

REPORT OF THE COMMISSIONER APPOINTED TO INVESTIGATE THE CLAIM OF MR. JOHN MARTIN.

No. 1.

The Hon. W. GISBORNE to Mr H. J. TANCRED.

SIR,— Colonial Secretary's Office, Wellington, 30th March, 1872.
I have the honor to transmit to you the accompanying instrument, under the hand of His Excellency the Governor in Council and the Seal of the Colony, appointing you to be Commissioner to investigate the claim of Mr. John Martin, on account of the contract for the new Government House.

The original records of this office on the subject are transmitted for your information.

H. J. Tancred, Esq., Wellington.

I have, &c.,
W. GISBORNE.

Enclosure 1 in No. 1.

G. F. BOWEN, Governor.

WHEREAS, on the thirty-first day of August, 1871, John Martin, of Wellington, merchant, presented a petition to the House of Representatives, stating,—

That in the month of February, 1869, an advertisement was published, inviting tenders for the erection of a new Government House in Wellington; and

That a number of tenders were put in for the said works, and

That the petitioner, before these tenders were put in, had consented to become surety for Mr. Ben Smith, of Wellington, in case his tender of £13,615 for the said works was accepted; and

That the petitioner had been informed that shortly after the tenders were put in, Mr. W. H. Clayton, architect to the Commission, sent for the said Ben Smith, and informed him that his (the said W. H. Clayton's) estimate for the works was £10,583 only, and that he could not, therefore, accept any of the tenders put in, but that he would reduce the quantity and character of the work, so as to bring it within the estimate and leave a fair margin of profit, and would then give to the said B. Smith the preference as a contractor; and

That the said W. H. Clayton then made alterations in the said works, and, as the petitioner was informed, stated to the said Ben Smith that such alterations would so reduce the quantity and character of work to be done as would enable him to contract for the same at the estimate made by the said W. H. Clayton, leaving a fair margin of profit; and

That the said Ben Smith, as the petitioner was informed, relying on the statement of the said W. H. Clayton, accepted his proposals, and at once entered into a contract for the proposed works; and

That the said Ben Smith, and the petitioner, and one James Osgood, as his surety, on the eighth day of April, 1869, entered into a bond for the performance of the said contract; and

That when the petitioner became security for the said Ben Smith, he was informed by the said W. H. Clayton, and fully believed, that the reductions made by the said W. H. Clayton in the works would so reduce the cost of the same that the sum of £10,583, as the contract price thereof, would leave to the contractor a fair margin of profit, and the petitioner avers that but for such assurance he would not have become surety for the said Ben Smith; and

That the said Ben Smith, shortly after entering into the said contract, commenced the said works; and the petitioner relying on the statements of the said W. H. Clayton, provided the said Ben Smith with large sums of money and large quantities of materials, to enable him to carry on the said works, and

That the said Ben Smith, during the progress of the said works, became bankrupt; and

That, at the date of his bankruptcy, the said Ben Smith had received on account of the said works the sum of £2,674, leaving a balance to be received on completion of the said contract of £7,909; and

That immediately after the bankruptcy of the said Ben Smith, the petitioner saw the said W. H. Clayton at his request, and the said W. H. Clayton told the petitioner that, in order to save him from loss under the bond, he would permit petitioner to complete the works, and again assured petitioner that the same would be completed within the original estimate of £10,583, leaving a fair margin of profit; and

That the petitioner, relying on such assurance, consented to carry on the said works for the Government, and did in effect carry on and complete the same to the full intent and meaning of the said contract, and to the satisfaction of the said W. H. Clayton, as architect of the said works, and believed himself in the position of a person employed to carry out the work, and that the performance was given to the petitioner solely in order to save him from loss as a surety under the said bond; and

That the petitioner found that the price at which the said contract was taken was inadequate for the work, and the same would, as in effect it did, cost the full amount for which the said Ben Smith had tendered, and that the reductions made by the said W. H. Clayton were wholly inadequate to reduce the cost of the said work to the sum of £10,583; and