

no bank account; the large amounts drawn by Mr. O'Connor for managing director's fees and travelling-expenses.

I submit that the company or directors had no power to appoint a managing director; therefore such appointment was *ultra vires*, and any amount so received should be refunded to the company.

Has the company received value for the work done at Mokihinui prior to the management being shifted to Wellington? Mr. Straw's estimate of what the railway, wharf, and staiths should have cost is £10,000; the balance-sheet of January, 1889, shows an expenditure of £22,000.

B and C.—STATEMENTS from Messrs. J. R. Blair and F. Allen, Directors of the Company, in reference to Mr. O'Connor's Charges.

GENTLEMEN,—

Wellington, 24th November, 1892.

I have the honour to submit this statement as my defence to the charges made by Mr. O'Connor against me as a director of the said Mokihinui Coal Company in a printed circular distributed by him to the shareholders of the company.

I am unable to recapitulate these charges *verbatim*, not having received a copy of the said circular. I have had the opportunity of a hasty glance at Mr. O'Connor's indictment, or whatever it may be called.

I am charged generally with the other directors—(1) With dereliction of duty generally; (2) falsification and publication of a false balance-sheet; (3) with receiving directors' fees, by implication, improperly; (4) by becoming a director through some discreditable intrigue; (5) by desiring and holding a seat on the board of directors solely for the purpose of enabling my firm to secure a monopoly of the stationery supplies of the company.

With reference to the charges (1) and (2)—the purchase of the s.s. "Lawrence," the arrangements with Messrs. Johnston and Co., &c., and the false balance-sheet—I have only to state that I was not a director at the time when these charges lie, as the minute-book of the company will show.

Charge (3): I have never received a penny of the shareholders' money as director's fees.

Charge (4): It was Mr. O'Connor who solicited me to become a shareholder, and when I yielded to his importunities I had no thought or desire to become a director of the company. It was at the urgent request of Mr. O'Connor that I consented to be nominated. When I saw the state of deadlock into which, by his arbitrary conduct of the business, he had brought the board's meetings, I was glad of the opportunity of Mr. Randall Johnson's return to the colony (he being a large shareholder) to resign in his favour. Six months or so after, when Mr. Johnson had resigned (see O'Connor's circular) before returning to England, I was again nominated for a seat on the board, I think by Mr. Miles; but I declare, beyond rather reluctantly consenting when asked by Mr. Miles, I had no communication directly or indirectly with any shareholder, and solicited no shareholder or director for votes; and as a matter of fact I was absent from Wellington, and I think was out of the Island, at the time of the general meeting of shareholders when the election took place.

Charge (5): With reference to this charge, I find that the stationery account of the company was opened by Mr. O'Connor himself; and, for my own part, the whole thing has been so trifling that I never gave it a thought. The amount of business done by the company with my firm from March, 1891, to October, 1892, amounts to £40 8s. (see detailed statement herewith), or a little over £2 per month. I have had at no time any communication with the secretary or any other person connected with the company with reference to its stationery supplies, nor have any of my employes solicited the custom of the company.

J. R. BLAIR.

The Committee of Investigation, Mokihinui Coal Company (Limited).

DEAR SIR,—

Wellington, 26th November, 1892.

The charges made by Mr. O'Connor, in his statement to the committee, against myself as an individual director are of such a vague nature that I have not considered it necessary to refute them, yet I would not like the inquiry to be closed without my stating to the committee that the charges are utterly devoid of truth.

I will ask you to allow this letter to form a portion of the proceedings of the committee of inquiry.

I am, &c.,

F. ALLEN.

T. K. Macdonald, Esq., Chairman of Committee of Inquiry *re*
Mokihinui Coal Company (Limited), Wellington.

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