

for £68 15s. on 55 cases of fang-bolts, invoiced by us on the 24th September, 1873. In reply, we are exceedingly sorry that such a complaint has been received, but we cannot accept liability in the matter, for these reasons:—

1. During the year 1872, and subsequently, we have had the pleasure of supplying you with more than 1,100 tons of fastenings, all of which were carefully inspected, and approved, by your inspectors.

2. The whole of these fastenings were heated and dipped in boiled linseed oil, so that every part was thoroughly impregnated.

3. Therefore, for the fangs complained of to have become rusty, and in the state represented, it is self-evident that the cases must have been for a considerable time under water.

4. The action of salt water would produce the rusty condition described, and in every way account for bad appearance represented on opening the cases.

5. As to quality and finish of our work, we beg fearlessly to refer you to Mr. Breedon, who inspected and passed the fastenings supplied during 1872, and to Mr. P. Hogg, who was resident inspector at our works for some months.

After carefully considering the matter, the only conclusion that we can come to is, that the claim is absolutely against the shipowners, and not upon us; as it is certain, from some cause or other, during the time the cases were in their hands, beyond our control, they were, with contents, damaged very seriously with salt water.

Permit us further to remark that our view of the party responsible is confirmed by a letter dated Napier, of the 18th March, 1874, and signed by "Charles Weber, Resident Engineer," copy of which was sent to the resident inspector at our works, and in which there are the following remarks:—

"Mr. Dunbar has refused to sign the receipt for them (55 cases) as in good order, and will make a claim for cleaning them.

"In the event of Messrs. Brogden sending a claim, I shall call a survey upon the damaged portions, and try to recover from the ship, unless I receive from you other instructions."

Yours, &c.,

I. E. Featherston, Esq., Agent-General.

BAYLISS, JONES, AND BAYLISS.

No. 4.

The AGENT-GENERAL to the HON. the MINISTER for PUBLIC WORKS.

7, Westminster Chambers, Victoria Street, Westminster, S.W.,

21st January, 1875.

SIR,—

I have the honor to inform you that I have, on the recommendation of Messrs. Hemans and Bruce, appointed Messrs. Horace Budge and Thomas F. Rotherham to be locomotive and traffic managers, at the salaries and with the allowances specified in the enclosed memorandum of agreement.

These gentlemen will sail in the s.s. "Durham," now on the eve of departure.

I have, &c.,

I. E. FEATHERSTON,

Agent-General.

The Hon. the Minister for Public Works, Wellington, N.Z.

No. 5.

The AGENT-GENERAL to the HON. the COLONIAL SECRETARY.

7, Westminster Chambers, Victoria Street, Westminster, S.W.,

15th February, 1875.

SIR,—

With reference to the Hon. the Minister for Public Works' Memorandum No. 74-74, of the 21st November, 1874, I have now the honor to enclose copy of a correspondence which has taken place relative to the articles deficient in the packages of two locomotives, constructed by Messrs. Neilson and Co., from which it will be observed that they are willing to pay the cost of replacing them in the colony.

I have, &c.,

I. E. FEATHERSTON,

Agent-General.

The Hon. the Colonial Secretary, Wellington, N.Z.

Enclosure in No. 5.

Mr. G. B. BRUCE to the AGENT-GENERAL.

2, Westminster Chambers, Victoria Street, S.W.,

2nd February, 1875.

DEAR SIR,—

New Zealand Railways.

We have duly received the Memorandum No. 74-74 from the Public Works Office, New Zealand, in reference to articles deficient in the packages of two locomotives constructed by Messrs. Neilson and Co. On receipt of this we communicated with Messrs. Neilson, and beg to enclose a copy of their reply.

This is the first instance in which any short shipments have been reported upon with regard to any locomotives sent out either from Messrs. Neilson or any other manufacturers. The bulk of the articles are very small, and might for the most part be easily overlooked in packing. At the same time these short shipments should not have occurred, especially in works so well laid out and