

1880.

## NEW ZEALAND.

## SUPPLY OF GALVANIZED IRON

(CORRESPONDENCE RELATIVE TO A).

*Return to an Order of the House of Representatives, dated 5th August, 1880.*

“That there be laid on the table a return of the correspondence between the Stores Department, Christchurch, and Mr. Conyers, Mr. A. D. Smith, and Messrs. Guthrie and Larnach, relative to a supply of galvanized iron.”—(*Mr. Wright.*)

## No. 1.

MEMORANDUM for MESSRS. GUTHRIE and LARNACH.

PLEASE supply 460 sheets galvanized corrugated iron, 8 feet; 153 sheets galvanized corrugated iron, 9 feet; 427 sheets galvanized corrugated iron, 6 feet; 2 bars iron, square, 2 inches (delivered).

New Zealand Railways, Stores Department,  
Christchurch, 18th June, 1880.

WALTER V. STEVENS,  
Storekeeper.

## No. 2.

MEMORANDUM for MESSRS. GUTHRIE and LARNACH.

ON the 18th instant I ordered per S/4/322 a quantity of galvanized corrugated iron. As none of it has yet been delivered, I have to request that delivery be made forthwith, or it will be purchased elsewhere on your account.

New Zealand Railways, Stores Department,  
Christchurch, 24th June, 1880.

WALTER V. STEVENS,  
Storekeeper.

## No. 3.

Mr. T. O. KELSEY to Mr. W. V. STEVENS.

DEAR SIR,—

Christchurch, 25th June, 1880.

In reply to your memorandum 686/80, we have to explain with respect to this order that the iron is for construction works, which ought therefore to be supplied by the contractor for the work in question. The contractor for the supply of railway stores could never have contemplated demands for such purposes, and their contracts merely apply for stores required for the repairs to be done by the Government railway workshops.

I have, &amp;c.,

THOMAS O. KELSEY, Manager,  
(for Guthrie and Larnach.)

Walter V. Stevens, Esq.

Mr. W. V. STEVENS to the STORES MANAGER, Middle Island.

Stores Manager, Middle Island.

THE above letter is in reply to mine to Messrs. Guthrie and Larnach, requesting to be informed why they had not delivered galvanized iron as per attached order. The iron in question is requisitioned for by the Locomotive Engineer for new workshops at Addington. I await your instructions.

WALTER V. STEVENS,  
Storekeeper.

25th June, 1880.

## No. 4.

Mr. R. CARROW to Messrs. GUTHRIE and LARNACH.

Messrs. Guthrie and Larnach.

PLEASE note that the work for which this galvanized iron is required, as per Storekeeper's order of 18th June, is not being performed under contract, but by the locomotive department. All material required for railway works on railway ground has to be supplied under contract, and, if you decline to furnish this material, we shall have to purchase it elsewhere at your expense. The iron is wanted immediately.

R. CARROW,  
Stores Manager.

25th June, 1880.

1—H. 2E.

## No. 5.

Mr. R. CARROW to the COMMISSIONER of RAILWAYS, Dunedin.

(Telegram.)

Christchurch, 25th June, 1880.

ABOUT 7 tons corrugated iron ordered from Guthrie and Larnach for erection of shops at Addington. Contractors demur to supply because material is for construction. They are clearly liable. Please authorize me to cancel order, and purchase at their expense at once. Order was given weeks ago.

R. CARROW,  
Stores Manager.

## No. 6.

Mr. ALLISON D. SMITH to the STORES MANAGER, Christchurch.

(Urgent.)

Locomotive Department, Christchurch, 26th June, 1880.

A WEEK ago 6,000 English fire-bricks were ordered for Addington. They are urgently required. Will you kindly instruct Storekeeper to send them at once?

ALLISON D. SMITH,  
Locomotive Engineer.

The Storekeeper, Christchurch.—Please get contractor to deliver above.—R. CARROW.—26/6/80.

## No. 7.

Mr. W. V. STEVENS to the STORES MANAGER, Middle Island.

I WROTE to contractor *re* non-delivery of fire-bricks on Friday last. I understand he is waiting till it is decided about Guthrie and Larnach having to supply the galvanized iron for the same job—they having, it appears, stated to Nashelski that they are not going to supply, as the work is for construction. I think it would be as well if you would please obtain authority for the purchase elsewhere at contractors' risk, if they still refuse to supply.

