premature and injudicious in the present stage of the company's works and operations, we cannot support his action, and therefore desire to have our disapproval thereof properly recorded.

"Yours,

"W. J. RODGERSON.

"W. NAHR.

"J. F. Clark, Secretary Mokihinui Coal Company (Limited), Westport."

This will show you that two years previous to this Mr. O'Connor was pressing on the then directors the purchase of a steamer. You will recollect that Mr. O'Connor laid great stress on what he called his instructions from the board to Mr. Seagar. They are referred to in this circular. He goes the length of giving a copy. I may invite your attention to this fact: that he had a letter-book before him when he made this statement, but under the mode of procedure you laid down I was not allowed to question him. I was desirous of doing so because I think he was manufacturing evidence. In his public circular he gives a copy of what he terms his instructions signed by Messrs. Macarthy and Allen. He had to state, however, that the press copy did not contain my signature or Mr. Allen's. He gave you as a reason that I signed them and took them round to Mr. Allen before they were handed to Mr. Seagar. Of course, it would have been very important to see Mr. O'Connor's letter-book. I produce the original of the instructions handed to Mr. Seagar, which is as follows:—

"Draft memorandum of matters for agreement of directors in regard to the survey and purchase of the s.s. 'Lawrence': (1.) That the 'Lawrence' be subject to a thorough survey examination and test by Mr. Seagar and a nautical surveyor appointed by McGee and Newbegin, and approved of by them as up to her description, in good order and condition, sufficiently found in all requirements of gear and fittings, particularly under the followings heads: (2.) The boiler and engines to be of good serviceable type, and in thorough repair and working-order. (3.) The hull, fittings, ropes, anchors, and sails, as well as other gear, staunch, good, substantial, and equal to