

Is this the estimate, then, that you prepared?—Certainly not.

Do you know when this entry was made in the book?—I do not know what book this is at all. I believe this is a copy of the schedule that was prepared by Messrs. Carruthers, Henderson, and myself. I think Mr. Dees was also present.

Have you compared it?—The amount is the same. I have not got the original schedule. I do not know where it is.

Do you know the contract price in that case?—The contract price is this amount (pointing to book), plus some little additions which were made.

Does that estimate include anything for maintenance?—I think not. In the offer that Messrs. Brogden made next day there were minor amendments, but this schedule is the result of the conference between the Government's and the contractors' representatives.

You are clear upon that point, that this is the result of the conference?—Yes, quite clear. It is the same as that which was printed in a parliamentary paper, which is correct.

That is not the Government Engineer's estimate?—Certainly not. That is the result of the conference.

What is the amount of the Taieri estimate, Mr. Blair?—£142,000, and then there is to be added maintenance, £1,820.

Now I will read you their letter of the 3rd July: "We beg to tender for the construction of the Dunedin and Clutha Railway, so far as regards the matters mentioned in the enclosed specification of works, for the sum of £142,000"—it is printed here £142,000, but it is clear that it should be £142,501—"for the proposed length of thirty-four miles and fifty-five chains, with two miles of sidings, with the addition of £1,835 for maintenance for three months without extra ballast. The whole of the permanent-way materials and all other materials required for the purposes of the work, as also all men employed by us, to be carried free of charge from Port Chalmers to the commencement of the contract, and from Balclutha to the end of the contract. This offer is subject to the terms, conditions, and provisions contained in our letter of the 20th June last, enclosing tenders for the Auckland and Waikato, Invercargill and Mataura, Napier and Pakipaki, and Napier and Port Napier Railways." Then in the same parliamentary paper as that in which this letter is printed—D.-22, 1872—is printed a memorandum of Mr. Carruthers: "Memorandum on Messrs. Brogden's tender.—My estimate amounts to £141,369. Mr. Brogden objected to the prices fixed for wrought and cast iron, and has increased his estimate on these items. I find the price has been put too low, and would recommend that £142,000 should be offered to Mr. Brogden, and, if he agreed to this, that his tender should be accepted." And then there is a subsequent letter from the Public Works Office, by Mr. W. Reeves, dated 4th July, 1872: "Gentlemen, I have the honor to acknowledge the receipt of your letter of the 3rd July, in which your tender for the construction of thirty-four miles and fifty-five chains, with two miles of sidings, being the Taieri portion of the Dunedin and Clutha Railway, according to the specification therein enclosed, for the sum of £142,501, together with £1,835 for the maintenance thereof for three months without extra ballast. In reply, I beg to inform you that the Chief Surveyor's estimate for the construction being lower than the amount above stated, the Government are prepared to meet you liberally, and agree to the terms contained in your letter, provided you reduce the amount for construction to the sum of £142,000."—That correspondence was based on the schedule that we agreed to.

And you still say that these were the prices agreed upon between Messrs. Brogden and the Government?—Yes.

You had nothing to do with the Napier contract?—No, nothing with any of the Brogden contracts, except the Taieri one.

I should like to call the attention of the Committee to the Napier and Pakipaki Contract. (To witness.) You know nothing at all of that?—No.

I have no more questions to ask Mr. Blair. £49,345 was the contract price in the Napier-Pakipaki Railway, and the estimate here is £50,807, so that Messrs. Brogden's tender for this contract was £1,500 less than the estimate, although, as my friend has said, they have been treated with excessive liberality in their prices. They actually tendered and executed these works for £1,500 less than the Government Engineer's estimate.

*Hon. W. W. Johnston*: Does that include 32½ per cent. on the estimated cost?

*Mr. Cave*: The Engineer's estimates are for the construction of lines between Dunedin and Balclutha. This book was prepared for the information of Government officers. Messrs. Brogden and Sons had nothing to do with this book. I will prove that their contract for the Pakipaki line was £1,500 less than the Government Engineer's own estimate.

*The Chairman*: Do you mean on the basis of special arrangements, or outside the value of the work?

*Mr. Cave*: The price at which they actually tendered for the work was £1,500 less than the Government Engineer estimated the cost.

*Mr. Bell*: All I can say, sir, is this, that the prices in this book were used as the prices upon which the extra works were to be calculated, because progress payments were made.

*Mr. Cave*: There is no doubt that progress payments were made upon the prices which are here set down in the Government Engineer's estimates. The contents of this book are all printed in this parliamentary paper.

*Mr. Bell*: It was admitted time after time that these prices represented the prices which were agreed upon between the contractors and the Government.

*Mr. Cave*: For progress payments.

*Mr. Montgomery*: In giving in his estimate of the value of the work, did that include the contractors' profit, or was it the net amount? Was the contractor's profit in the estimate of the work?—

*Mr. Blair*: Is that in the estimate here?

*Mr. Montgomery*: No, in the estimate you gave for £159,000. Was the contractors' profit included in that amount?