WALTER V. STEVENS,  
Storekeeper.

28th June, 1880.

## No. 8.

Mr. R. CARROW to the COMMISSIONER of RAILWAYS, Dunedin.

The Commissioner of Railways, Dunedin.

CORRUGATED iron, about which I wired on 25th: If contractors are not compelled to supply, there will be trouble about stores ordered for Addington shops from other contractors.

R. CARROW,  
Stores Manager.

Christchurch, 28th June, 1880.

## No. 9.

Mr. CONYERS to Mr. R. CARROW.

(Telegram.)

28th June, 1880.

*Re* galvanized iron. As our contracts are for the supply of working railway, and the contractors probably base their calculations upon that understanding, I do not see how we can fairly call upon them to supply the construction department also. If they are willing, I have no objection.

WM. CONYERS.

## No. 10.

MEMORANDUM for the COMMISSIONER of RAILWAYS, Dunedin.

*In re Supply of Stores required for New Works.*

IN reference to Messrs. Guthrie and Larnach declining to supply a quantity of corrugated iron lately ordered for Addington workshops on the ground that they were not bound by contract to do so, and that the supplying of articles required for construction was not contemplated when they tendered, I have the honor to state that stores required for new works have up till now been held to come within the contracts for railway stores. Messrs. Guthrie and Larnach's agent was allowed access to the Christchurch stores ledgers, to enable him to form some idea of the quantities of the various articles likely to be required, before sending in their tender at the end of 1878; and, as those accounts embraced a great deal of material bought from contractors and used on construction work done by the railway engineers, it seems to me that the contractors' excuse for not supplying will not stand good. I shall not, I hope, be thought officious in again bringing this matter under your notice; but I should be wanting in my duty to you if I did not draw your attention to all points of this question. If Messrs. Guthrie and Larnach are allowed to get off delivering this iron, they will, no doubt, on the same ground, decline to order the iron piping required for Orari water-service, unless they find (which I do not think likely) they can import it at a profit; and Mr. Nashelski will refuse to deliver a lot of fire-bricks ordered for the new shops, and very probably seek compensation for those which he has already supplied at a loss of about £6 per 1,000.

R. CARROW,  
Stores Manager.

Stores Manager's Office, Christchurch, 29th June, 1880.

Stores Manager.—The contractors may be called upon to supply stores for construction works carried out by this department under authorities issued to this office.—C. ADRIAN BARHAM (for Commissioner of Railways).—3/7/80.

## No. 11.

MEMORANDUM by Mr. R. CARROW.

*Stores required for Addington Workshops for the Locomotive Engineer, Christchurch.*

THE contractors have lately demurred to supplying the above, on the ground that the material is required for construction, and does not come under the designation of "railway stores."

This refers particularly to about 7 tons of corrugated iron and 6,000 fire-bricks lately ordered to your requisition. I have referred the question to the Commissioner, who has instructed me that all materials required for works authorized by himself are to be supplied by the contractors; but that the matter of tarpaulin shed, for which you, as I understand, require the galvanized iron, is a matter arranged between the Engineer in Charge of the Middle Island and yourself, so that, the authority not having emanated from the railway head office, the railway store contractors are not bound to deliver.

Please state if the fire-bricks are required on work for which you hold the Commissioner's authority.

Christchurch, 5th July, 1880.

R. CARROW,  
Stores Manager.

## No. 12.

Mr. ALLISON D. SMITH to Mr. C. Y. O'CONNOR.

(Telegram.)

Christchurch, 12th July, 1880.

COMMISSIONER refuses to allow me to get stores for new works at Addington under our contracts for stores. We have always hitherto obtained stores in that way for all works at Addington. This action in the matter will upset all my estimates and increase cost of work. Can you obtain Minister's authority for me to purchase stores as I have hitherto done? The work is well in hand, but will be brought to a standstill in a few days unless I can get the stores under contract. Guthrie and Larnach, finding that the price of iron had gone up, have got him to take this action.

ALLISON D. SMITH,  
District Locomotive Engineer.

