

March." However, the Hokitika shareholders were not satisfied, and, at a meeting at which 15,000 shares were reported to be represented (says Mr. Maxwell), passed the following resolutions: "(1.) That the letter from the directors, relating to the directors' fees, is deemed most unsatisfactory. (2.) Expressing surprise that the directors have been holding meetings and illegally drawing fees for the same in violation of the articles of association for six and a half years, the excess of such fees with interest amounting to about £2,000, and that, having admitted their responsibility, the directors be requested to refund. (3.) Failing compliance, this meeting pledges itself in view of the many calls upon shareholders to take the necessary legal steps to enforce a refund, and to enlist the co-operation of shareholders throughout the colony. (4.) That the directors' allusions to Mr. Lloyd, a shareholder, are uncalled for and unnecessary, as the information respecting the directors' fees was obtained in another way. (5.) That the foregoing resolution be telegraphed to the directors, requesting immediate attention."

This action left the directors no option but to call the shareholders together, and they do so in the full belief (says Mr. Maxwell) that the shareholders will not cause the Board to suffer for a purely technical defect, the directors having acted in good faith—mark this particularly—and in "absolute ignorance of this obscure point of law. In conclusion, I will just draw your attention to the fact that the increased fees of the directors are very low indeed, and the present fees, 10s. per man per fortnight, simply absurd for men who devote a considerable portion of their time to the Association, and give it a very large amount of exceedingly profitable business. Since I have joined the association I have received from one director alone £1,000 in premiums and have not paid a penny of loss to any of the directors, or those connected with them in business. I wish, however, to state that, but for the excellent advice and support I have received from your directors, it would have been impossible to have improved the position of the association so much in so short a time, and I unhesitatingly assert that a very large sum of money has been saved to the shareholders. I have every confidence in the future, and trust you will carefully consider the above before voting. I enclose for your information balance-sheet and full report of proceedings of first general meeting of the association, in which appears the resolution relating to fees. Proxies must be lodged at the office of the association forty-eight hours before the meeting.—ANDREW MAXWELL, General Manager."

This is immediately followed by another circular, dated 5th November: "Your attention has, no doubt, been called to certain statements regarding the association, emanating from Hokitika, which have appeared in the newspapers, and, as these statements are untrue and misleading, I am instructed by the directors—(1) to give them unqualified denial; (2) to warn you against being misled by such misstatements circulated by certain individuals for some purpose which does not appear on the surface, and to the injury of your property, which is day by day improving; (3) to give you the following information: First, no promise whatever was made by me to the Hokitika shareholders to get Sir Robert Stout's opinion on the question of directors' fees; on the contrary, I informed them that I did not for one moment think the directors would go behind their own solicitor. This can be proved by minutes taken at the meeting. Second, that the illegality respecting the raising of the directors' fees is purely technical. Third, that the directors have made no excuses whatever; they leave the matter entirely in the hands of the shareholders. Fourth, that the amounts standing in the books at the close of last year owing by the Accidents Indemnity Company is £11,401 13s. 4d., not £16,675 2s. 11d.; that an award has been given for over £12,000; that the money which can be recovered is in course of collection; that at last general meeting every shareholder was distinctly informed, though that amount stood in the books, that nothing like that sum would be recovered; that we could not write it off, as we had not the slightest idea what the loss would be. In May last, I personally gave the Hokitika shareholders the fullest information in connection with this matter. On reference to your last year's report you will see how absolutely untrue the statement is that we took £16,675 2s. 11d. as a good asset."

I wish to draw the Committee's special attention just here. He (Mr. Maxwell) fences the question between the report and the balance-sheet, misleading those who could not go critically into figures.

"Fifth, that no director's business to January, 1889, showed a loss of £4,232 9s. 11d.; that the business received from the directors has resulted in a profit to the association. The figures quoted in this connection are, like others, incorrect. The account of the director referred to resulted in January, 1889, in a direct loss of only £846, whilst, including the business influenced through him, it has resulted in a profit."

I wish to make a remark. You would gather from that that an amount of £4,242 in excessive premiums was paid by him, and that was during a period of five years, and Mr. Maxwell fences the question that during his time £4,000 had been lost.

"Sixth, the libellous and unfounded statement, 'It is an undoubted fact that the whole of the capital is irretrievably lost,' is on a par with the other statements emanating from the same source. I personally gave the Hokitika shareholders in my last full information on this point, and proved to them beyond all doubt that a considerable amount of capital was left, at which they expressed satisfaction. Seventh, that the shareholders are at liberty to make any investigation into the affairs of the association they please."

He comes into the plural just here, and says, "We court inquiry, being well aware that there can be no adverse criticism of the manner in which the business has been conducted since the shareholders decided to carry on; but that, on the contrary, the position has been improved, and I absolutely deny the statement that any irregularity whatever exists." From the foregoing the unprejudiced shareholders will at once see that such unfounded statements are only calculated to injure their property and cost many who can ill afford it a serious loss when there is no occasion for it. Let shareholders inquire for themselves and await the result of the present year's operations