

finished with them—or, rather, until they have finished with us. And should Mr. O'Connor again interrupt, I trust, Mr. Chairman, that you will uphold the dignity of the committee by adjourning it yourself without any resolution, in order that those gentlemen who are now replying to Mr. O'Connor's charges may have that fair hearing which the committee has afforded to Mr. O'Connor.

Mr. Macdonald: I think the scene of this morning is one very much to be regretted. It appears to be clear, from Mr. O'Connor's actions and from observations which he from time to time has let slip, that in securing the copies of the extracts he has taken away he has achieved all he desired in connection with this inquiry, and he is now anxious to bring the committee's labours to a close without any result having been arrived at. Mr. Miles is, however, entirely in accordance with myself in this view: that, as the shareholders have put upon us the responsibilities of examining into these matters, it is our plain and simple duty to proceed with the inquiry and report to them the conclusion we arrive at after examining the books and documents and weighing the evidence submitted to us; and that work we shall continue to do notwithstanding anything Mr. O'Connor may write or say in opposition. All that we can add is, that we hope the directors will endeavour to assist the committee by placing their case to-night—as Mr. Miles has said—so fully before us that we can come to a conclusion as soon as their defence is finished. Some time will necessarily be taken up by the shorthand-writer in transcribing his notes. The committee are extremely desirous of bringing this inquiry to a close, so that the shareholders may be in possession of their findings at the earliest possible moment. I am expressing Mr. Miles's view and my own when I say we very much regret having accepted the responsibilities attaching to the committee in this matter. Personally, I have had some experience on Commissions and inquiries of various kinds during my business career, but I never heard of members of a committee being so grossly and wantonly insulted as this committee has been by Mr. O'Connor. I could never have believed it possible that any man possessing any experience whatever of business, or any knowledge of what was due from one man to another as a matter of fair-play, could have so far forgotten himself as Mr. O'Connor has done in connection with the members of this committee. His conduct has been a painful exhibition in every sense.

Mr. Macarthy: I put in a memorandum from Mr. C. Seagar with reference to the appointment of Mr. Peter Hunter by the Marine Department at Sydney to survey the steamer "Lawrence."

"DEAR SIR,—

"Wellington, 26th November, 1892.

Referring to the Sydney survey report upon the s.s. 'Lawrence,' dated 17th August, 1889, and signed by Peter Hunter, I have to inform you that when I arrived in Sydney the s.s. 'Lawrence' had been on the slip six days awaiting my arrival (which had been of necessity delayed).

"I was informed that I must survey the 'Lawrence' within forty-eight hours, as they wished to save slip expenses. I then applied to the Marine Department, Sydney, asking them to appoint a competent person to survey the 'Lawrence,' and they appointed Mr. Peter Hunter, whose report is before you. This appointment of Mr. Peter Hunter was afterwards concurred in by Messrs. Newbegin and McGee, who were appointed by your company to nominate a surveyor.

"Yours faithfully,

"C. SEAGAR.

"The Chairman of Directors,
Mokihinui Coal Company (Limited), Wellington."

Mr. Macdonald: How was it that the Marine Department of Sydney appointed a surveyor?

Mr. Macarthy: I understand that it was at Mr. Seagar's request, in order that he might secure the services of an experienced and impartial man. Referring again to the "Lawrence," here are papers in Mr. O'Connor's handwriting showing estimates of the value of the freight the steamer could earn. They are not dated, but you can take them for what they are worth. One noticeable feature is that Mr. O'Connor here estimates that she burns 1,500 tons of coal per annum, but in making his charge against the directors he estimates that she burns 300 tons a month. When we were disturbed by Mr. O'Connor I was calling attention to items in the prospectus, and the construction I put upon the statements in reference to the property was that the 160 acres to which I have previously referred was known to be valueless when the prospectus was issued. The coal-workings thereon had been abandoned, and have not since been resumed. The portion referred to in the prospectus as being under application was really Bayfield and Rowland's, although we have secured about 950 acres of it since; so that Mr. O'Connor and the other Westport directors, in coming to Wellington and asking people to buy shares on that prospectus, presented a series of misstatements of which they may hear more hereafter. I think you have sufficient before you to show that there was practically no title to the two miles of railway, and that the defect in the title was due to Mr. O'Connor's neglect. I now put in the prospectus. Mr. O'Connor, in referring to the position of the company, spoke of it as flourishing when the management was brought to Wellington. If you turn to folio 93 of the minute-book, 2nd January, 1889, four weeks before the prospectus was issued, you will find this resolution passed by the directors at Westport: "Proposed by Mr. O'Connor, seconded by Mr. Rodgerson, that the chairman, with a quorum of directors at Wellington, be authorised to make an addenda to the prospectus issued at Melbourne, offering to subscribe to the new issue a preference in the distribution of dividends, not to exceed 10 per cent., this to be paid to them previous to dividends being payable to the original shareholders on the subscribed capital.—Carried." A comparison of the resolution with the statements of Mr. O'Connor will convince you that in asserting that the affairs of the company were in a very prosperous condition he was endeavouring to mislead you. A preference dividend of 10 per cent. seems to me to be a particular inducement to take up shares, and an indication that the company was in serious financial difficulty. Mr. O'Connor states that 10s. per ton is not sufficient to charge for coal delivered on board steamers at Mokihinui, but in the prospectus he states that the outside cost of screened