## No. 13.

Mr. C. Y. O'CONNOR to Mr. ALLISON D. SMITH.

(Telegram.)

Dunedin, 12th July, 1880.

*Re* purchase of stores. Have referred question to Minister; but, unless you get the authority you ask for within a few days, I think it will be better to make arrangements for obtaining the materials elsewhere. Should think extra cost would not amount to very much.

C. Y. O'CONNOR.

## No. 14.

MEMORANDUM for the COMMISSIONER of RAILWAYS, Middle Island.

I HAVE the honor to inform you that the work in connection with the extension of the smith's shop is completely stopped through non-delivery of galvanized iron.

The Stores Manager has written to me and informed me that you instructed him not to supply certain galvanized iron which was requisitioned for the workshops, on the grounds that the authority for certain buildings did not emanate from the railway head office. I beg to point out that the large majority of the work that has been done at Addington has been carried out from authorities received direct from the Public Works Department; and that if your decision in this matter is final, then the contractors who have hitherto supplied the material will have just and equitable grounds for making large claims upon the department.

The whole question seems to hinge upon the fact that Messrs. Guthrie and Larnach, finding that the price of iron has risen since their contract was accepted, are striving by every available means in their power to rid themselves of their responsibility.

When stores are requisitioned for by the workshop department, in the ordinary course of business, it is not the contractor's place to inquire for what job the stores are required; or if it is, then we shall require to keep two separate store departments, on account of the large and varied assortment of stores used for construction department.

The foregoing question affects both the Working Railways and Public Works Departments; and, as the matter will not warrant delay, may I beg to request that you will see and arrange with the Minister for a final settlement of this question.

ALLISON D. SMITH,  
District Locomotive Superintendent.

New Zealand Railways, Middle Island, Locomotive Department,  
Christchurch, 13th July, 1880.

## No. 15.

Mr. C. Y. O'CONNOR to Mr. ALLISON D. SMITH.

(Telegram.)

Dunedin, 14th July, 1880.

*Re* your telegram of 12th *re* Addington workshops. I took this to be official, as it appeared to be so; but, before finally treating it as such, please say if it is intended to be official or otherwise.

C. Y. O'CONNOR,

## No. 16.

Mr. ALLISON D. SMITH to Mr. C. Y. O'CONNOR.

(Telegram.)

Christchurch, 15th July, 1880.  
As I am acting as your officer in the matter of new building at Addington my telegram is official. At the same time Stores Manager received telegram from Commissioner this morning reversing his previous decision.

ALLISON D. SMITH,  
District Locomotive Superintendent.

## No. 17.

Mr. CONYERS to the STORES MANAGER, Christchurch.

(Telegram.)

Wellington, 14th July, 1880.  
LET the contractors supply iron for the buildings at Addington. In future, if any article is wanted through stores, either for Public Works or other Government department, you are to call upon railway contractor for supply.

W. M. CONYERS.

Locomotive Engineer.—Please note. Storekeeper has been instructed.—R. CARROW.—13/7/80.  
Noted.—R. TRIGGS (for L.S.).—15/7/80.

## No. 18.

Mr. R. CARROW to the STOREKEEPER, Christchurch.

*Supply of Stores by Contractors.*

The Storekeeper, Christchurch.

I HAVE the honor to inform you that I have received instructions from Mr. Conyers (by telegram from Wellington, dated 14th instant) that the contractors are to be called upon to supply any article which may be wanted through the stores, either for Public Works or other Government department. Please, therefore, call upon contractors to deliver corrugated iron and fire-bricks lately ordered by you without any further delay, and remind Messrs. Guthrie and Larnach that the water-piping for Orari is expected by the middle of December next, at latest.

R. CARROW,

15th July, 1880.

Stores Manager.

## No. 19.

MEMORANDUM for MESSRS. GUTHRIE and LARNACH, Christchurch, by Mr. W. V. STEVENS.

I HAVE been directed to call upon you to supply the galvanized iron (corrugated) required by my order No. S/4/322 of 18th June last, within forty-eight hours if possible. Please have it delivered at the crane, and consigned to Mr. Ellis, workshops, at Addington.

WALTER V. STEVENS,

Christchurch, 15th July, 1880.

