

With regard to the Moeraki contract, you say that the £7,910 odd due to you has been swallowed up by the penalties and alleged overpayments?—It has been retained by the Government for penalties and alleged overpayments on other contracts.

During the progress of Messrs. Brogden's contract works were there not complaints by the Government Engineers that the works were not proceeded with with proper expedition?—I do not think so, as far as the Oamaru line is concerned.

But with regard to other lines?—Yes; complaints have been made about progress.

Then it is quite possible that the Government Engineers may have considered the delays upon the Moeraki line to have been caused by the contractors themselves?—The contractors did not cause the delay.

Is it not possible that, in the opinion of the Engineer, that may have been the case?—No; it is not possible that any sane man should think so.

You have told the Committee that investigations were held into two contracts of Messrs. Brogden's which did not contain the arbitration clause?—Yes.

Why did you not mention the Clutha platelaying contract?—This was not one of Messrs. Brogden's contracts; but the award of the arbitrator in this case was for 100 per cent. more than had been allowed by the Engineer for that platelaying contract.

What was claimed for extras on that contract?—About £12,000.

Do you remember how much the arbitrator allowed?—About £1,600, or £864 over and above what had been paid to us.

In the sum awarded was included payment for works which were found had been done by mistake?—No; I think not.

Your difficulty was that you had no Engineers' certificates?—Yes; but Mr. Justice Gillies said that, although that was the case, in all fairness and justice we ought to be paid.

Do you remember what Mr. Justice Richmond said?—No; I do not.

Did he not hold an opposite opinion?—He said nothing about the fairness and justice of the case. You have said that yourself and Mr. Henderson made up the figures connected with these claims?—Yes.

In what capacity did you act?—I was in the employ of Messrs. Brogden.

And what was Mr. Henderson?—He was the sole representative of Messrs. Brogden in New Zealand.

Was he in the employ of Messrs. Brogden?—Yes.

Was he not a partner with them?—No; but he was to get a sort of bonus at the end of the works. After 5 per cent. on all moneys expended had been taken out of the profits he was to get one-fourth of what was left.

Had you or Mr. Henderson any interest in making the profits as large as possible?—I had not; but, as I have told you, Mr. Henderson was to get one-fourth of the profits after 5 per cent. on the amount expended had been deducted and all expenses had been paid.

Which of you did most in the matter of settling these figures—you or Mr. Henderson?—I really cannot say. We have been assisted by our agents at the several works.

Did Mr. Henderson assist you in the preparation of the claims which were sent in in February?—Yes.

The claims which were sent in in May were considerably larger than those which were sent in in February?—Not very considerable, I think. The extras on the Invercargill contract, sent in to the Government in February, including interest, amounted to £44,308; and the amount in May, including interest to that date, was £44,354.

Do you know when the arrangement was made with Mr. Henderson that he was to get one-fourth of the profits?—Before he left England.

*Mr. Macandrew.*] Did I understand you to say that two platforms and two stations had been constructed by you, for which you had not been paid?—Two stations and two platforms which we had built were not included in the Engineer's certificate, and were not paid for up to 1879.

They were not extra works outside the contract?—No; they came under station accommodation.

*Hon. Dr. Pollen.*] You have stated that upon one occasion you made an arrangement with Mr. Carruthers, under which you went to Dunedin for the purpose of seeing Mr. Blair, with a view to a general settlement of your claims?—Yes, with regard to the Taieri contract.

Did you have that interview by arrangement?—Yes; Mr. Henderson and I met Mr. Carruthers in his office in Wellington and made the arrangement.

And you went to Dunedin on the understanding that you were to see Mr. Blair officially, with the sanction of Mr. Carruthers?—Yes; and when I saw Mr. Blair he refused to investigate with me, and I had to come back without doing anything.

Did you ask Mr. Carruthers whether he had communicated with Mr. Blair?—No; I simply sent a telegram to my chief to the effect that Mr. Blair had refused to go over the work with me.

*Sir J. Hall.*] Did Mr. Henderson communicate with Mr. Carruthers?—I am not sure.

*Mr. Macandrew.*] What were the two stations that you have referred to?—The Waiholo and Clarendon.

Were you paid the cost of constructing them?—Not up to 1879; but we have to presume that they were included in the statement of February, 1879; but the Government supplied no details by which we can be guided.

THURSDAY, 27TH JULY, 1882.

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

Mr. J. P. MAXWELL, General Manager of Railways, examined.

*Mr. Bell.*] You are General Manager of New Zealand Railways?—I am.