

The ship's boiler, engines, steam steering-gear, and fittings you recovered have been removed ashore?—Yes, they are covered up and painted, and everything is in order.

Mr. Macdonald: Did you have anything to do with removing a man from the charge of the "Hapuka," whom Mr. O'Connor had appointed, and replacing him by an incompetent man?—Mr. O'Connor's statement is incorrect. The man was removed by the Westport Harbour Board, who wanted him in the Buller River for other work. He left his son to take his place, and I was satisfied with him, but he also was taken away by the Westport Harbour Board. Both these men were in the service of the Board. I then placed a man in charge whom I knew to be competent—a certified engineer of seventeen years' standing—and his predecessor was perfectly satisfied to leave him in charge, as he was competent for the work.

And what about the bin referred to by Mr. O'Connor?—The story of the bin is a very short one. Mr. O'Connor was going to cut out an open face of coal by the employment of navvies, which he started and failed to do. He came to me to get him out of his difficulties. I proposed to put in a big drive to supply the "Lawrence" with coal, and where this coal came from left a space 20 ft. high and about 60 ft. long, which I converted into bins for the purpose of storing coal. I had to secure it with timber to keep up the roof.

Mr. Macarthy: I think I have put in sufficient evidence to show that the expenditure of the directors since the wreck of the "Lawrence" has been perfectly justified. Before concluding, I would like to say a word or two respecting Mr. Greenland, and I am sorry he is not present to hear me. I wish you to record that on this day fortnight, about half-past 9 in the morning, I visited the Mokihinui Company's office and found Mr. O'Connor engaged at the books of the company, seated at the table. Mr. Greenland was also in the room with him. I immediately remarked to Mr. Greenland, "This is extraordinary, Mr. Greenland, finding you here. You are quite out of place. You ought not to be here unless your coadjutors associated in the inquiry are with you." Mr. O'Connor took up the subject and favoured me with a storm of abuse, but Mr. Greenland apologized for being there, and said that Mr. O'Connor, hearing his voice, had asked him to step in and help him. Mr. Greenland followed into the outer office with me and again apologized for his presence, and explained that he had only been there a few minutes, and that Mr. O'Connor had requested him to go in and help him. He added the remark, "Of course, you know, I am here to look after Mr. O'Connor's interest." I told him that my view of his position was that he was like an arbitrator appointed by a Court, or even a Judge in a case, and I made that remark in the presence of Mr. Gale.

Mr. Gale: I corroborate that statement.

Mr. Deacon: And I corroborate the first part.

Mr. Macarthy: It appears to me that Mr. Greenland is out of place in this inquiry. An examination of the vouchers in your possession will show that Mr. Greenland for two years occupied a position as auditor of the company. The reference to the committee of inquiry points to an examination being made into the affairs of the company since its incorporation, and therefore Mr. Greenland, in accepting the appointment as one of the arbitrators, must have been aware that the committee would have to examine into the manner in which he had discharged his duty as auditor. There is yet one more matter. You will recollect that we have no record of the meeting at Westport at which Mr. Greenland was appointed, but merely an intimation from the chairman that he was appointed. I am under the impression that Mr. Greenland made a distinct promise (when I called attention to the fact) that we should be furnished with a record of the meeting at which he was appointed. That has not been furnished. It might not be of any value, but possibly if we had had the record we might have found that Mr. O'Connor had only two or three of his friends with him in this matter. I will conclude by handing you a recapitulation of the whole position from the directors' standpoint. [The recapitulation referred to by Mr. Macarthy will be found in the Appendix.]

Mr. Macdonald: Well, gentlemen, we have heard Mr. O'Connor's statements, and we regret that we have not had an opportunity of obtaining the copies of the extracts from the books and papers of the company upon which Mr. O'Connor stated that he relied to prove his case, in consequence of his own action in taking them away from the custody of the officers of the committee and refusing since to deliver them up. We have also heard you at length in reply to his statements. The committee will now take steps to carefully consider the statements that have been made. They will go through the minute-book and accounts of the company, and compare the statements with the records in the possession of the company. They will give careful attention to all the points, and at as early a date as possible—of course, there is a very large amount of work involved in examining books and records—they will furnish to the shareholders a report upon the whole of the matters which have been brought before them. This they hope to do as early as possible during the ensuing week. I have only to express on behalf of Mr. Miles and myself our regret that Mr. Greenland has not been present since Mr. O'Connor closed his case, and has not had an opportunity of hearing the whole of the evidence produced. I have to express my regret and my colleague's regret that the work of the inquiry has been so marred by the conduct of Mr. O'Connor. It has been a matter of considerable regret to us that we have not been able to pursue the inquiry with the order and decorum which we had hoped in the beginning would have been the case; but we have to thank the directors for the desire they have shown to submit to us very fully and completely the whole of the records of the company, and for the explanations which they so far have offered to the committee.

Mr. Macarthy: May I ask you further to add that we have not delayed the proceedings?

Mr. Macdonald: The committee have no fault whatever to find with the directors in reference to that point. Any delay that has arisen, any failure which has taken place in getting the business put before us as it ought to have been put, is in the opinion of the committee in no sense attributable to the directors.

The inquiry was then adjourned.