Storekeeper.

## No. 20.

MEMORANDUM for STORES MANAGER, Christchurch, by Mr. W. V. STEVENS.

*In re Order for Galvanized Iron.*

I HAVE the honor to inform you that, in accordance with directions contained in your memorandum No. 80/4/173 of 15th instant, I wrote to Messrs. Guthrie and Larnach requesting them to supply the galvanized corrugated iron under order, in terms of your letter above-mentioned, giving them forty-eight hours to make such delivery. They, however, still refuse to do so. I enclose herewith their reply to my letter, and await your further instructions. The iron is urgently required.

WALTER V. STEVENS,

Stores Department, Christchurch, 19th July, 1880.

Storekeeper.

Forwarded for Commissioner's approval to purchase at 30s. at contractors' risk, and telegram also.  
—22/7/80.

## Enclosure in No. 20.

Messrs. GUTHRIE and LARNACH to Mr. W. V. STEVENS.

DEAR SIR,—

Christchurch, 17th July, 1880.

In reply to your memorandum No. 730/80 we have to explain that the order referred to has been addressed to us in error, as we have no contract to supply the Government public works with material. Our contract is simply and solely for railway stores requirements, which are presumedly required from time to time by that department for repairs to the railway plant and machinery; and we are informed that Mr. Conyers has already instructed that the work for which this material is required is not of the character provided for by the contract.

We have further to submit that the galvanized iron is intended for some Government workshops, which description of work has until lately been invariably carried out by and under the supervision of the Public Works Department. In tendering, then, contractors could have had no conception of being called upon to supply material required for works foreign to the contract, as, until the last few months, public tenders have invariably been called for such new works of construction, and the successful tenderer has invariably had to supply his own material.

We would further point out that, if it was insisted by the Government that the contract is so embracing as it is now sought to make it appear, contractors would have legitimate claims against the department for construction works upon the railway in which material had been delivered by the builder rather than the contractor for railway stores. The Government, by their action in the past with respect to construction work, have taken a stand; and we respectfully submit that they cannot in fairness to the contractors now attempt to change their usual course with regard to such requirements.

We have, &c.,

W. V. Stevens, Esq., Christchurch.

THOS. O. KELSEY AND Co.,  
(Agents for Guthrie and Larnach Company.)

### No. 21.

Mr. CONYERS to Mr. ALLISON D. SMITH.

Office of the Commissioner of Railways Department,  
Dunedin, 19th July, 1880.

SIR,—

In a telegram dated the 12th instant, addressed by you to Mr. C. Y. O'Connor with reference to Messrs. Guthrie and Larnach's refusal to supply galvanized iron for the works you have been doing at Addington, and to the course which I consider it expedient to adopt, the following passage occurs: "Guthrie and Larnach, finding that the price of iron had gone up, induced him (myself) to take this action."

As this expression contains an imputation upon myself, which there is no possibility of misunderstanding, I desire that you will inform me in so many words upon what authority you made the statement. I expect to get a definite answer from you by return mail.

I have, &c.,

A. D. Smith, Esq.,  
Railways, Christchurch.

WM. CONYERS,  
Commissioner of Railways, Middle Island.

### No. 22.

MEMORANDUM for LOCOMOTIVE SUPERINTENDENT, Christchurch.

*In re your Requisition No. 26, of 16th June last.*

I HAVE the honor to inform you that, by direction, I called upon Messrs. Guthrie and Larnach to supply the galvanized iron required by your requisition as above. They still, however, refuse to supply, and in reply to my memorandum have sent me a letter, of which the attached is a copy. I have reported this matter to the Stores Manager, and am now awaiting his further instructions.

Railway Stores Department, Christchurch,  
20th July, 1880.

WALTER J. STEVENS,  
Storekeeper.

### No. 23.

MEMORANDUM for the COMMISSIONER of RAILWAYS.

*In reply to your Memoranda 80/101, 199/282.*

IN your letter bearing date 19th July above quoted, calling upon me for an explanation of an expression made use of in a telegram to Mr. C. Y. O'Connor, dated 12th July, I observe that my telegram has been misquoted. The clause of my telegram as copied in my letter-book reads thus: "Guthrie and Larnach, finding that the price of iron had gone up, have got him (meaning yourself) to take this action."

