

Hutson, Corbett, and Co., Kelvenhaugh Engine-works, Glasgow; the cylinders are $\frac{17 \text{ in. and } 31\frac{1}{2} \text{ in.}}{24 \text{ in.}}$ stroke; the engines are a very fair job, and are in good working-order. The donkey in the engine-room is fitted to pump out the ballast-tank forward and all the other compartments; it is a good job, and is in good working-order.

"Trial under steam: The vessel under steam covered the measured knot in 5 minutes 52 seconds, equal to a speed of 10.227 knots per hour. During the trial the boiler supplied steam up to the working-pressure, the engines running 112 revolutions, steam 80 lb., vacuum $26\frac{1}{2}$ and 27.

"General remarks: The vessel is in very fair condition, and the workmanship is good all through.

"The repairs I noted as required: There are some forty to fifty bad rivets in the bottom of the fore-compartment or ballast-tank: they ought to be renewed. The after-compartment, over the stern tubes, is rusting from constant damp: I would recommend that it be coated all over with cement. The propeller-shaft on the port side is wasting at the fore end of the after brass liner: I do not think it requires to be shifted at once, but the usual means used to stop further decay. With these defects made good, the vessel would be in good working-order.

"I am, &c.,

"E. Seagar, Esq."

"PETER HUNTER, Engineer Surveyor.

I also put in the letter-book, folio 182, showing letter to Messrs. Newbegin and McGee, two of the company's shareholders in Melbourne.

"DEAR SIRS,—

"5th August, 1889.

"The time having now arrived when our company requires to have a steamer, our directors have, after considering several offers, agreed to take the s.s. 'Lawrence,' owned by Messrs. John See and Co., of Sydney, for £5,500, subject to her being true to description, and to the report of our surveyor as to condition, which is represented as thoroughly good.

"We have also decided to ask you to name a competent nautical surveyor, being also a trustworthy person, to be associated with Mr. Seagar, who is one of our directors, and who proceeds by the 'Ringarooma' to Sydney to-morrow. He will first examine the vessel, and, unless he disapproves of her at first sight, will then proceed with the survey. When you decide upon the person whom you will select, please ascertain his willingness to act, fee payable, and wire to Charles Seagar, Sydney. As a matter of course, the nautical surveyor will test and examine the hull, machinery, and boiler; see that the boat is well found, ready for sea, and everything in good repair and working-order; fittings and gear complete, sufficient for coal trade; cattle-fittings and ventilation for the hold also complete.

"I enclose herewith particulars of her description, and will not apologize for troubling you, as both have expressed the wish to assist our company in the manner now asked. The directors appreciate the offer very highly, and rely much upon the opportunity that Mr. Newbegin will have of selecting a thoroughly reliable person. I am pleased to add that our land works are in a very good state, the River Mokihinui much improved by Government dredging, and that we have an excellent prospect of railway connection with Westport, the Government having undertaken to provide for the work this session.

"With best wishes and kind regards,

"I am, &c.,

"EUGENE O'CONOR, Chairman.

"Messrs. E. Newbegin and J. McGee, Melbourne."

There was a statement made by Mr. O'Connor that Mr. Seagar bought the vessel without, I may say, the approbation of Messrs. Newbegin and McGee. I will give you an extract from their letter to the company, dated the 19th August, 1889: "I may add that Mr. McLean, the Engineer Surveyor for the Marine Board here, told me if you got her for that price [£5,500] you would get a bargain. I think I may congratulate you on having sent a good man of business here in the person of Mr. Seagar, and he has carried it out with energy. It was a pity he had not a letter of credit instead of having to wait till the cable is repaired. I have sent a note to-night to Mr. Snelson explaining the turn affairs have taken, and telling him his services will not now be required *re* survey of s.s. 'Lawrence.' I think I have now fully answered your letter, and done all it was in my power to do for your company. I will not make any charge for the trouble and expense I have been put to. You can put it down to my wish to contribute towards the success of the Mokihinui Coal Company. I almost forgot to mention that both Mr. McGee and myself think we ought to get scrip issued to us paid up to 12s. 6d. per share now that all our payments are made, which we trust you have received all right. I shall always be glad to hear of the success of your company, and believe you have made a step in the right direction in the selection of the s.s. 'Lawrence.' Keep her well insured and run no risks." That is the opinion of gentlemen who were shareholders of the company, and derived no benefit from her sale. I submit that the records and documents clearly establish that Mr. O'Connor did not object to the purchase of the steamer. Nor did he show any objection until the steamer had been employed some time in the trade. The purchase of that steamer "Lawrence," and the money that was lost by her, is the buttress on which this company's troubles have rested. Mr. O'Connor's idea was that he was the proper man to go to Melbourne, but at the time we knew more of Mr. O'Connor, and I think we were justified in selecting Mr. Seagar in preference. An examination of the Wellington Marine Underwriters' surveyor's report will show that Captain Bendall classed her as good, and valued her at £5,000 for insurance purpose.

Mr. Macdonald: Does Mr. Seagar report who this Mr. Peter Hunter is who signs the Sydney report?

Mr. Macarthy: He is the person who made the survey on behalf of this company, and we know that Mr. Hunter is one of the oldest and most capable marine engineers in the Australian