

the deposit—that would represent a loss of £34,496 12s. 4d.?—That would be the actual amount, exclusive of the value of plant and material.

11. Now, the value of the plant and material in your statement and in their statement is—what?—£78,333 1s. 7d.

12. And since then there have been advanced by the Government—what sums?—£34,411 as against the plant—

13. That is, 50 per cent. of the value of the plant?—Yes, 50 per cent. at the time the first agreement was entered into. Since then, in terms of agreements entered into with the company, they have received a further advance of £25,000.

14. Those two sums added together total £59,411 advanced?—Yes.

15. Deduct that amount from the £78,333 1s. 7d. and you have £18,922 1s. 7d.?—That is the position. That represents the excess of expenditure by Messrs. McLean over the advances by the Government in respect of the plant and material.

16. If you add that sum to the £34,496 12s. 4d. arrived at above?—It comes to £53,418 13s. 11d., being the amount that Messrs. McLean would be out of pocket.

17. And I think that is the figure they put it down at?—That is the figure.

18. Would the following figures, then, represent the position?

	£	s.	d.
Cost of work	213,362	17	9
Value—100 per cent. of work as per contract	206,896	0	0
	6,466	17	9
Less various recoveries	1,772	5	5
	4,694	12	4
Add 10 per cent. of finished work to credit of Government to June	20,689	0	0
June certificate	4,113	0	0
	24,802	0	0
	29,496	12	4
Deposit in hands of Government	5,000	0	0
	34,496	12	4
Book value of plant and material	78,333	1	7
Advanced by Government to contractors—			
50 per cent. on plant	£34,411		
Cash advance	25,000		
	59,411	0	0
	18,922	1	7
Loss to contractors assuming that Government terminated contract and seized plant, &c.	£53,418	13	11

—Yes.

19. *The Chairman.*] Will you want to refer to the books again, Mr. Waldie?—I do not think there will be any necessity. The big item in the statement of expenditure on plant is for plant itself. That item “Plant” covers so many payments that nothing could be done by picking out the expenditure as showing in the books. It covers a wide range of expenditure, which you could not by any means locate against the individual items. You would really want the accounts for the plant supplied by the manufacturers: you would want to see the vouchers. But, in addition, so much of the expenditure is on wages that I do not think the books would assist much in that connection.

The Chairman (to Mr. Williams): Nothing suggests itself to you, Mr. Williams, about the statements that have been made?

Mr. Williams: Nothing at all.

FRIDAY, 27TH SEPTEMBER, 1912.

MURDOCH McLEAN made a further statement and was further examined. (No. 14.)

1. *The Chairman.*] We will take your statement in reply, Mr. McLean?—I do not propose, Mr. Chairman, to reply at any great length, as the question has been fully gone into by the Committee, and anything that I say will probably not elucidate very much. I should like to make a statement in reference to the suggestion that we did not start work as soon as we might, and that there was some delay on our part that should not have taken place. I want to say at the start that according to the terms of our contract we had to provide huts for the men to live in. The size and floor-area of the huts were specified, and in less than a month after the contract was let we had carpenters on the work erecting these huts. The timber, unfortunately, had to be taken almost right off the saw, and the huts were erected as fast as we could erect them, and as they became habitable we employed men to live in them. The most important part of the work, we considered, was obtaining power to drive the various pieces of machinery that were required for the construction of the tunnel, and the greater part of the attention of those then