Reading my telegram in the form in which it left me, you will perceive that the remark is substantially correct, and conveys no imputation or disrespect to yourself, nor was it written with that intention, but was, I considered, borne out by the correspondence which is in the Stores Manager's and my possession.

Had my communication to Mr. O'Connor been in the form of a letter, the explanation would have been fuller; but as it was necessary to condense the telegram, I did not consider it necessary to enter into details.

If the price of iron had remained stationary, or gone down, instead of having risen considerably, there can be no doubt that Messrs. Guthrie and Larnach would have supplied us, no matter for what order, without raising any objection.

I would point out that during the last two years the total value of stores charged to construction which have passed through my department alone amounts to £8,199 6s. 1d., all of which has been supplied under our contracts; and until quite recently no question as to these stores being supplied by the contractors has been raised.

Please also see my letter to yourself, addressed to Wellington, dated the 31st July.

Locomotive Department, Christchurch,  
21st July, 1880.

ALLISON D. SMITH,  
District Locomotive Superintendent.

### No. 24.

Mr. P. CARROW to the COMMISSIONER of RAILWAYS, Dunedin.

(Telegram.)

Christchurch, 22nd July, 1880.

PLEASE wire authority to purchase galvanized iron for Addington workshops, at 30s. per cwt., mixed

lengths. Contractors still refuse to supply either this material or iron piping for Orari. The only way is to buy at their expense.

R. CARROW,  
Stores Manager.

## No. 25.

Mr. CONYERS to the STORES MANAGER, Christchurch.

(Telegram.)

Re purchase of galvanized iron.

Be guided by the rule laid down by the conditions of contract.

22nd July, 1880.

WM. CONYERS.

## No. 26.

Mr. R. CARROW to the COMMISSIONER of RAILWAYS, Dunedin.

Re Galvanised Iron required for Addington Workshops.

(Telegram.)

You telegraphed from Wellington, "Let the contractors supply." They still refuse. The conditions of contract, if not in your office, can be got from Storekeeper. Clause 14 empowers Commissioner to purchase if contractor fails to supply. Please send definite instructions in this matter, or delegate your powers to me, in which case I shall purchase elsewhere, and deduct any excess of cost from contractors' next account. Please wire reply.

Christchurch, 23rd July, 1880.

R. CARROW,  
Stores Manager.

## No. 27.

Mr. CONYERS to Mr. R. CARROW.

(Telegram.)

Re galvanized iron.

My powers in this matter are delegated to you. Carry out the conditions of contract.

Dunedin, 23rd July, 1880.

WM. CONYERS.

Interviewed Mr. Kelsey, and at his request agreed to delay ordering until 3 o'clock on Monday next, 26th instant.—R. C.—23/7/80.

Tuesday, 27th.—Mr. Kelsey, as agent for Guthrie and Larnach, agreed to deliver under protest.—R. C.

## No. 28.

Mr. CONYERS to Mr. R. CARROW.

(Telegram.)

PLEASE send at once copies of all correspondence between yourself and Smith re supply of corrugated iron for Addington.

Dunedin, 23rd July, 1880.

WM. CONYERS.

## No. 29.

Mr. R. CARROW to Mr. CONYERS.

(Telegram.)

I HAVE the honor to forward herewith copies of all correspondence which has passed between the Locomotive Superintendent, Christchurch, and myself, relative to supply of galvanized corrugated iron for Addington workshops.

Christchurch, 23rd July, 1880.

R. CARROW,  
Stores Manager.

## No. 30.

MEMORANDUM for Messrs. GUTHRIE and LARNACH, Christchurch, by Mr. W. V. STEVENS.

MR. KELSEY having arranged verbally with the Stores Manager that the galvanized iron under order for Addington workshops will now be delivered under protest, I have to request that you will send it forward to-day. The quantity can be slightly reduced as under: 424 in place of 460 8-feet, 125 in place of 153 9-feet, and 333 in place of 427 6-feet.

Stores Department,  
Christchurch, 27th July, 1880.

WALTER V. STEVENS,  
Storekeeper.

NOTE.—This reduction was made in consequence of a portion of the iron required having been issued from stock received from Oamaru.

