

137. Consequently taking a larger area of ground from the sea?—Yes.
138. Was this agreement reduced to writing?—I understood it never had been reduced to writing. There was never any evidence shown to me that it had been.
139. Were any understandings subsequently placed on paper with respect to this contract?—Mr. Rolleston and myself took Mr. Dobson's evidence in the matter respecting the tunnel.
140. That is the memorandum in 1868 which Mr. Rolleston referred to?—Yes. It was about that time.
141. There was a large amount of rock came from the tunnel?—Yes.
142. Whose property was that supposed to be?—There was a difference of opinion. The contractors held that the spoil belonged to them, and the Provincial Solicitor, I believe, held that the spoil belonged to the Superintendent.
146. Did the contractors deal with it as they thought proper?—I think there would have been no objection offered to them so long as they completed the works they undertook to do.
147. But these works they had undertaken to do was, I understand, the matter in dispute. Under the first contract, if the surplus material belonged to the contractors, there would be a large amount at their disposal?—Yes; more than under the second contract.
148. And therefore, if there was any sale for this material, the contractors would reap the benefit?—Yes. My own impression is, there would have been no objection to their disposing of it so long as they did the contract.
149. Have you any knowledge as to what was the difference as to the quantity of material to be placed under the first original reclamation and the second—of the amount of reclamation involved in the two contracts?—I think it is given by Messrs. Holmes and Co. in the claim they sent in.
150. This would represent the difference between the original reclamation and the second one?—I am not sure it would. I made a statement in the Council which was, I believe, correctly reported in the newspaper, and the particulars are given in that statement.
151. That, I presume, represents the difference between the work they were bound to do under the original contract and the second one?—I suppose it does.
152. The view the Government took of it was, that the £5,000 included the whole of the alterations—including this reclamation?—The Government asked Messrs. Holmes and Co. to send in particulars of the claim, and the Government would then consider the matter fairly between the province and Messrs. Holmes and Co., and when I was in the Government, two members of the Executive and myself called on Mr. Holmes, who was not very well at the time, in order to see if some settlement could not be come to with respect to the opening of the tunnel, and any claims. They had closed the tunnel, and the traffic was stopped. At the instance of the Executive, having arranged previously, I stated to Mr. Holmes it was a pity we should not have these claims adjusted satisfactorily, and that the Executive was anxious they should be adjusted without any law proceedings; and that if they (Messrs. Holmes and Co.) would give the Executive particulars of these claims, and the grounds on which they preferred the claims, the Executive would consider the matter as jurymen would consider it in the jury-box, and come to a decision according to the best of their judgment; and it would then be for Messrs. Holmes and Co. to consider whether they would agree to that decision or not. Mr. Holmes said he was perfectly willing to agree to that, and said, "I shall give you the particulars if you sit down and take them." I sat down at a table, and was commencing to do this, when Mr. Richardson said, "No; let us go to arbitration; we may have to go to law, and I object to this. Mr. Holmes said, "Very well. As my partner objects, I cannot go any further." And no further information could I get.
153. What year was that?—I think in the month of July, 1868. There was another matter—the opening of the railway for traffic—which we settled amicably; but I could not get that information necessary to enable the Executive to come to a decision as to these claims.
154. These were the claims over and above the £5,000?—Yes.
155. Then, the Government did consider they were entitled to something beyond the £5,000?—No; the Provincial Executive did not. They never had anything before them to show the contractors were entitled to anything more than they had received; but when we got the particulars in afterwards, we thought it necessary to have an independent Commission appointed to look into this matter. Mr. Symington, who was considered a merchant of very good repute and well up in accounts, and Mr. Patterson, who was considered high up in his profession as an engineer, and a gentleman of high standing, were appointed a Commission to examine into the matter, and take what evidence was required to arrive at a proper conclusion. All the papers in the possession of the Executive were placed in Mr. Patterson's hands, and he had power to call witnesses. We gave him no instructions. We offered him every facility, but we left him entirely free. He held an inquiry, as these documents show; took evidence from the parties who made that verbal contract with Messrs. Holmes and Co. respecting the straightening of the tunnel, and I think Mr. Richardson was examined. I was not present; nor had I anything to do with it, and knew nothing, except from the facts which came to my knowledge afterwards. Mr. Patterson sent in a report, and upon that report, and upon examination of the documents and papers connected with the matter, I, on the part of the Government, gave the decision respecting the claims. That was communicated to Messrs. Holmes and Co. by letter. We could not recognize any of those claims as valid, or that the money should be paid by the Provincial Government.
156. Did these Commissioners receive their instructions in writing?—I think so. Certainly they received my verbal instructions. They were simply to take evidence, examine the claims and other matters connected with the railway works, and report upon them.
157. Was this intended to be a full and complete inquiry?—Yes.
158. Then, I presume it was intended that Messrs. Holmes and Co. were to be examined?—The Executive didn't intend anything except that these men of high character should make an inquiry and report. They got no instructions beyond that. It was for them to decide what they should do in the matter.
159. An inquiry of that kind involved the examination of witnesses?—I know the Commission took evidence, and sent in a very full report.