

148. In your experience, have you ever found that where there would be soft ground underneath them they would be required to be placed in, and in hard ground not always?—In the case of a boulder that might happen. There might be a case.

149. And yet you would have to put that plate in because it was soft where you wanted to put the upright?—If I found it soft, but hard near the middle, I would put in a longitudinal one under it at each end, so that it would not break over the hard piece in the middle.

This completed the case for the petitioners, and the Committee adjourned till the following day.

WEDNESDAY, 15TH DECEMBER, 1897.

Mr. Blow, Under-Secretary for Public Works, made a statement on behalf of that department, and was examined :—

Mr. Blow : This claim arose out of a contract by the petitioners, dated the 13th March, 1890, the contract date for completion being the 1st March, 1892, under a penalty of £20 per week. The contract sum was £26,616, and, amongst other things, the contract provided for the construction of a tunnel 627 yards long. The contract was not actually completed until the 13th May, 1897—five years and two months after the date specified. Extra works were performed to the amount of £3,995 18s. 7d., but there were reductions in the contract sum, consisting largely of the agreed charge for the hire of an engine and trucks that the contractors got from the department, totalling to £432 19s. 4d. So that the net amount extra after deducting the reductions was £3,562 19s. 3d., and that amount was paid to the contractors. I will put in the Engineer's final certificate, with his report on the work, and a full schedule showing how the whole of these additions and reductions were arrived at. [Documents handed in.] This certificate was signed by Mr. Vickerman, the Resident Engineer. It is usual for such statements to be also signed by the contractors, but in this case the contractors declined to sign, because the other items were not included there. So that the final certificate bore the signature of the Resident Engineer alone. As evidence that this amount was duly paid to the contractors, I put in a copy of the final voucher. [Document put in.] The contractors now claim £5,371 16s. 3d. There are really only two items in this claim. The first is for slips, and the second is for the additional cost of the work in the tunnel over and above what they expected it would be. I have therefore simply to address myself to these two points.

1. *Mr. Crowther*.] What is the amount claimed on account of slips?—£725 6s. 3d., and the balance of £4,646 10s. is claimed for the tunnel.

Mr. Blow (continuing) : As regards the question of slips I will ask the Committee to glance at two paragraphs of Clause 8 of the specification. They have been referred to before, but the question is of such importance that I would like to have them read again. [Mr. Blow then read paragraphs 2 and 6 of Clause 8 of the specification, and drew particular attention to the last part of the latter paragraph, where it stated, "No slips will be paid for under this clause except those that are in the opinion of the Resident Engineer due to steepness of slope, and for which an order has been given beforehand."] The author of this specification seems to have been more particular than usual to make this point perfectly clear. It is perhaps usual only to say what the contractors will be paid for and to leave it to be inferred that they will not be paid for anything else; but in this case, to make it perfectly clear, it is stated precisely what will be paid for and precisely what will not be paid for. The department contends, and their Engineers will be prepared to support that contention, that the slips in this case distinctly come under the former paragraph—namely, slips owing to insufficient drainage, for which no payment shall be made. We contend they distinctly do not come under the latter head—due to steepness of slope. To protect the Department in this matter the author of the specification also provided that the Engineer of the works should be the sole judge as to whether the slips were due to steepness of slope or not, and they were not to receive payment unless in the opinion of the Engineer they were due to steepness of slope and he ordered their removal. The opinion of the Engineer was that they were not due to steepness of slope, and he did not order their removal.

Now, as to the date when these slips happened. This contract should have been completed on the 1st March, 1892. The first serious slips occurred in March, 1893—a year after the work should have been finished. Slips to the extent of 5,000 or 6,000 yards came down in March, 1893. The first serious slips happened in March, 1893, but another very serious slip at the back of and alongside the tunnel wing-wall did not happen until January, 1896, when the contract should have been completed four years. As I say, the department contend that the claim for slips is clearly barred by the terms of the specification. But, even if that were not so, the contractors having kept their works running on for such a length of time—having exceeded the contract term nearly three-fold—it would indeed be unreasonable to ask the Government to be responsible for slips that occurred through their extending their works, to suit themselves, for such a tremendous length of time. Some correspondence took place with reference to these slips, and I should like to have it before the Committee.

Mr. Blow then proceeded to read a number of letters and telegrams, being communications between the department's officers on the spot, and the heads of the department in Wellington, with regard to the progress of the works and the difficulties met with. They comprised: Report of the Resident Engineer to the department, 1st March, 1893; ditto, 9th January, 1896; ditto, 13th January 1896; reply of the department to the latter dated 20th January, 1896; telegram to the department from the Resident Engineer, 13th February, 1896; reply to same, 15th February, 1896; letter by contractor *re* slips dated 12th February, 1896 (on page 1 of printed exhibits). As the accuracy of this copy was disputed by Mr. McKenzie, it was compared with the original and found to be quite correct. Memorandum by Mr. Vickerman, Resident Engineer, dated 22nd February, 1896 (page 2, number 6, printed exhibits). This also was compared with the