

Mr. Rolleston.
26th Nov., 1877.

verbal agreement as to alterations, can you show the Committee how it forms an essential part?—That is an engineering question. It was stated by the engineer to be a part of the agreement.

111. The Committee is to understand that this is the opinion of the engineer, and being an engineering question you cannot of yourself state further?—I cannot of myself.

112. The engineer was present when the contract was made?—He was present, and we naturally took his statement of what the agreement was.

113. *The Chairman.*] You stated also in commenting on Mr. Dobson's letter that the contractors had no legal claim?—Yes; I was so advised.

114. What is the meaning of that, that they could not recover in a Court of Law?—Mr. Dobson considered that they had no claim in equity. He gave me to understand that the claim was not a fair one. In fact he states so.

115. Being advised that the contractors had no legal claim, why did the Provincial Government refuse to allow them to go to law; that is, without raising a technical defence?—The Provincial Government did not think it was entitled to place facilities in the way of the prosecution of a claim which had no foundation.

116. *The Hon. Mr. Reynolds.*] From what you know of the case now, do you think they have any legal or equitable claim?—My opinion is still the same, that they have no equitable claim.

117. The Government took a technical objection against the trial of the case in the Supreme Court?—The Government, through their solicitor, did. They took every objection that could be raised to what they considered to be a wrong prosecution.

118. Were you afraid that the Court would give it against the Government?—I cannot say that.

119. Then, what was your reason?—I think the Government was bound, when an appeal was made to law, to take the advantages which the law gives. I do not think that, in the interests of the public, it would be right to forego any fair plea that they were advised to take.

120. *Mr. Moorhouse.*] You would have got your costs.—I could not be expected to take legal advice, and then determine how the case was to be conducted.

121. *The Hon. Mr. Reynolds.*] Had the Provincial Council been in existence, do you think they would have entertained this case at all?—I have no reason to think they would. In 1873 they absolutely declined. This claim first arose in 1868. I have every reason to believe that, if the thing had been brought forward, they would not have entertained it. The Council decided that the Government were bound to use the law in the matter.

122. *Hon. Mr. Richardson.*] In the broken metal that was bought, do you state that the Government only paid such a price as would cover the cost of labour?—I distinctly stated that I was only speaking from recollection. I remember the question being raised as to whether that would prejudice the question of the ownership. We were advised it did not, because labour was mixed up with it.

123. Are you sure that that question was raised with respect to the Christchurch matter?—That is my recollection—but it is only recollection; I have no documents.

124. With regard to the material that was supplied in Lyttelton—I understand you to say the same of that.—No; I have no recollection.

125. In 1867 we were called upon to name a price?—I know nothing of that. I was not in office.

126. Have the Executive ever seen the document you mentioned just now?—I cannot say.

127. Did Mr. Dobson produce the document?—I do not recollect that he did; and I cannot think that he could, because his evidence is dead against that.

128. Are you aware that the level of the station ground in Lyttelton is raised, and that for that we were paid full price?—That is stated in one of your letters.

129. *Hon. Mr. Richardson.*] Mr. Rolleston has drawn attention to the fact that we did not submit details. You are aware I stated that great political feeling then existed. You will remember that one member of the Executive, who asked for these details publicly in the Provincial Council, had branded us as jobbers. This was not calculated to impress us with an idea that we should meet with fair consideration?—My answer is simply, that I never said anything of the kind.

130. *Mr. Rolleston to Hon. Mr. Richardson.*] You were asked to furnish a statement from Mr. Patterson?—I stated distinctly that I went to Mr. Patterson, and he said that he had to judge on the case as it was put before him.

WEDNESDAY, NOVEMBER 28.

Mr. MONTGOMERY, M.H.R., examined.

Mr. Montgomery.
28th Nov., 1877.

131. *The Chairman.*] You were a member of the Provincial Executive of Canterbury?—Yes; in 1868.

132. And these claims of Messrs. Holmes and Co. came before the Government of that period?—Yes.

133. Have you any knowledge of the circumstances that led up to the initiation of these claims?—I only know they were presented during the time I was in the Executive.

134. It appears there is a deviation from the original contract—that a new contract was entered into for the sum of £5,000 for straightening the tunnel, and doing other works in the vicinity of the tunnel mouth. What did you understand at the time?—I was not in the Executive at the time of making the agreement. It came before me as a member of the Executive some years afterwards.

135. What work did you think this £5,000 included?—I thought, from the agreement and the surroundings of the case, that that sum was paid for straightening the tunnel and doing the work consequent on that—that is, carrying the embankment further to seaward to make the curve of ten chains radius from the straight line, and, in order that the curve of ten chains radius might be preserved, it had necessarily to be carried further to seaward.

136. And that necessarily involved a larger reclamation?—I don't know about reclamation. It involved the line going further to seaward.