

As a matter of fact the Minister made no promise, except that the matter would be considered. If the actual nature of the ground had been ascertained by the department, as was generally done in works of this kind, we would not have been misled, so that this tunnel could not have been done for less than £8,000 more than we are claiming—that is, to allow the contractor a fair amount of profit. But the claim we are making is not for the actual amount of loss we have sustained. Our total expenditure was something more than £39,000. We submit, if all the circumstances are taken into account, we have an equitable claim. I would remind the Committee that the railway has not been used for general purposes; it would not have been used if it had been completed at contract time. That would have been in 1892. The railway was ready to remove timber. That was the only product to be removed. It was ready for the timber when the timber was ready for removal. They are now taking timber on it. I wrote a letter to the Minister for Public Works in 1893, to which I received no reply. That letter embodies everything that is in our petition. There are some other letters in connection with works, and in connection with the slip that occurred at the north end after the eastern wall was bricked up (29th January, 1896). Mr. Vickerman, the Resident Engineer, came up on receiving that letter. This is his reply, which he made in the course of our conversation (Letter, 4th February, 1896). Then I had a letter (12th February, 1896). Then there is the letter (17th February, 1896), and then a letter (20th February, 1896). We next sent in our claim with a letter attached.

5. *Mr. Blow.*] What is the date of that letter?—I have not the date of that letter.

6. Have you any idea of the date?—It was some time in August.

7. Would not the first paragraph in letter of the Engineer show it?—The date of the letter must have been the 2nd July. Our claim was in due form. We enclose our claim for extras in addition to those admitted, and then we refer to the correspondence. The reply we received was dated the 20th August, 1897. Now, we ask the Committee to consider that we come here for equity. All Government contracts are more or less one-sided. The Engineer is the sole arbitrator: he should be a wholly unbiassed man in connection with any work he has to decide upon. I do not see how the Engineer-in-Chief can arbitrate upon questions of dispute with officers appointed under him with an unembarrassed mind.

8. *Mr. Hales.*] Is that so? Was not the Engineer to notice a difference of 10 ft.? The whole of these matters are details?—We received Mr. Vickerman's letter, that of the 4th September, 1897. It seems strange that the responsibility for land washing away into the creek should have fallen upon the contractor. It is a small matter, but, in justice, I think we should receive the amount for it. According to the data given in the specification we concluded that it would be firm ground. There was no part of the tunnel shown to be on soft ground. But this specification was not followed by the department. We consider that, with respect to the ironwork, we ought to be paid for the bolt-ends.

9. *Mr. Blow.*] You have been paid for them?—We again wrote appealing for the favourable consideration of this matter. To that letter we received no reply. We claim £5,371. I have endeavoured to make these matters plain to the Committee: to make the Committee understand what were the conditions of the contract. I do not think I can say anything further.

10. *The Chairman.*] You invite the attention of the Committee to the passage in the specification which states that the contract boards were not to be removed in less than three days?—Yes.

11. You understood it was to be sandstone rock. Would that be a reasonable time if it was wet?—It would not be a reasonable time if the ground was heavy. The mere wet would have nothing to do with it.

12. Did you understand from the authorities that the ground was firm, and upon that understanding you calculated your contract; and you say that you would not put in the same contract if you knew the ground was "heavy"?—That is so.

13. How did you get this boring; of what did it consist?—We were informed by men who had been boring on the survey, and that the boring was there.

14. Did you get any details as to the boring?—No more than that it was sandstone.

15. How many were made?—Only one, as I have stated in my petition.

16. *Mr. Duncan.*] Did you examine the ground to see where borings had been made?—Yes.

17. Upon examining the ground previous to tendering, was the ground pointed out to you where the boring had been made?—Yes.

18. Did you know it was not on the line?—We knew it was not on the line.

*Mr. McLean.*] We were running alongside the sandstone all the time.

19. *Mr. Morrison.*] The department has made the statement that your tender was too low. Did you not know you would have to go through to the creek?—I made no assumption whatever that the ground would be soft. Whether it would be soft was shown by the price obtained in tenders for tunnel-excavation. My contention is—and I can have it substantiated by expert witnesses—that tunnelling in soft ground is the most expensive kind of tunnelling which it is possible to do, whereas sand-rock is the best kind of material to tunnel through. Soft ground may be even more expensive than the hardest rock.

20. What is your meaning when you speak of soft ground?—It is not soft in the opening up—it is hard, consolidated clay—it is close, dense clay; but in the opening up it is hard. It becomes soft by exposure; in consequence of water percolating through it, it becomes of an extremely soft nature. It is a consolidated clay, of a blue colour.

21. Is it hard to cut?—It is very hard to cut. The immediately-adjacent ground is sand-rock, which carried water on to the work.

22. Thus converting the hard clay into soft puddle?—Yes.

23. Did you complain of it?—To Mr. Vickerman, the Resident Engineer.

24. He seems to have made no report of your complaint to Mr. Hales?—At the time we complained to Mr. Hales himself.

25. *Mr. Hales.*] When?—On the occasion of my visit to Wellington.