of the company—it is mere guesswork. Now, I will take up another phase of the company's business, showing what has been done from the incorporation of the company. It may be called the history of the Mokihinui Coal Company. This is the minute-book of the company some time prior to its incorporation. It is headed at page 1, "Minutes of the Mokihinui Coal Claim." A number of gentlemen were present, including Mr. O'Conor. The meeting was held on the 17th March, 1883. On the 6th April, 1886, a resolution was adopted that the rent of the office and salary of the secretary be £1 per week from this date; and in confirmation of my statement that when he differed from his co-directors he always took care to have it recorded, here is an entry that £58 be passed for payment, and "Mr. O'Conor protested against this as an overcharge." That appears on the minutes of the 6th July, 1885. I would ask you in looking at that book to say whether the articles of association had been adopted, how the men became shareholders, and how the shares were appropriated. There is a series of names which I will not mention as Mr. O'Conor's partners, but as his associates or partners in business. The first is that of Mr. Dolphin. "The report of the managing director having been read, the secretary was instructed to write to him requesting him not to mix up Mr. Dolphin's business with that of the company." Mr. Dolphin at that time was a storekeeper, and, as his vouchers will come before you, I dare say you will take some notice of them. There is another resolution, of the 8th December, "that the directors guarantee the bankers £1,200 by way of overdraft to the company until April next." I point out this to show that in the very early days of the company there was a fair amount of financing. On the 8th February, 1886, we have the records of a general meeting of the shareholders. "Mr. Horne proposed, 'That the directors be authorised to appoint one of themselves at a salary of £300 per annum as managing director, and that Mr. O'Conor be offered £200 for his past services in that capacity.'" Mr. O'Conor suggested that the amount of salary as mentioned in the foregoing proposition be altered to £200, and the sum to himself be £100.—Carried. At a meeting of directors held on the 10th February, 1886, Mr. O'Conor was appointed chairman and managing director for the ensuing year. That is the first record we have of his appointment as managing director and the apportionment of a salary to him. Reference to the articles of association and Mr. Brandon's opinion will show that this appointment was *ultra vires*. Coming to the proceedings of the annual meeting on the 7th February, 1887, we find a record, "That the directors be empowered to appoint one of their number managing director." There is no record of the appointment, and the fact that Mr. O'Conor had acted as managing director for the previous year cannot be held, I take it, that he necessarily held the appointment for the year succeeding; and I say that the auditors, in passing the vouchers for his salary, should have seen that there was some authority for the appointment when passing the voucher for salary. There is none in the minute-book. There was another meeting nine days after, when the following amounts passed for payment. [This entry appears: "Directors' fees up to date, inclusive, £ *."] The next resolution authorises Mr. O'Conor to embark on what I may call his first marauding expedition: "That the managing director be authorised to issue new shares, the rate of brokerage not to exceed 10 per cent." Under that resolution, I believe, some of the Wellington shareholders and a few others are indebted for their connection with the company. On the 13th January, 1887, it was resolved that Mr. Charles Greenland and Mr. Miller be auditors for the ensuing year, at a fee of four guineas, and from that date we find Mr. Greenland's name figures very frequently in the minute-book of the company. On the 8th April, 1887, the directors are instructed to open negotiations for the issue of debentures to an amount not exceeding £8,000. On the 3rd October it is proposed that the chairman (Mr. Rodgerson) and Mr. Nahr be authorised to obtain an overdraft on the security of the unpaid calls. That was proposed by Mr. O'Conor, seconded by Mr. Rodgerson, and carried "*nem. con.*," as Mr. O'Conor has taken care to add. On folio 68 is the record of a meeting of directors, which Mr. O'Conor in the exercise of his discretion declared to be irregular, on the 20th October, "the necessary notice not having been given." You see, Mr. O'Conor ruled in those days. He held that the meeting of directors of the week previous was informal. I do not say that he was not right, but merely instance it to show that he made himself felt on the board. On the 5th December, 1887, we find that the shareholders could not agree to entering into the purchase of a steamer, nor for coal-supply contracts. At that time there were some contracts entered into, but the people of Westport evidently did not think the time had arrived for entering into the purchase of a steamer. On the 31st December the chairman made a verbal report as to extending the railway-line to the Big Seam. That refers to the resolution authorising the construction of the two miles of railway, Mr. O'Conor being at the time engineer, and drawing salary as managing director. On the 18th January, 1888, Mr. O'Conor proposed, and Mr. Rodgerson seconded, "That the following payments be authorised and approved of." [I put in a list for between £6,000 and £7,000.] An examination of the vouchers will show you that some of the amounts had been previously paid, but the minute-book shows no record of any such payments being authorised. I put it to you, gentlemen, that the record of payments of this wholesale character furnishes you with more information as to the mode of conducting business at Westport than anything I could say if I stood here for hours. If you examine the vouchers you will find that very large sums have been paid months previously. I say that if there had been anything like the same care in conducting business at Westport, as Mr. O'Conor claims, as there has been and is in conducting the company's business in Wellington, we should have no such records as these. This is followed by an ordinary meeting of shareholders on the 6th February, 1888, at which the managing director gave a verbal directors' report, which, he stated, would be printed and distributed among shareholders after the same had been approved by the board. That was the way in which the business was conducted in Westport prior to the management of the company being transferred here. The balance-sheet was then received and adopted. Here again we have

* No amount filed in minute-book.