

1572. Were those advances made upon any uniform plan?—No. Each case was dealt with upon its own basis, and upon the best information we could get.

1573. I find from communications laid before the Committee by the Chief Engineer, that there were very important alterations made in his schedule of prices. This, when moneyed out, would produce larger sums than the bulk sum moneyed in the contract?—Yes, in some cases, if continued.

1574. Was there any discussion between the Commissioners and the Engineer upon this point?—There was.

1575. Were the Orders in Council, adopting the Engineer's schedule of prices, based on a report from the Commissioners?—They were; the figures being supplied by the Chief Engineer.

1576. I think it was stated that the Chief Engineer protested against increasing the schedule prices, and declined to be held responsible for payments on them?—As far as I know in each case, figures were supplied by the Chief Engineer, after discussion. I think two or three Orders in Council passed, fixing the rates at which contract should be moneyed out.

1577. Do you know the actual amount which these contractors have received up to time the contract was closed?—\$164,000 is the amount we paid.

1578. How much of this is certified?—\$138,000. \$26,000 is advances made.

1579. On what ground did Commissioners pay this \$26,000, over and above amount certified?—On the same principle that they acted on all others—to assist the contractors to get on with the contract work.

1580. Were the Commissioners ordered to do this by the Government?—I do not think I am justified in saying they were ordered to do it. No doubt the Government were aware of it.

1581. Did the Government, or any member of the Government, order the Commissioners to make these advances?—There was a desire on the part of the Government to give all the assistance they could to all the contractors; and this one as well as others.

1582. Did any member of the Administration order the Commissioners to make those advances to Mr. Gough?—I cannot say.

1583. How was the contract carried on?—I was exceedingly dissatisfied with the way in which this contract was carried on. I am bound to say it was the worst, as far as progress is concerned. Our records, I think, will shew that in July, 1873, we gave notice to the contractors that the work would be taken out of their hands.

1584. Did you, in all cases upon this road, where you diminished the quantities, give the contractor the benefit of the reductions?—Yes.

1585. The principle was adopted throughout in all cases?—Yes.

1586. When were those advances made to the contractor on this road?—I do not know without referring to my books.

1587. Was it in the first, second, third, or fourth year of the contract?—I think \$20,000 was advanced to King & Gough in the autumn of 1872 and spring of 1873; (but I cannot say positively,) in order to enable them to get their supplies in during the winter.

1588. Was there any dissatisfaction between the contractors and engineers on this section?—There were continual discussions, and complaints to any extent, in this and other contracts.

1589. Had the Commissioners any communication from the contractors, asking them to reduce the quantities, to lower the grades, and to strike out structures, and so on, and did Commissioners direct Engineer to supervise work?—They gave general instructions to Chief Engineer to revise all the sections, and make such deductions as might be considered right and proper without degrading the character of the work.

1590. Have there been any claims made by laborers and others for payment for work done to contractors on this section?—Yes. There have been such claims.

1591. How much did these claims amount to?—I cannot give any definite amount. I have generally understood about two months' pay was due. I instructed Mr. Schreiber to make as complete a report as he could of what is due to laborers.