

296. But that could not have been done until the tunnel was opened?—No.

297. How long did it remain in their hands after it was open?—A long time; but a waggon could be taken through long before the tunnel was opened, and the stuff could have been taken through to Lyttelton, instead of being taken to Heathcote, where many thousands of yards of stuff were taken.

298. Would it have been practicable to have carried that from the Christchurch end to Lyttelton?—They could have done that while the tunnel was in course of construction. A waggon heading was taken through on Queen's birthday, 1867.

299. There is a letter from yourself to Mr. R. G. Stephenson, of London, dated June, 1867. Do you mean to inform the Committee that, long before that date, a waggon could have gone through?—I think it must have been May, 1867, when the drives met.

“DEAR SIR,—

“Christchurch, 5th June, 1867.

“You will be interested in hearing that, on the 29th ultimo, the drives of our port tunnel were connected with centre, lines and levels being perfectly true.

“Very little remains to be done, and I expect to have the engine running through by the end of next month. I enclose a newspaper which contains a tolerable correct account of the undertaking, and remain,

“Yours faithfully,

“E. DOBSON.

“R. G. Stephenson, Esq.”

300. How long did the line remain in the contractors' hands after that?—Till the middle of 1868.

301. That is about a year after you joined the drives?—Yes.

302. You think there would have been ample time for the spoil, if the Lyttelton end had been taken by Wright, for the contractors to have made arrangements to have brought stuff from Christchurch to have completed their reclamation?—Yes. All the stuff for metalling the Lyttelton station yard was brought from Christchurch.

303. This agreement with regard to the alteration of the original contract was made between yourself, and the contractors, and the Executive?—Yes.

304. Did you think at that time that the whole cost involved in the alteration would be £5,000?—Yes; but at the time the £5,000 was agreed upon I intended that the line would go straight out, and that the station would be upon a jetty, to be erected in a straight line from the tunnel.

305. Your intention was to have the original reclamation, and to carry the line straight to sea, out by means of a jetty?—Yes. I wanted to get the station there.

306. That reclamation was part of the original contract?—Yes; as shown on the original plan.

307. Then, we are to understand that, when this deviation was made, it was not your intention to make a larger reclamation, but to run the railway out along a jetty?—Exactly.

308. But this idea of a jetty in continuation of the railway being abandoned, then this extended reclamation became necessary?—Yes. A commission was appointed in London to report upon the harbour works, and they went dead against my idea of a jetty.

309. Did the contractors do this work—the additional work over which the dispute has arisen—under orders from you?—Not until it was sealed by the Executive that the station at Lyttelton was to be put down here [points to plan]. Then I gave them the line, so that the same curve might be preserved.

310. You gave them the line seaward?—Yes.

311. Did the Government at any time recognize the contractors' right to the spoil?—No; but they purchased the stuff from the contractors.

312. Was not that recognizing the right of the contractors to it?—I think so.

313. Did the contractors ever sell to any other person?—I do not know. I have heard so. I know the Government purchased metal for the Lyttelton station, and also at the Christchurch end.

314. Was the stone valuable for building?—It was too much broken for that. It is valuable for rubble.

315. *Mr. Baigent.*] The contractors received the £5,000 on account of straightening the tunnel?—Yes.

316. *Mr. Shrimski.*] You were Provincial Engineer?—Yes.

317. Is it usual to enter into such contracts as this verbally?—It is very unusual indeed.

318. You know what the claims of Messrs. Holmes and Co. are?—I have read the petition.

319. Do you know the amount of the claim?—Yes.

320. Have you ever been consulted on that claim by the Executive?—The Executive have asked me all sorts of questions for the purpose of forming their opinion.

321. Did you ever advise the Executive not to recognize the claim?—No.

322. Are you sure?—Perfectly.

323. Have you never reported to the Government with reference to the spoil?—You have before you two reports, in which I recommended them to pay 6s. per cubic yard.

324. *Mr. Murray.*] What was the cost of the work which had to be abandoned—the work already done?—Something like £300.

325. Would it not be easier to make a tunnel straight than round, as regards actual work?—I do not see that it would make any difference.

326. Did you consider that the alteration in the tunnel would cost £5,000?—Yes.

327. Was there more spoil owing to the alterations than there would have been under the original plan?—No. The excavation became very dangerous. We had to run between the Union Bank and Peacock's store and Aynsley's store. The ground was very bad, being boulders and running sand, and had to be got out in short lengths, and heavily shored, which was both difficult and expensive.

328. On what ground did the contractors claim the material from the tunnel?—On the ground of the terms of the contract. There is the clause:—“The Government will put the contractors in possession of the land coloured green upon the plan, free of all expense, and will also make arrangements for the use of any additional land that the contractor may require for temporary occupation, or for side cuttings; but all expenses incurred in respect of such additional land are to be borne by the contractor, and will be deducted from time to time from the balances to be paid him on account of the work.”