

495. I mean after that, and before the conclusion of the work?—I think I remember about the month of April Mr. Martin coming round and saying, "We are going on at an awful rate," and that he had been sold by Mr. Clayton in reference to the contract; and that it was all very well, but I had deceived him in the matter. I said, "I had not." He said, "At the rate I am supplying material and making advances, I shall be ruined by it." In fact, he was putting material on the ground at the rate of 50 per cent. more than was advanced to him.

496. What was the reason he gave for saying that you had deceived him?—It was that if his arrangement with Mr. Clayton was going on he would be getting 75 per cent. paid to him, and instead of that he was only getting 50 per cent.

497. He was to get 75 per cent.?—I told him he would be sure to get that to carry on.

498. Mr. Martin was very much put out because there seemed to be more material brought on the ground than he was getting progress payments for?—Yes; it was about April, 1870, I think.

499. What difference did it make to Mr. Martin if he was going to be paid by the Government?—I am sure I don't know, except being cash out of pocket. I know it makes a great difference, because I felt it myself when I was carrying out large contracts.

500. At the conclusion of the contract do you recollect refusing to give up Government House?—Me?

501. Yes.—I remember Mr. Martin refusing to do it.

502. Did you not refuse to give up the keys and Mr. Martin urged you to do so?—No, he did not. He came up to me and said, "Go into that building. I must be paid before I give it up." And I went in.

503. Do you say you never refused to give up the key on your own account?—Never. I always considered that I was acting for Mr. Martin.

504. My question was not what you considered. Did you refuse to give it up, saying it was on your own account you kept it?—No.

505. Did you ever know that Mr. Martin wished you to give it up and you refused?—No. I never remember anything of the kind.

506. Did you ever make any difficulty with Mr. Martin about refusing to sign for the last progress payment?—Yes.

507. Why?—Because I said I had nothing at all to do with it.

508. Did you not wish to make some terms with Mr. Martin?—No.

509. Did you never object to signing it unless you got some money for doing so?—No; I did not. I said, "What have I got to do with signing the matter?" He said, "It is a whim of the Government and the Attorney-General, and Mr. Clayton says you must sign before I can get it."

510. Do you know Mr. Vine?—I do.

511. Did you ever say in Mr. Vine's presence that you would not give up the key or the place until Mr. Martin gave you £2,000?—It is preposterous. I swear most positively that I never said anything of the kind. I'll tell you what I did say: Vine and I were talking one day about this money, and I said, "In case Martin gets this money, it would serve him right if I did not sign until I got everything I ought to have. But I have known him for many years and have always trusted him, and I will trust him still farther." All I got was just bread and cheese, and if I had gone to Auckland I should have got £1,000. I recollect about the keys very well. I took the keys, and I said, "I'll lock that place," because it is the duty of a foreman of works to do so. I should expect it myself, and as a matter of course I went round and locked the doors.

512. I understand you to say that, in my presence, in that of Mr. Clayton, and in the presence of Mr. Martin, in my office, Mr. Martin did not express his desire that you should give up the keys, and you did not refuse?—I recollect meeting you in the kitchen.

513. No, before that, in my office?—I never recollect being in your office except before the contract was given to Mr. Martin.

514. That is the occasion I mean.—That was after I failed; there were no keys in existence then.

515. Do you not recollect being in my office the day before the building was handed over to the Government?—I don't recollect it. I recollect meeting you and Mr. Clayton and Mr. Martin in the kitchen.

THURSDAY, 11TH APRIL, 1872.

Mr W. H. CLAYTON, Colonial Architect, in attendance, and examined on oath.

516. *Mr. Attorney-General.*] Do you recollect calling for tenders for this work?—Yes.

517. Do you recollect the tenders being sent in?—Yes.

[Original tenders with schedule put in.]

518. Which were the lowest tenders?—Abbott and Co's.

519. Who were they?—Contractors, of Dunedin.

520. Do you know of your own knowledge that they were respectable?—Yes.

521. Are they persons who carried on considerable works?—They had just been accepted by the Provincial Government of Otago, as contractors for a work of £20,000 in Southland.

522. What work was that?—Something in connection with the Southland railways.

523. Do you know it of your own knowledge?—I know it from the contractors themselves. The Provincial Government called for tenders, and I put one in myself, but theirs was accepted.

524. What works did they carry on while you were living at Dunedin?—Numerous road works and country works. They were well known as contractors.

525. You have known Mr. Ben Smith for some time. Have they carried on more extensive works than he has?—I did not know Mr. Smith as a contractor until he tendered for this work. He was in Dunedin for some time; but I only knew him as an architect, and, I think, a timber merchant.

526. Peter Gunn, one of the tenderers, who is he?—He did several contracts under me; but he has failed since then.