

49. How far from the entrance?—I think, about 30 chains. They are within 2 or 3 chains now, I think, of the bed of the creek, with the heading—that is to say, they have to drive 2 or 3 chains further to be under the creek.

50. What would be the effect of driving from the Bealey end if you once got below that place? Is there any danger of a sudden irruption of water into the tunnel there?—Not unless there is a fissure in the rock immediately under the creek.

51. If there were a fissure what would happen then?—The water from the creek would flow in until steps were taken to stop it.

52. How could you stop it?—Probably one way would be to flume the Punchbowl Creek over the spot, and then steps could be taken to stop the crevice.

53. Would you do that after the water had come in or would you do it before?—It would have to be done afterwards, because you would not know that there was any necessity for it until the water had started to come in.

54. Supposing you happened to strike a fissure and the water came in, would there be any danger to the lives of the men working there?—I do not think so.

55. You would not think that a very grave obstacle, then?—No. I do not think there would be any very great difficulty in overcoming it.

56. It would not be a sufficient obstacle to cause the contractors not to continue the tunnel from that end?—No, I do not think so.

57. If Mr. McLean is unable to complete his contract, it has been stated in evidence that the work could be carried on as expeditiously and as cheaply by day-labour by the Government: what is your opinion on that subject?—I am sorry to differ from that statement.

58. You say that by day-labour the work could not be done so cheaply or expeditiously as by contract?—I am certain the Government could not carry it out by day-labour as cheaply as a contractor could do it.

59. Do you care to give your reasons for that?—If the Committee will excuse me I would rather not.

60. Can you suggest any other method by which it could be done? Is there any intermediary between day-labour and a large contract?—The course that I should suggest, if I were asked to make a recommendation, would be to readvertise the work and let it by contract again.

61. That you think would be the most economical method of carrying out the work?—Yes.

62. Do you think there would be a probability of people contracting for a work of that kind?—I think there would be very great difficulty in letting a contract at the present time, or even obtaining a tender for it, judging by the difficulty we have had in obtaining tenders for similar work elsewhere.

63. Do you consider that the work still to be done in that tunnel will cost more per chain than the work already done?—Certainly. All the easy part has been done—that is to say, all the short-lead work has been done.

64. How much greater do you think the cost will be to complete the tunnel now than has been the case up to the present stage?—I can hardly answer that without going minutely into the question. I should not be at all surprised at an advance of anything between 15 per cent. and 25 per cent.

65. Have you formed any opinion at all as to what time it would take to complete that tunnel now?—No, I have not gone into that.

66. *The Chairman.*] You referred to a tunnel just now on the Cass-Bealey line: £32 a yard, was it not?—Yes.

67. When was that tunnel constructed?—Just before the Otira Tunnel contract was let—say, seven years ago.

68. I understand you to say that to-day if you had to construct a similar tunnel the cost would be—what?—The same-sized tunnel would probably cost us up to about £38.

69. *Mr. Davey.*] Did I understand you to say that you questioned whether the Government could do this work by day-labour as cheaply as a contractor?—Yes.

70. Do you think it could be done by co-operative labour?—It could be done by co-operative labour—well, I have my doubts whether it could or not.

71. You think that if an attempt were made to do it by co-operative labour it could be done as cheaply?—I do not think so.

72. Supposing that Mr. McLean were separated from the contract in the future and that tenders were again called for the work, do you think it would be quite fair to call for tenders? Everybody then would know of Mr. McLean's trouble and the cost to date. Do you think it would be possible to get a tender at all for the work?—I do not think we should be able to get a tender at the present time.

73. Then, practically, it would be useless to advertise?—What I should recommend would be that nothing further be done to the tunnel for, say, two or three years, and then readvertise.

74. You recommend that the whole work be stopped in the meantime?—Yes.

75. Would that not be a suicidal policy, assuming that the State has to complete the work?—It just depends upon how much the State is prepared to expend upon it.

76. The State so far has paid, I think, something like £241,000 to the contractors?—Yes.

77. The difference between that and £600,000 has still to be expended on the work?—Yes.

78. Assuming that the calculation has been made that it will cost at the very most £750,000 to carry out the work, do you think it advisable that the Government should stop the work for three years, leaving all the plant to rust and get into disorder, and perhaps all sorts of accidents happen to the tunnel?—I do not think that anything of a serious nature would be likely to happen in that period. Steps would be taken to preserve the plant.

79. You remember that the contractor, when he put in his tender, asked for six years in which to complete the work?—I believe he did.