

He goes on to say, "They lay on the railway embankment for months"?—I do not know how long they lay there. They were put there until they were put on the railway.

How long was it before they were put under the timber-trucks?—They were put under shortly after they came down. They were not very long there before they were put under.

Eight wheels are in use, and four are where they were put when they came down?—Yes.

Mr. Macarthy: Have not the eight wheels you speak of been in use and been invaluable to you in your work almost from the time when they were sent there?—Certainly they have. They have answered just the same as those we took from under the trucks.

Mr. Macdonald: Have you no use for the four lying idle?—No; we have only two timber-trucks. If things had not collapsed they would have been put up for the purpose of conveying logs to the sawmills.

Mr. Miles: When Mr. O'Connor says the wheels, axles, and pedestals are useless, he is not correct?—He is not correct.

And they do all the work required of them?—Yes.

Mr. Macarthy: And the fact remains that they were obtained from the Manawatu Railway Company for about a third of their cost.

Mr. Miles: Have you any other pedestals in use except those got from the Manawatu Railway Company?—No.

And had it not been for those you would have no trucks in use?—No; none at all.

Mr. Macarthy: You say the specification for the ballasting contract was altered when Mr. Corby took it up?—I do.

What motive was there for altering it?—For getting the ballasting much easier.

Did you suggest the alterations?—No.

Did you consent to it?—No; I had not thought about it.

They were made without your knowledge?—Mr. O'Connor made the specifications.

But the alterations?—It would be him.

You did not?—I had not anything to do with them. It was the most disgraceful contract I ever saw in my life.

You stated that part of the system there was for Mr. O'Connor to pay part of the money away at Westport and afterwards to come to you and ask for a certificate of the amount?—Yes; he used to say, "Straw, I want a certificate for this."

That is, after paying the amount?—Yes.

Did it occur often?—Yes, it was often the case.

Mr. O'Connor was the only person you looked to for instructions?—Yes.

He was engineer and managing director?—He was.

Mr. Allen: Do you remember, Mr. Straw, any wheels coming down there that Mr. O'Connor indented through Mr. E. W. Mills?—Steel wheels? Yes; they broke down under the first load.

Mr. Allen: That is the first thing he connected with my name.

The inquiry was adjourned until 10 a.m. next day.

*Saturday, 26th November, 1892.*

The inquiry was resumed at 10 a.m.

A list of the Westport shareholders was laid on the table.

Mr. Macarthy: There was a small matter I omitted yesterday to which I draw your attention now. In the first paragraph of Mr. O'Connor's circular of the 4th August he says our circular was issued on the 27th June, and referred to our minute-book of the 6th July to show that the circular was issued after that date. That sounds very curious, but we know that printers sometimes make mistakes, and I produce a copy of the order from Mr. Blair's office, which shows that the circular was ordered to be printed on the 19th July. I was puzzled at first, and made it my business to inquire into the matter, and this is the explanation.

Mr. Miles: You say that the circular should have been dated July instead of June?—Yes.

You say that June was evidently inserted through a clerical or printer's error, but July was the proper date?—Yes. I may say further that we had a copy of Mr. O'Connor's circular sent to us by a distant shareholder of the company at the end of June, a day or two before Mr. O'Connor left his circular in the office.

MICHAEL STRAW'S examination resumed.

Mr. Macarthy: Did you know a storekeeper at Mokihinui named Dolphin?—Yes.

You have had some conversations with him relative to Mr. O'Connor?—I have.

Explain what they were?—I could not give the dates. He has gone away to England. He came to my place and said he used to be in partnership with Mr. O'Connor there in a store. He went on to talk about the partnership. [Here the witness gave details strongly affecting Mr. O'Connor, but as they were not pertinent to the inquiry they are not printed.]

Did Dolphin tell you he was in partnership with him in the store at Mokihinui?—He did.

There was only one Dolphin there?—Yes.

Did he sign any receipts while you were at the mine?—No.

Mr. Miles: It is your assumption that Mr. Dolphin was a partner with Mr. O'Connor during the time that Mr. O'Connor was managing director of this company?

Mr. Macarthy: Yes. (To witness): Now, Mr. Straw, we will go to the sawmill. Do you know whether Mr. O'Connor is a partner in the sawmill at Mokihinui?—Yes; one of Marris's sons told me, who had charge of the mill. [Memorandum from Mr. O'Connor to Wright put in, instructing that Straw is to take charge of the sawmill.]