## No. 31.

MESSRS. GUTHRIE and LARNACH to Mr. R. CARROW.

SIR,—

With reference to the large order of galvanized iron which is required by the Government for the Addington workshops, we have to point out that our delivery of same is subject to the protest which we now make: that such iron cannot legitimately be claimed under the contract, and that it is our

Christchurch, 28th July, 1880.

intention of appealing against this demand for material for construction works; and that we further claim to be paid for the galvanized iron so delivered—payment at the rate of £30 per ton.

We have, &c.,  
THOS. O. KELSEY and Co.,  
(Agents for Guthrie and Larnach Company.)

R. Carrow, Esq., Stores Manager,  
New Zealand Railways, Christchurch.

Acknowledged.—30/7/80.

Locomotive Superintendent.—Please note.—R. CARROW, Stores Manager.—30/7/80.  
Stores Manager.—Noted.—A. D. SMITH, D.L.S.—4/8/80.

### No. 32.

Mr. CONYERS to Mr. R. CARROW.

Stores Manager, Christchurch.

I HAVE just learned with unqualified amazement that copies of some of my official telegrams and other instructions relative to the supply of corrugated iron for the tarpaulin shed at Addington are in possession of Guthrie and Larnach, and that such copies were furnished by you.

All official papers which pass within the department are confidential, and it is competent only to me to divest them of their confidential character. It is impossible that you can be ignorant of this, and I am at a loss to understand under what hallucination you have allowed yourself not only to divulge but to give copies of these confidential communications.

I shall be glad to be favoured with your explanation.

WM. CONYERS,  
Commissioner of Railways, Middle Island.

Office of the Commissioner of Railways, Middle Island,  
Dunedin, 29th July, 1880.

### No. 33.

PROTEST from GUTHRIE and LARNACH.

The Commissioner of Railways, Dunedin.

I HAVE the honor to forward copy of a letter received from the contractors for delivery of iron, machine and boiler fittings, Christchurch, who are now delivering the galvanized corrugated iron required for Addington workshops under protest.

The fire-bricks are also being delivered by the other contractor, who merely delayed doing so until the supply of the iron was enforced.

I have the honor to suggest that a circular should be issued from your office to the effect that all goods required by the Railway Department for any Government purpose must be obtained through the stores.

29th July, 1880.

R. CARROW,  
Stores Manager.

### No. 34.

Mr. CONYERS to the Hon. the MINISTER for PUBLIC WORKS.

Hon. the Minister for Public Works.

WITH reference to the annexed copy of a telegram\* addressed by Mr. A. D. Smith to Mr. O'Connor, and to your minute thereon, I have the honor to inform you that, in terms of your instruction, I addressed a letter to Mr. Smith (copy of which I annex) peremptorily desiring him to divulge the authority upon which he stated in that telegram that Guthrie and Larnach, because iron had gone up in price, had induced me to relieve them of the onus of supplying the corrugated iron required for the Addington shops. Mr. Smith in his reply (which I attach) evades the question which I put to him, but states that he considers the remark "borne out by the correspondence," which is in his own and the Store Manager's possession. He pleads that in my letter to him I have misquoted him, that the expression he made use of was not "induced," but "have got"—"they have got him to," &c. Mr. Smith does not much improve matters by this correction. On the contrary, the expression he admits having made use of seems to me to be more mischievous and offensive than the one which I inadvertently substituted for it. Mr. Smith goes on to say that this remark conveys no imputation upon me, but I should be simply submitting to a stultification of myself if I were to accept such an assurance.

There can, I submit, be no doubt that the remark conveys, and is intended to convey, an imputation of corruption or of undue favour shown in disregard of the interests of the department.

I beg to state most emphatically that Mr. Smith's statement is as pointless and untrue as it is malicious, and that I had no communication of any kind with Guthrie and Larnach, or with their people, relative to this iron. The principle upon which I acted in dealing with this matter is pretty fairly set forth in a letter (copy annexed) addressed to Mr. Smith by the Stores Manager, who repeats there what I had stated to him (the Stores Manager) verbally on the subject.

