

406. You know nothing more of what passed between Mr. Martin and Mr. Clayton, or the terms on which Mr. Martin was carrying on the works, beyond what you have stated?—The only thing I know about the matter is just what I have stated: that Mr. Clayton arranged with Mr. Martin to carry on the works, and I came back to work and act for Mr. Martin in the matter. I simply said, "I am very sorry that things have turned up as they have."

407. Did you get your discharge from the Court?—Yes.

408. Did you put in the contract as an asset?—No; I could not say so to my knowledge at the present moment.

409. Who was your trustee?—Mr. Rainie.

410. Did he ever claim to take it as an asset?—No. I can only say this, that he told me that he had made no claim about the matter. If he has made any claim in writing, I am not aware of it.

411. Was Mr. Clayton from time to time about the works?—About once a week or so.

412. Through whom did all the orders for material pass?—After my stoppage?

413. Yes.—Through Mr. Martin.

414. You got all your supplies and advances from Mr. Martin?—Yes. He supplied all the materials. In case Mr. Martin was not in, Mr. Schwartz signed. Otherwise Mr. Martin went down to the sawmills, and said, "Whatever Smith wants, it is all right; supply it, and put it down to my account." Whatever was supplied was always supplied for Mr. Martin, and not for me in any way whatever.

415. *Mr. Attorney-General.*] Then how much did you put down in your schedule as being owing by you to Mr. Martin?—I could not say now from memory.

416. You can't recollect that?—No; to tell you the truth, if I had had a shilling in my pocket this morning I would have gone and got a copy of it.

417. You know that all the progress payments from October were received by Mr. Martin?—Yes. I don't know from October, but from some date they were.

418. Why was that?—He became security for the overdraft at the Bank of Australasia.

419. That was a cash credit for £500?—Yes.

420. You mean to say that all the progress payments went to pay off that cash credit?—They were given to him as security for that.

421. Then, as they were received they went in reduction of that cash credit?—I could not say that. In fact, to tell you the truth, I am a little confused about that. What I know is, that Mr. Martin became security for £500, and it became advanced to £700. There was £200 added to the £500 cash credit at the Bank.

422. Then, do you say that all the moneys he received under these orders in November, December, January and February, went in reduction of it?—No. It never got less at all.

423. You were always £500 and more behind?—I was always £700 behind. It was always lying there.

424. Directly Mr. Martin got these moneys and put them to your credit, you got further advances?—Yes.

425. And you were still paying your workmen by cheques on the Bank of Australasia up to the time of your stopping?—Yes.

426. Until the 13th January, when you could not pay any more, and then you got a cheque from Mr. Martin for £100?—Yes. Mr. Clayton gave it to me.

427. Had you a conversation with Mr. Clayton on the same day which led to his going down for it?—I have stated that.

428. Not on the occasion when Mr. Martin was present, but when the men were waiting for their money?—They were not waiting for their money. Mr. Martin was going South, and on Thursday the 13th I went to Mr. Clayton and told him I should not be able to pay the wages on Saturday the 15th, and that I did not know what to do. I was getting no progress payments, and so on. "The fact of the case is," I said, "Mr. Martin is my surety, and went into this matter on your recommendation, and you had better go down and see him;" and he did go down, and I got the cheque on Saturday morning.

429. Had you any conversation with Mr. Clayton between that day on which you supposed he went down and the day on which you got the cheque?—I don't think I had. I recollect meeting Mr. Clayton in town, on his horse, and getting the cheque from him, and going up at once and paying the men.

430. Did Mr. Clayton object to having anything to do with this cheque?—No. If I remember right, I think he paid the money into his own account, and gave me his cheque, I believe he gave me a cheque on the Bank of New South Wales.

431. Did not you beg of Mr. Clayton to get this cheque for £100 for you, and did not he object to being mixed up with the transactions about wages?—No; nothing of the kind. When I talked with Mr. Clayton, I said "Go down and see Mr. Martin." Of course he must have gone, or I should not have got the money.

432. Previous to this you had letters in which Mr. Clayton complained of the way in which the work was carried on?—I could tell if I saw the letters.

433. You don't recollect it?—I recollect there was something. I recollect Mr. Clayton speaking about the matter, and my saying I had not drawn more than 50 per cent. of what I had done, and that the works would be stopped and my credit destroyed. But, of course, these things are two years old.

434. You have no recollection of a letter in which Mr. Clayton said he would complain to your sureties?—There might possibly have been, but I don't recollect. I believe there was, but I don't know anything about the contents.

435. Then it made some impression on your mind?—I know I wrote about not getting sufficient money advanced.

436. Had not you and Mr. Clayton and Mr. Martin a meeting at which an arrangement was to