

Mr. Dobson says:—"It was a clear understanding the position taken up by the Government was this: that any claim with regard to the justness of which the Government were not assured the Government would not consent to pay that claim, but that they would allow any claim as to the justness of which there could be no doubt. But where there was a doubt where the Government, would be able to see if the case went in favour of the contractors, there should be only a certain amount awarded to them; the Government would then consent to put that to arbitration. But so long as the Government was in a position to judge themselves of the value of these claims, they would refuse to put them to arbitration."

Evidence of a similar character was given by Messrs. Maude and Bealey.

101. Were the contractors heard before the Commission?—They were heard. The course the Provincial Executive took was to write to Mr. Patterson and ask him to report upon these claims. First of all, Messrs. Holmes and Co. were asked to send in a claim to be submitted. They answered that they were perfectly willing, and that they would meet him. I may state that this letter and Mr. Patterson's report appeared in the *Lyttelton Times*, November 28th, 1868, as follows:—

Lyttelton and Christchurch Railway—Extras on contract.

"SIR,—

"Christchurch, 3rd August, 1868.

"In compliance with your verbal request made during a conversation with you on Friday last, that we should forward you the whole of our claims on account of works done in connection with the Lyttelton and Christchurch Railway, in order that they may be submitted to Mr. Patterson, C.E., before he leaves Christchurch, we have the honor to forward you the following statement, and in laying it before Mr. Patterson, we have to request that you will intimate to him that, should he require any information on any of the matters herein referred to we shall be glad to meet him, and supply any particulars that he may require.

"In the first place we claim to be paid for filling up a large and valuable piece of land with material from the tunnel by direction of the engineer from time to time, and for a portion of which we claimed payment in the month of December, 1865, and we renewed our claim as the filling up was proceeded with.

"A considerable quantity of this material, about 14,000 cubic yards (in addition to the amount referred to in the memorandum of agreement dated 31st July, 1868,) from the tunnel, was originally, intended by the engineer, to have gone towards Christchurch from the Heathcote end of the tunnel and formed part of the embankment there; but had this intention been adhered to, the works of the tunnel would have been very much delayed, and to avoid that delay and push on the work to a speedy completion, we excavated an equivalent quantity of clay from the cutting at Heathcote at our own cost.

	£	s.	d.
Amount of our claim sent in on 19th December, 1865	7,500	0	0
Interest on above at $2\frac{1}{2}$ years at ten per cent.	1,875	0	0
8,000 cubic yards filled in during the year 1866	2,000	0	0
Interest on above, $1\frac{1}{4}$ years	300	0	0
6,450 cubic yards filled in during the year 1867... ..	1,612	10	0
	13,287	10	0

"In the second place, we claim to be paid the following amount for being compelled to construct the portion of the Lyttelton and Christchurch Railway, between the present Ferryroad junction and the Christchurch station, with the siding there.

"We have evidence to shew that at the time the contract was entered into, there was no intention to make this piece of line till after the tunnel was finished, and all our calculations were made on that understanding; the total price paid us for portion of the line would not cover the cost of materials used, owing to the extra charges named below, and for which we claim to be paid.

	£	s.	d.
Extra cost of 442½ tons rails, chains and fastenings, including lightings and cartage	885	0	0
Extra freight on posts and rails, wire sleepers, timber for bridge, together with the difference in cost of material	2,132	10	0
Extra in ballast, which should have come from the tunnel, but had to be bought and carted on to work	3,087	10	0
Extra on price of bricks and stone for culverts, and difference in cost of labor and horse hire	1,625	10	0
	7,730	10	0

Our third claim is for extra price beyond that already paid to us, for constructing 23 yards lineal of the tunnel over the contract length, taken as through hard rock 759 0 0

Fourthly.—We claim to be paid for work done at the face of tunnel in Lyttelton over and above that allowed us at present ... 1,760 0 0

Fifthly.—The material in the hill through which we bored has turned out to be very different to what was represented to us on taking the contract. When Mr. Moorhouse, the then Superintendent, came down to Melbourne to negotiate with us for making the tunnel, he brought with him the accompanying section of the hill through which the tunnel was to be driven, prepared by Dr. Haast, and also brought specimens of all the different kinds of rock referred to in the section. This section shews that the rock to be tunnelled was for the most part rock easily workable, and that hard black rock occurred only at intervals in small pockets.