

67. Who was the other surety?—Osgood.
68. What had Mr. Osgood to say to it?—I do not think he had anything to do with it.
69. Did Osgood become insolvent?—I think so. He went to Melbourne, and became insolvent there, I think.
70. Do you recollect anything about a further surety being obtained in place of Osgood?—No.
71. Did you receive notice of Osgood becoming insolvent?—I think I heard of it. He was not insolvent here.
72. You say that when you first intended to become surety you went to Mr. Clayton?—I did. It was before I signed the document with Mr. Felix Wakefield.
73. Did you go more than once?—I think not. I might have been passing, and gone into his office.
74. Do you recollect what took place?—I recollect this: That I asked Mr. Clayton if there was any danger in my becoming one of the sureties, and he said he thought Smith had a good price for the work.
75. Did he give any reason why he thought Smith had a good price?—I don't recollect.
76. Was anything said about the tenders?—No doubt. He said something about there being a reduction in the price of the old house which would make Smith's contract a very good one.
77. Did he say anything about there being any tenderers lower than Smith?—I do not recollect.
78. You do not recollect that he said there were other tenderers lower than Smith, but the Government did not care to accept them?—He might have said so, but I don't recollect.
79. Did he say to you, when you were talking about this, that you would have to use your own judgment as to becoming surety?—He might have said that.
80. You do not say he did not say it?—No.
81. Do you recollect whether he said it or not?—I do not.
82. Do you recollect admitting he said it, in conversation with Mr. Clayton or somebody else, one day on Lambton Quay?—It is so long a time ago that I do not recollect.
83. Since the Committee of last Session sat?—I do not think so.
84. Do you recollect, when Smith became insolvent, any occasion on which you were written to, informing you that if the work was not completed according to contract, you would be called upon to pay the surety?—I can't recollect whether there was a letter, or whether I was sent for. But at all events I went up. If there was a letter it will be here.
85. Do you recollect whether Mr. Clayton, as architect, and the Government, had not always refused, on all occasions, to treat you as the contractor; but insisted that Ben Smith was in law the contractor, and they could treat no one else as such?—Yes; but that was after a certain time.
86. When was the first time that it was brought to your knowledge that the Government insisted upon Smith being treated as the contractor?—Not until the work was nearly finished. Not until I had all the material on the ground. After the arrangement with Mr. Clayton, I sent for everything that the house required to Melbourne and all parts of New Zealand, and the thing went on as fast as it could. It was not for a long time after that.
87. What is a long time?—Many months.
88. After progress payments?—I think it must have been many months. I recollect saying to Mr. Clayton that I was £4,000 or £5,000 in advance then for material for the house.
89. You say £4,000 or £5,000 in advance, what do you mean? If you were doing the work as a contractor, why did you have progress payments?—I did not go into the particulars at all.
90. Do you wish to tell the Commissioner that the payments you received were not in reference to the progress payments?—So they were, no question of that. Mr. Vine, the Inspector of the Works, said whatever was done, and whatever he said, I got.
91. Do you tell the Commission that you did not know you were being paid on the basis of the contract between Smith and the Government, namely, 75 per cent. on the estimate of the Architect?—That was the kind of payment for the first three or four, but after that it was understood that if I wanted money I could not have it on the contract.
92. You say that because of the conversation between you and Mr. Clayton, you understood that you were working outside the contract?—You may call it working outside the contract; but I say this: I went on considering that I would not lose a farthing. That was my impression.
93. Do you mean to say you were to be a contractor, doing work according as a builder would be who had no express contract?—You see, I was not a builder. I understood that I was not to lose any money; that I was to finish the house, and I did so.
94. Then you were not going on as a builder, but on some express contract with the Government that they were to guarantee you against loss?—I did not suppose the word "guarantee" was used, but that was my understanding.
95. What you understood was, that you were not entering into a new contract, but carrying out Smith's contract, under arrangement with the Government that, in the event of your not being able to finish the work for the price in the contract, you were to be paid the difference?—That is how I understood it.
96. That you were not to have a profit?—There was not a word about that either. My idea was, that instead of losing the £1,000 surety, I would carry on the work, because Mr. Clayton said it would be better to carry it on, as there would be no loss.
97. At that time were you not an assignee of the contract?—I do not know.
98. At any rate you were assignee, of all the moneys coming out of it?—I do not think so.
99. Had Smith ever repaid you that £500?—No.
100. Not up to this day?—No.
101. You say that these payments were made on the basis of Smith's contract?—I do not know; I suppose they were.
102. You know they were, don't you? You knew all along they were?—Not in the first instance; not the first two or three payments; not until I found myself so heavily in.
103. You never wrote to the Colonial Secretary about this question with Mr. Clayton?—I