

252. *Mr. Bevan.*] Can you tell the Committee whether £20,000 was borrowed from Mr. McLean?—I cannot say; I think it was—to pay the losses.

253. *The Chairman.*] When was the money borrowed?—I think about 1888 or 1889, before I went to Christchurch.

254. *Mr. Bevan.*] Do you think that pledging the share-register to Mr. McLean for £20,000 at 8 per cent. had a damaging effect on the company?—Yes.

255. *Mr. Callan.*] Was it 8 per cent.?—I do not know that, but I know it was against the interests of the company to get a loan on uncalled shares.

256. *Dr. Findlay.*] Did this provoke criticism?—I heard it when I was in Christchurch.

257. Do you think, then, that had the directors applied to the shareholders they could have raised £20,000 from them by making calls?—No; I think it would have forced them into liquidation.

258. How do you know?—That was the feeling.

259. Do you think it would be a good thing to do?—It would have paid the shareholders better.

260. *Mr. Crowther.*] Had a large number of shareholders prior to the borrowing of the £20,000 shown a reluctance to pay up calls?—As far as my memory serves me, they were averse to further calls.

261. *Mr. Bevan.*] Did Mr. Pollock make public criticism of his protest against Mr. Maxwell's appointment?—Not to my knowledge.

262. Did he write to the papers?—Not to my knowledge.

263. Did I write to the papers?—Not to my knowledge.

264. Have you any proof that the shareholders had not stuck to the company?—Some of them took their business away.

265. Did you get any fresh business?—Yes.

266. Did the business on the West Coast fall off?—I cannot say.

267. Whilst you were in Dunedin, what was your knowledge of the West Coast business?—As far as I can remember, it was fair. As far as I remember, Mr. Pollock referred to Hokitika as a profitable agency.

268. *Mr. Bevan.*] Did Mr. Maxwell's appointment help to destroy the company?—I cannot say.

269. My name was mentioned as a member of a deputation. Are you aware of any previous deputations?—Yes; I heard of them.

270. Were private meetings held in Dunedin?—Yes; by Mr. Voller, an officer of the department; for what purpose I cannot say.

271. Do you remember private meetings of shareholders held to examine into the affairs of the company?—I remember a meeting at the Occidental, but I was not present.

272. Do you think these private meetings were calculated to do harm to the company's business?—I should not think it would do any good holding these hole-and-corner meetings.

273. Did you read a letter signed "Common Sense" in a Dunedin paper of the 12th December, 1888?—Yes.

274. It reads as follows: [Appendix I]. Do you think that would do harm to the business?—Well, I had shares offered me at 1s. a share to take them over.

275. And were shares being sold freely?—Yes.

276. Do you not think the publication of a letter like this would do more harm than Mr. Pollock's protest to the Board?—Yes.

277. *The Chairman.*] When was that letter written?—In 1888.

278. When did Mr. Pollock appear on the scene?—In the early part of 1889.

279. *Mr. Bevan.*] Have you read a letter signed "No Confidence"?—I might have read it.

280. It reads as follows: [Appendix J]. Do you think that such a letter as that would favourably influence business?—It would damage anybody's business.

281. When did you first hear of any action being taken?—When first William Lloyd started raising a dust and writing to the papers in Dunedin.

282. You say the delegate went to the West Coast for the purpose of patching up the affairs of the company: what do you mean?—I do not remember saying anything about "patching up." I remember saying that they went to the Coast to lay the affairs of the company before the shareholders.

283. *Dr. Findlay.*] You know that by memorandum of association the company is empowered to borrow money?—Yes.

284. Is it a common thing for companies to borrow money in this way?—I cannot say.

285. Do you think the shareholders would rather have paid a call or negotiate a mortgage?—I cannot say.

286. Was there an offer made by two Australian firms to take the Equitable over?—The Australian-Caledonian and British and Colonial offered to take it over as a going concern.

287. What time was this?—About June or July, 1889.

288. What were the terms?—I did not see the terms. I understood from Mr. Cargill that they were good ones.

WEDNESDAY, 3RD OCTOBER, 1894.

Statement by Mr. CALLAN.

*Mr. Callan* read a written statement, previously compiled by him, as follows:—

I shall deal with the charges that touch me. First, I would remark that the shares in this company are £2 shares, and that of this £2, only 13s. 6d.—a third—has been called up during a period covering close on twelve years. This 13s. 6d. covers amount paid on application, amount