

of stock-taking having quite recently been performed under the supervision of the Audit Department, and the results carefully compared and balanced with the books. As regards the suggestion of the Commissioners that articles not required should be disposed of, I beg leave to remind you that some time ago I obtained your sanction for the adoption of this measure.

As regards the charge that I have my capital invested in a firm largely contracting with the department, and that my receipts from that capital depend upon the success of the firm, I beg to state that I placed all the circumstances of the case before the Commissioners, that they know that my money remains in that firm against my will, and under circumstances entirely beyond my control. Whether, while stating, as the Commissioners have done, that which was calculated to place me in an unfavourable light, it would not have been honorable also to state the facts which are my justification, and which were equally within the knowledge of the Commissioners, I leave for others to decide. The facts of my connection with the firm referred to are as follow: When I was in the service of the Provincial Government I resigned my position to enter into partnership with Mr. Davidson, and I put such capital as I possessed into the business. Before any great lapse of time the Government solicited me to resume my old position in the service, and, on their offering me a large increase of salary, I consented. I would gladly have withdrawn my capital, but it was by this time so completely absorbed into the business that Mr. Davidson found it impossible to pay me out; and at his earnest solicitation, and because I could not help myself, I allowed it to remain in the business as an investment, at a promised interest of 8 per cent. This was done with the full knowledge and acquiescence of the Government.

My partnership with Mr. Davidson was at once dissolved by a formal and legal deed, and one of my first acts on resuming my official functions was to issue an order to the effect that under no circumstances were any departmental orders to be given to the firm of Davidson, and I have never made use of any influence I may possess in Mr. Davidson's behalf, either directly or indirectly.

Having no control over Mr. Davidson, I had no means of preventing him from competing when contracts were publicly advertised, nor, in the strength of conscious integrity, would I have exercised such control had I possessed it. As a fact, he has on several occasions competed for the contract, and he has, I believe, twice obtained it; but, as the contracts are always given, under Ministerial authority, to the *lowest tenderer*, it will be for unprejudiced persons to consider whether any reasonable grounds exist for seeking to fasten an imputation upon me in this connection. Personally I have nothing to do with the contracts except so far as is hereinafter noted. The tenders are opened by two officers deputed for the purpose, who prepare a comparative statement of the prices, and indicate, by a recommendation, the one which they consider the lowest. I satisfy myself that they are correct, and then forward my recommendation to the Hon. the Minister for Public Works, who signifies his pleasure in the matter.

I have now answered in detail the various charges brought against my personal character and my administration of the Middle Island Railway Department in the Civil Service Report. That the Commissioners should censure the arrangement of a system, or pass a sweeping condemnation upon matters inquired into too superficially to properly understand them, is not so much to be wondered at; but what excuse can be offered for their attempting to charge again and again upon me the alleged shortcomings of former administrations, and the blame they attach to matters with which I have not the remotest connection. I look to the Government, as my natural protectors, to see that I have justice; and I doubt not that all impartial persons will desire that the truth in these matters should be fairly established.

You, sir, as head of both the Railway and Public Works Departments, can dispense with my services if other than satisfactory to you. I take for granted if such were so you would have informed me before now. And you are in a position to do this without destroying my reputation in the sphere which is the speciality of my life—in which I am well known to the heads of large railway establishments in many parts of the world. You can, at the same time, testify to the manner I have furthered your endeavours to make every possible retrenchment, and that by so altering the structure of the system as to adapt it to the greatly-altered financial and commercial circumstances of the colony, and that I am still effecting savings of an extent more than commensurate with the sweeping and unpractical suggestions of the Commission. And, further, that these retrenchments are of a character that will not plunge the system into confusion and demoralization; but will be carried out in combination with your arrangements concerning the intimately-connected Department of Public Works. I rely upon you to protect me from the most damaging effects of such a report as this, which will find circulation throughout the whole railway world, by giving equal publicity to the other side of the question. I am attacked in personal character and official reputation by persons who one day go out armed with all the authority of the State, give forth their official assertions to the world, and when these statements come to be challenged they can vanish out of official existence. I am particularly struck that throughout their report the Commissioners exhibit no heed to any other consideration than the saving of money. I am myself fully alive to the absolute necessity that every possible saving and retrenchment should be made, and they are actually being made. A railway man has, however, always before him a still more important consideration than the saving of money, and that is the safety of the lives intrusted to his care. When passenger trains are running over a widely-extended system of single-line railways, of a cheap construction, through an irregular country, and with an incomplete system of telegraph, besides many other disadvantages not known in England, no one knows better than myself the innumerable liabilities to disastrous accidents. A stone falling from a cutting, a broken rail, misplaced switch, mistaken order, defective signal, and a thousand other causes may, at any moment of the day or night, result in loss of life. To secure safety over every part of such a system is the first consideration to which my most particular attention is directed, and, by a connected chain of responsibility and control extending from myself to the remotest employé in the Island, I enforce continually the habit of vigilance and constant attention to the precautions established by experience. These matters the Commissioners, both in their examination and report, have treated with disregard. They do not take into consideration the expense inseparably connected with the systematic provision for safety. This is marked in their recommendation that the sole management and control of 767 miles of railway should be placed in the charge of "a man of business"—"not even a railway expert." They would,