

Mr. Blair: The estimate produced here includes the contractors' profits.

Hon. Mr. Oliver.] There are some items here which I will read: Ballast, so many cubic yards at 3s. 3d.; sleepers, at 3s.; laying sleepers, at 2s.; haulage of material, at 10s. per ton; earthwork, so many thousand cubic yards at 1s. 6d. Are these the prices which ordinary contractors were charging the Government in their contracts?—It is a very difficult thing to say. I objected altogether at the commencement to the two items—"contractors' profits, £10,000; management, £8,000." I think, exclusive of these, the prices were high enough for the work, and I feel confident we could have got it done by tender below Messrs. Brogden's price, exclusive of those two last items.

Mr. Montgomery.] I wanted to know that. I wanted to know whether the estimate of the construction of the work included the contractors' profits.—I felt confident at the time, and I do so now, that we ought to have got the work done for considerably less—for at least £20,000 less—than what we were giving the Messrs. Brogden.

Are the prices put down the prices which an ordinary contractor would be likely to tender for, exclusive of those two items?—I think so.

WEDNESDAY, 26TH JULY, 1882.

Mr. H. D. Bell, with him Mr. Fletcher Johnston, for the Government; and Mr. Cave for Messrs. Brogden.

Mr. H. MORTON WILLIAMS, examined.

Mr. Cave.] You are a civil engineer?—I am.

And you have been in the employ of Messrs. Brogden for some years?—Yes, since January, 1873. I believe that you were concerned with Mr. Henderson in 1876 in making out the final accounts against the Government?—Yes.

In February, 1876, certain accounts were sent in?—Yes; and while doing so we frequently discussed the accounts with the Engineer-in-Chief. Mr. Henderson was ill at the time, and Mr. Carruthers used to meet us at his (Mr. Henderson's) house. The claims then sent in were for the Napier and Pakipaki contract, the Waitara and New Plymouth, the Picton and Blenheim, and the Invercargill and Mataura contracts.

Were these claims subsequently withdrawn and others sent in?—Yes, the new claims were sent, in on the 10th May.

Did you have any communications with the Engineer-in-Chief in reference to these claims?—Yes frequently in 1876. We investigated the items, and found there was a great deal of difference between our accounts as rendered and the accounts which the Engineers of the several lines had rendered to the Government. Mr. Carruthers knew nothing personally of these matters, and had to rely on the reports of his Engineers, to whom he occasionally referred. In March, 1877, Mr. Carruthers went through the accounts with me, and we found that there was a very large difference, not only in the items but in the measurement, in the accounts as rendered by the Engineers. I pointed out to Mr. Carruthers that the Engineers' reports were entirely wrong in regard to the Taieri contract, inasmuch as they did not include two railway stations and two platforms which we had built.

Do you know whether these stations had been certified for in the progress certificates?—I do not think they had.

Was any arrangement made between you and Mr. Carruthers with regard to your meeting Mr. Blair?—Yes; and the result was that Mr. Carruthers agreed that I should go down to Dunedin on behalf of Messrs. Brogden, and that he would instruct Mr. Blair to meet me and settle all the differences on the ground. Therefore, in May, 1877, I went to Dunedin, and requested Mr. Blair to investigate these matters on the ground, but he refused to do so. I then returned to Wellington with my papers, but without having made the investigation. We stated these facts to the Government in a letter dated the 17th August, 1877. This letter is as follows:—

Taieri Contract, Dunedin and Clutha Railway.

SIR,—

Wellington, N.Z., 17th August, 1877.

We have the honor to request a reply to our letter of the 16th March last, and having reference to yours of the 8th and 26th January and to ours of the 8th and 16th March, relating to the accounts we forwarded to you in connection with the Taieri contract, Dunedin and Clutha Railway.

We are anxious for an early settlement of the balance due on this contract, and have several times expressed our willingness to go through the accounts with your Engineers. For this purpose, and in accordance with the wishes of the Engineer-in-Chief, our Mr. Williams proceeded to Dunedin in May last, and requested the District Engineer, Mr. Blair, to go through the accounts with him, and, in case of any difference as to measurement or the execution of certain extras, to go out on to the works and settle such differences. The District Engineer, Mr. Blair, however, refused to go through the accounts, stating he had received no instructions to do so. We therefore request an early reply as to when the balance due on the above contract will be paid to us.

We have, &c.,

JOHN BROGDEN AND SONS,
(Per JOHN HENDERSON.)

The Hon. the Minister for Public Works.

Have you had any opportunity since then of discussing these claims?—No.

Have any investigations been made since?—No, with the exception of two small outside contracts, viz., the Chain Hills platelaying contract, and the Kakanui and Island Creek Bridges contract, in regard to which we accepted Mr. Higginson as the sole referee. The result was that on both those contracts a considerable sum of money was found to be due to us in the shape of payment for extras. This occurred in consequence of the Engineers not having included some items in their certificates, and it arose also from the fact that some errors had been made in the measurements. We have received the money which was found to be due to us on those two contracts.

After the completion of the work I believe application was made to the Government Engineers for their final certificates?—Yes, in accordance with the terms of the contract.

Were those certificates given?—No; all the Engineers wrote up to say that they were not the proper persons to give final certificates, and the Minister for Public Works said the Engineer-in-Chief was the proper officer to do so.