

my mind to appropriate an existing building in the Christchurch Station-yard, for which there was no other use for this purpose; and I was never more surprised than when I learnt, which I did accidentally, that a new tarpaulin shed was actually in course of erection at Addington. I was exceedingly angry when I learnt that my arrangements, made in the interests of economy, had thus been frustrated by Mr. Smith's action, and my first impulse was to report the facts to you, but I was after all deterred from doing so by the very gravity of the offence of which Mr. Smith had been guilty, and by considerations of the probable ruinous results to him if I adopted that step. It was from kindly feeling and consideration for him that I determined to adopt the alternative which was open to me, and to deal with the matter as one entirely between him and the Public Works Department; but I resolved not to identify myself in any way with the transaction and to take no responsibility in connection with it, and I intimated as much to Mr. Smith. It was in pursuance of this policy, as you will see by the Stores Manager's letter, that I refused to allow iron to be ordered from the contractor for this tarpaulin shed.

I submit that Mr. Smith's statement was false and scandalous, that it was most undoubtedly designed to prejudice me, and that his conduct was base and treacherous. I have no hesitation in saying that my confidence in his integrity and the soundness of his principles is not so much shaken as destroyed, and I feel very strongly that his continued connection with the railways under my control cannot fail to be detrimental to the best interest of the service.

The erection of the tarpaulin shed, seeing we already had a suitable building, was a useless and wasteful expenditure of money; and although, at the time of the occurrence, I did my best to screen Mr. Smith from the consequences of the disregard of my instructions, I now feel myself justified under the circumstances which have come to light in asking you to deal with the insubordination and disobedience which he displayed in that connection, as well as with his treacherous attempt to injure me; and I beg leave to ask that you will take such steps in regard to him as will mark the sense you cannot fail to entertain of the conduct of which he has been guilty.

I will not go the length of recommending his absolute dismissal from the service, but I shall be glad to see the more merciful course adopted of removing him as speedily as possible from his present post, and giving him some position out of this Island in which his ambition and his powers of mischief may have less scope than they have had here.

This is the recommendation which I beg leave to submit to you.

WM. CONYERS,

Commissioner of Railways, Middle Island.

New Zealand Railways, Commissioner's Office, Middle Island,
Dunedin, 29th July, 1880.

No. 35.

MR. R. CARROW to Messrs. GUTHRIE and LARNACH.

I HAVE the honor to acknowledge receipt of your letter of the 28th instant, informing me that you would deliver the galvanized corrugated iron for Addington workshops under protest, and have forwarded a copy of the same to the Commissioner.

The Storekeeper has been instructed to certify for the iron at contract rates, 25s. per cwt., with an allowance of 1s. per cwt. extra on the 9-foot lengths, as customary.

Christchurch, 30th July, 1880.

R. CARROW,
Stores Manager.

No. 36.

MEMORANDUM for the COMMISSIONER of RAILWAYS, Dunedin.

In reply to your Memorandum No. 534, dated 29th instant.

I HAVE the honor to acknowledge the receipt of the above, and in reply would beg to state that you have evidently been under a misapprehension when writing the same.

The facts of the case are briefly as follows: The contractors demurred to supply certain iron. In terms of the conditions of contract I referred the matter to you. Upon receiving your ultimatum I acquainted contractors with its purport.

The contractors still demurring, I handed their agent your ruling in the matter, and called upon him to act in accordance therewith. I fail to see that I have done anything whatever to call for censure.

The terms of the contract make your decision in a matter of dispute binding, and in the present case I have simply conveyed a decision of yours to the contractor.

Stores Manager's Office,
Christchurch, 31st July, 1880.

R. CARROW,
Stores Manager.

Stores Manager, Christchurch.—I have seen a letter in which are embodied copies of my instructions to yourself.—W. CONYERS.—3/8/80.