

313. Where did you first see the bond that has been recited to you?—I think the first time I saw it was at the Government offices, but I am not sure.

314. When did you sign it?—Just before I got the money. I think the Attorney-General was there at the time.

315. Did you read it over?—No, I don't think I did. I think the Attorney-General read it to me.

316. Was it explained to you by anybody?—I think the Attorney-General explained it.

317. Was the legal effect of it explained to you?—I don't know.

318. Did you give it to anybody to give you a legal advice upon it?—I don't know whether it went down to you, or whether I saw it up here when I came to get the money.

319. You refused to enter into any fresh arrangement in this bond when you were making application for some of the retention money?—I think I did. Allow me to state this: This bond I understood was simply a bond to hold the Government harmless from Turnbull, Reeves, and Co., and in the meantime I was to get the £2,000. I signed it upon this understanding.

320. There had been some action threatened on account of Turnbull, Reeves, and Co.?—Yes, there was; and some correspondence in consequence.

321. Reference has been made to the contract in some of these letters. Was it not considered that the original contract was the basis of operations? When you entered into the arrangement with Mr Clayton, did you not understand that you were to carry on in accordance with the specifications and design, and the payments you were to receive were to be on the same terms as the contract?—That I understood.

322. Under any circumstances, or at any time, did you undertake to execute the contract for the price named in the contract?—No; certainly not.

323. Then with regard to Smith, was he at any time, after going through the Court, in the position of carrying on the work?—No; I don't think so.

324. Did you not give him money?—Yes; I gave him money from time to time. I did not give him very much money.

325. You did not acknowledge him as the party carrying on the contract and you as the surety?—No.

326. But that he was there as your servant, and you paid him for his services?—Yes.

327. *Mr. Attorney-General.*] How much a week did you pay him?—I could not tell you that. I used to give him £20 or £30 sometimes, and so on. I believe a couple of pounds a week; not much more. It might be that.

328. *Mr. Brandon.*] The voucher for the last payments has been referred to; was it not distinctly understood, when you signed that voucher, that all claims you had against the Government were reserved?—Yes; it was. I think that was the understanding between me and the Government.

329. Did you at any time particularly notice the letters of Mr. Clayton, purporting to treat you as surety, carrying on the contract for the sum mentioned in the contract?—No; I never did.

330. Has Mr. Clayton or the Government ever expostulated with you as to the manner in which Mr. Smith communicated with them?—No; I don't think so.

331. I mean in signing, not for himself, but for you. Has the Government said, "How is this; we have been treating Smith as contractor, and here he is signing for you?"—No; I don't think so.

332. Has Mr. Clayton ever led you to believe that you were not to get a single penny beyond the contract work?—Certainly not. I always understood I was not to lose a single penny. At the very last, Mr. Clayton said, "It strikes me it will have to go before the House."

333. So far as you are concerned, you trusted to Mr. Smith and Schwartz to see everything properly carried on?—I did. It was just two years when I was very busy.

334. Did you ever read the contract?—No; I never did.

335. Were you ever advised, when you were going on after Smith's failure, to look at it?—No.

336. Do you remember the proposal that was made when Mr Clayton wrote to you in January, saying that he would like to see you and Mr. Ben Smith, as he had a proposal to make which he thought would be satisfactory to all parties?—I may have seen Mr. Clayton after I received that letter.

337. When was it you insured the House?—I never insured it.

338. Did the Government insure it and charge it against you?—I think so.

339. A letter from Mr. Clayton to you has been referred to, in which you are recommended to send to Auckland by the "Airedale" for timber. Had you any conversation about that with Mr Clayton?—No; I could not say so.

340. All taken as a matter of course?—Yes; as a matter of course. I sent on for everything that I thought was necessary for the house.

341. Can you remember whether anything particular was said as to this bond that you were asked to enter into in September, 1870?—No; I cannot.

342. One of the bills to which we have been referred is this one, for £40 16s. 6d. I see a note from Mr Clayton asking you for a promissory note. Is that one of the Bills?—It is, I suppose; I cannot say.

343. Have you any idea of what was the object of the fresh bond that you were asked to enter into?—I think it was on account of Turnbull, Reeves, and Co., but it would have cost so much that I would not take it up at all.

344. Do you know about Ben Smith being a consenting party to this arrangement?—I don't know.

345. Did you ask him if he would consent?—Yes, and he said "Yes." If that is about the £2,000, he came up and put his name to the deed.

346. Does Smith know anything about the arrangement with Mr. Clayton under which you took up the work?—He was not there at the time.

347. He was not present at any time when you and Mr. Clayton were talking?—He was present afterwards, but not at that time.