

with us as if it came from the Resident Engineer or even the Engineer-in-Chief. It is said that he had no authority. In the general conditions you will find that the Resident Engineer can order the contractor to carry on the works in any way he wishes, but he will not be responsible. But the contractor is responsible. That is in the general conditions. I am not sure which is the clause. The Engineer-in-Chief has power to give directions as to the manner of doing the work. He would not be responsible; but the contractor would be responsible in carrying out such directions. For every level shown on the drawings, according to the general conditions, the contractor is responsible. In the same way the Resident Engineer or the Inspector is empowered to direct the contractor, and the contractor is bound to carry out their instructions. I have a note from Mr. Witheridge somewhere relative to the discharge of a workman. There is a clause (11) of the report which I wish to refer to in regard to the work, Sims's "Practical Tunnelling." It is a standard work, and, though stated to be somewhat out of date, it is a work of authority.

3. *An Hon. Member.*] Who do you get your experience from?—From the best expert workmen we can obtain. The men we employed were John Riordan, who had been in the employment of Mr. Danaher, and who was in charge of our work, until he met with the mishap in the tunnel which caused him to lose his life. We employed Patrick Smith, who had been previously employed in the Poro-torau Tunnel; also John Bate Clemow, who had been also engaged in the construction of the Poro-torau Tunnel. We employed one other man named John Hunter. We worked in three shifts: each of these men were responsible for the work during the shift. With these men we considered ourselves capable of doing the work of this contract, and quite equal to anything in work of this class. With regard to the Inspector, I am told that he had never anything to do with tunnelling. I am not saying anything against him as a mechanic. I am not aware he had ever had anything to do with tunnelling. I may say the same in regard to the Resident Engineer. I have no knowledge of his ever having been in charge of works of this kind and magnitude. It is stated that it was through our inability to carry out this work that this accident occurred. That is not in accordance with fact. Referring again to Sims's work on "Practical Tunnelling," it has for a long period been a work of standing authority. There never has been any better method discovered. But we did not rely on that work. We used our workmen's experience and our own, and expert experience by practical men who had been long engaged in work of this kind. Referring to the sills spoken of in the petition: The end of the sill is left in the brickwork until the arch is built up to what is termed the key, when it is drawn, when the weight is thrown on the brickwork, but only for perhaps a couple of hours, during which the work would be without support. The work is run up as quickly as possible until the arch is complete. There is always a leading-sill to keep the weight off the brickwork until the whole thing is arched and the work is complete. Now, with regard to the interview with the Premier: I do not say that an actual promise was given to us by the Premier. But, from the conversation I had with the Minister, I left him having the opinion that, our case being exceptional and very hard upon us, it would be equitably dealt with. Just before leaving, Mr. Jackson-Palmer was with him, and he certainly had that opinion also.

4. *Mr. Taylor.*] Was he present at the interview?—Yes, he was present. In clause 17 the report states "When the contractors were ready to recommence the lining, the Resident Engineer had already increased the brickwork right through." But he did not do so until we called his attention to the fact of the tunnel caving in. He came there one evening, put his level along the crown of the tunnel, and found it had come down 5 in. He stated that we had taken the wrong levels. I hardly understood the cause of it at the time; but afterwards my brother, being with me, we thought it so serious a matter that we took the measure of the tunnel, and, applying the level, found that it had come in 9 in. at formation-level. That seemed to us a serious condition of affairs. We informed the Engineer, and, without instruction, we placed parallel timber along the footing, and put transoms across, and put props up, and other cross-bearers. We found that the brickwork had come in 2½ in. in a period of four hours. The Engineer was up two days after. Referring to clause 18 of the report: McGonagle is an experienced man. I will bring him and other witnesses, who will show that such is the case. He has had charge of works of this kind. What we say is that he was an experienced man in connection with tunnelling; he had at that time just come up from the Manawatu Gorge Tunnel, where he had been previously engaged. He was an Inspector nearly the whole of the time the tunnel there was being constructed. He had had experience of other tunnels also. Mr. Witheridge is a competent mechanic, I admit. He is a stonemason by trade. I do not know whether the work which he had previously been in charge of was satisfactorily carried out, until the case of this Makarau Tunnel. What we contend is that he was not a capable Inspector for works of this class. We had been working on that tunnel for two years. In these two years we contend that a man of average mechanical knowledge in these matters would become competent. It was, no doubt, anticipated that the tunnel would go through sand-rock. Sand-rock is the best, or one of the best, materials which a tunnel could go through. I feel certain that the department was satisfied that such was the nature of the ground. I would ask that you have the Government estimate of the job, so that it may be clear how much we were below the Government. It will enable the Committee to see what the Government thought would be the proper cost of such work. I can say that the work we did in connection with this was good work for this class of work; and until we came upon this soft ground we made a fair profit. In connection with this clause (8 of specification), Mr. Blair was Engineer-in-Chief. He had decided to put a clause of this description into the contract. This was the first contract in which I saw a clause of this kind put into the specification. It was considered that the contractor was responsible for all slips. Our firm had done some work for Mr. Blair in the South Island. He paid us for slips. When this was first introduced, Mr. Blair having come to such a decision, it appeared to us that the Government would pay for slips. We had not made any provision for slips. We based our estimate on the supposition that if we carried out the work to completion, although the Minister made us no promise, our case would be favourably considered.