And here, in order that some allusions in the latter letter may be rendered intelligible, it becomes necessary that I should explain to you that the building for which Mr. Smith wanted this iron was a tarpaulin shed which he had obtained an authority for, and carried on the building of, not only without my knowledge, but in absolute violation of my instructions. Mr. Smith had often importuned me about a new tarpaulin shed, but I had always refused to sanction it, telling him that I had made up

\* See No. 2 of Mr. Smith's correspondence (No. 12 ante).

my mind to appropriate an existing building in the Christchurch Station-yard, for which there was no other use for this purpose; and I was never more surprised than when I learnt, which I did accidentally, that a new tarpaulin shed was actually in course of erection at Addington. I was exceedingly angry when I learnt that my arrangements, made in the interests of economy, had thus been frustrated by Mr. Smith's action, and my first impulse was to report the facts to you, but I was after all deterred from doing so by the very gravity of the offence of which Mr. Smith had been guilty, and by considerations of the probable ruinous results to him if I adopted that step. It was from kindly feeling and consideration for him that I determined to adopt the alternative which was open to me, and to deal with the matter as one entirely between him and the Public Works Department; but I resolved not to identify myself in any way with the transaction and to take no responsibility in connection with it, and I intimated as much to Mr. Smith. It was in pursuance of this policy, as you will see by the Stores Manager's letter, that I refused to allow iron to be ordered from the contractor for this tarpaulin shed.

I submit that Mr. Smith's statement was false and scandalous, that it was most undoubtedly designed to prejudice me, and that his conduct was base and treacherous. I have no hesitation in saying that my confidence in his integrity and the soundness of his principles is not so much shaken as destroyed, and I feel very strongly that his continued connection with the railways under my control cannot fail to be detrimental to the best interest of the service.

The erection of the tarpaulin shed, seeing we already had a suitable building, was a useless and wasteful expenditure of money; and although, at the time of the occurrence, I did my best to screen Mr. Smith from the consequences of the disregard of my instructions, I now feel myself justified under the circumstances which have come to light in asking you to deal with the insubordination and disobedience which he displayed in that connection, as well as with his treacherous attempt to injure me; and I beg leave to ask that you will take such steps in regard to him as will mark the sense you cannot fail to entertain of the conduct of which he has been guilty.

I will not go the length of recommending his absolute dismissal from the service, but I shall be glad to see the more merciful course adopted of removing him as speedily as possible from his present post, and giving him some position out of this Island in which his ambition and his powers of mischief may have less scope than they have had here.

This is the recommendation which I beg leave to submit to you.

WM. CONYERS,  
Commissioner of Railways, Middle Island.

New Zealand Railways, Commissioner's Office, Middle Island,  
Dunedin, 29th July, 1880.

### No. 35.

MR. R. CARROW to Messrs. GUTHRIE and LARNACH.

I HAVE the honor to acknowledge receipt of your letter of the 28th instant, informing me that you would deliver the galvanized corrugated iron for Addington workshops under protest, and have forwarded a copy of the same to the Commissioner.

The Storekeeper has been instructed to certify for the iron at contract rates, 25s. per cwt., with an allowance of 1s. per cwt. extra on the 9-foot lengths, as customary.

Christchurch, 30th July, 1880.

R. CARROW,  
Stores Manager.

### No. 36.

MEMORANDUM for the COMMISSIONER of RAILWAYS, Dunedin.

*In reply to your Memorandum No. 534, dated 29th instant.*

I HAVE the honor to acknowledge the receipt of the above, and in reply would beg to state that you have evidently been under a misapprehension when writing the same.

The facts of the case are briefly as follows: The contractors demurred to supply certain iron. In terms of the conditions of contract I referred the matter to you. Upon receiving your ultimatum I acquainted contractors with its purport.

The contractors still demurring, I handed their agent your ruling in the matter, and called upon him to act in accordance therewith. I fail to see that I have done anything whatever to call for censure.

The terms of the contract make your decision in a matter of dispute binding, and in the present case I have simply conveyed a decision of yours to the contractor.

Stores Manager's Office,  
Christchurch, 31st July, 1880.

R. CARROW,  
Stores Manager.

Stores Manager, Christchurch.—I have seen a letter in which are embodied copies of my instructions to yourself.—W. CONYERS.—3/8/80.