

the case was this: This man was a cantankerous man, and he sued Mr. Martin for the money. I was called in on the spur of the moment as a witness, and Mr. Borlase was called in on the spur of the moment as counsel for Mr. Martin. There is how the whole thing turned up.

741. Do you know why Mr. Martin disputed this debt?—Because I found this man, who was working by the day, asleep at his work. I found him asleep in the tower, and I kicked him off the building. He was found asleep upon one or two occasions. There were rows between him and almost every workman on the building.

742. You engaged Petford, did you not?—Yes.

743. Then why did he not sue you?—Because he knew I was engaging him for Mr. Martin. Everybody knew I was engaging the men for Mr. Martin.

744. *Mr. Brandon.*] What was the agreement in the contract referred to?—There was no written agreement.

745. *Mr. Attorney-General.*] There is a report of that case in the *Independent* of 21st January, 1871. I ask you is this true or untrue:—"Ben Smith deposed: I am the contractor for the Government House. Mr. Martin is not a joint contractor. He is surety for me to Government. I hired Mr. Petford in my position as contractor; but I never told Petford that Mr. Martin was responsible to him. I gave him the authority for making any alterations, and paid him for them, but never authorized him to purchase any tools, such as he has down in his bill. Mr. Martin used to visit the work often. We were over contract time, and he was anxious to see the work hurried on with, so as to get in his money that was lying idle, but he never took on men nor discharged men.

"By Mr. Allan: I became bankrupt, and the Government called on Mr. Martin to finish the work. I know he had to find the money for me. Upon my orders he pays for all the material. My creditors are to get the profits, I hope, if there should be any. I was not satisfied at all with the work of Mr. Petford. Mr. Martin is not the managing man, and he does not know who is taken on or discharged. I would not allow him to discharge any one against my wishes, while I am recognized by the Government as the contractor. I never made use of such words as "I don't care if the b—y place burns down." My character is too well known in Wellington for any one to believe that I could use such language. Mr. Martin pays money on my order.

"By Mr. Allan: Mr. Martin receives all money.

"John Martin called: I am surety for the contractor of the Government House, but I have not interfered with the contract in any way. I have advanced over £7,000, for which I am to get a commission if things turn out well, but nothing more; and if there is any profit over that it goes to the contractor, Mr. Smith.

"By Mr. Allan: The Government did not call upon me to finish the contract, but they asked me to be responsible for my surety of £1,000. I then told Smith that I would advance him, on commission, the necessary money to complete the work, so as to save my £1,000. I asked Petford, 'Why don't you make overtime? I should like to see all the men make overtime, as it is a very serious matter to me.' I have always held myself responsible for orders for work signed by Smith. I have done so hitherto, but I don't know how much longer I shall keep up, as I think the work is overpaid by this time." Is that report true or untrue?—How can I tell whether it is correct or incorrect. I can only say this, that it is a very varnished report, because the press was biased against Mr. Martin at that time.

746. *The Commissioner.*] What sums are down in your schedule that belong to the Government House work?—Wages due to the men, £100; Turnbull, Reeves, and Co., £918; Vennell, Mills, and Co., £217; Wm. Fleet, for bricks, £27; Maslem, £65; Tonks, £60 8s.; W. M. Bannatyne, £124 2s.; John Tolly, £21. These are all, besides Mr. Martin's advances. The figures may not be correct to a pound or two, as the schedule was made up in a great hurry.

747. *The Attorney-General.*] Were there not orders from Mr. Clayton to pay Turnbull, Reeves, and Co.?—The paper between me and Turnbull, Reeves, and Co. was made by the Clerk of the Works, and not by Mr. Clayton.

748. The orders from Mr. Clayton were towards this £918?—Yes.

749. These orders were given between September and October, 1869?—You know.

750. They were long before the insolvency; you gave a deed to secure them?—No; I gave them bills, to be paid out of the balance of the contract.

751. Did you give any order on the Government?—The arrangement between me and Turnbull, Reeves, and Co. was, that the order should be given on the Clerk of Works; but instead of being given to the Clerk of Works they were given to Mr. Clayton, and these orders are part and parcel of this £900 that I received 75 per cent. on in the £2,674 paid to me.

752. You gave the order and spent the money on other things?—Yes, in paying wages and other things.

753. *Mr. Brandon.*] But the deed given subsequently to Mr. Martin, was it not for the cash credit at the Bank?—Yes.

754. And did not the money you drew from that go in payment of the materials you had previously ordered and used for Government House?—Yes.

755. Had not Turnbull, Reeves, and Co. been paid for the various things they had supplied before?—Yes, some four or five hundred pounds. In fact I think it was upwards of £500.

756. *Mr. Attorney-General.*] Do you mean to say that some of these orders you gave to Turnbull, Reeves, and Co. were paid?—No, it was money prior to these orders. This is the balance, and these orders are contained in that balance.

FRIDAY, 16TH APRIL, 1872.

Mr. CLAYTON in attendance, and further examined on oath.

757. *The Commissioner.*] Why did you ask Mr. Martin for that bill in September, 1870, for commission on extras?—Mr. Martin had taken up Mr. Ben. Smith's previous bill, which was dishonoured; and hence the reason why I drew upon him for commission on the balance of the extras.