

believe I did not; but if I did, a copy of the letter will be here. I have seen the Colonial Secretary myself, too, several times.

104. Did you ever come into my office?—Several times.

105. And were you told in my presence that no person could be looked on as the contractor except Ben Smith?—I think you said so, and I said "Then what am I to do?"

106. Was it said that the Government could only look on you as a party to the bond?—I think so, but that was at the finale.

107. Was it not in April?—No; I think it was at the end.

108. Was there not very much discussion as to the position of the builder in law, when he was unable to carry on the contract himself?—I expect there was.

109. Have you no recollection about it?—I recollect discussing several points, and possibly that was one; but that did not mend matters then, for they were too far gone.

110. Although at that time you were informed that you could not be looked upon in any other capacity than that of surety, how was it that you did not say at once "I have been deceived," and so go no further, but claim to be guaranteed the expenditure?—That is all very well; but at that moment I had all the material on the ground, and contracts out to finish the work.

111. You did not do so, at any rate?—No; I thought it would be no use when I had all the contracts out and the material to finish the work.

112. Do you say you had no men on wages?—There were only about half-a-dozen men on wages. If you look at the wages sheet you will see. It was nearly all contract work.

113. Did you write protesting against this view?—No; I think not. I had several interviews with yourself and Mr Gisborne; that is all.

TUESDAY, 9TH APRIL, 1872.

Mr. MARTIN in attendance, and further examined.

114. *Mr. Attorney-General*] You made an erroneous statement yesterday, which I have no doubt you would like to correct. You stated you had no bill transactions with Mr Smith, except the cash credit for £500. I find incidentally that it was otherwise.—I did not speak positively on the subject. There were some bills of Mr. Clayton with Mr. Smith.

115. There is one for £70 on the 3rd of February, 1870; what was that for?—I suppose it was for commission. Mr. Clayton sold a piece of land for me, for which I think there was £25 commission, and I think the rest was for Government House.

116. Due when?—I do not recollect.

117. Was it a renewal?—I think some portion was a renewal; but Smith will be able to tell you about that.

118. Was it for commission due under Smith's contract?—It must have been.

119. Why did you pay this commission which Smith owed?—Well, I do not know why I did it. Mr. Clayton said I had better do it, and so I did it. He said he was pushed for money and would have to press Ben Smith, and under the circumstances I wrote it out and signed it.

120. Was this after Smith's failure?—That I cannot say. The dates will prove that without asking me.

[*Mr. Attorney-General to Mr. Clayton*: Was Martin's indorsement on the original Bill?—No.]

121. Here is a note from Mr. Clayton to you on the 31st January, 1870, saying—"Dear Sir,—I should like to see you at once with Mr. Ben Smith, who takes this note, in reference to finishing the new Government House. I have a proposal to make which will, I think, be satisfactory to all parties." Do you recollect that?—I do not recollect receiving it; but if I did, I must have gone and seen Mr. Clayton.

122. Did you know that Smith became insolvent about the end of January?—I have no doubt that is correct.

123. Was it not immediately after that that you had the conversation with Mr. Clayton which you have told us about?—It must have been.

124. And in consequence of that letter?—I do not say that; because I had conversations with him twice or thrice a week before Smith's failure.

125. Then do I understand you to say that you cannot say whether it was before or after that letter that you had the conversation?—I cannot say.

126. Here is a letter from Mr. Clayton to Mr. Ben Smith on the 29th of January, in which he says—"I again direct your attention to clause 13 of the General Conditions, quoted at length in my letter of the 8th instant, and in order to comply again with the said clause I now give you notice," and so on. Was it not after that letter?—That I could not say positively, because we had so many conversations.

127. Assuming that Ben Smith had become insolvent before the 3rd of February, and assuming that this conversation which you had with Mr. Clayton was before the 3rd of February, or about that time, why should you have paid Mr. Clayton his commission—why have taken up Ben Smith's bill?—It was just this: As I was in the office Mr. Clayton told me about not getting his commission, and I have no doubt he said to me, "You had better give me a bill for the two together; it is no use having an overdue bill in the bank." And I did it, and thought nothing of it.

128. And you expected Smith to repay you?—Well, I did not expect Smith to repay me. But he was kept always at the work, and of course I gave him a few pounds, and no doubt that was charged against him in my books.

129. Where was he at work?—At the Governor's house.

130. That is, immediately after his insolvency, and while the work was in full force?—It was never at a stand-still.

131. Do you mean to say that it never was at a stand-still?—I do not think it was; there was always some one at work there.