

EXHIBIT No. 4.

MEMORANDUM for Messrs. J. McLEAN and SON.

Makarau Contract, Slip at North End of Tunnel.—In reply to your inquiry as to whether you will receive payment for this slip, I have submitted the matter to the Engineer-in-Chief, who replies, "As the slips at the north end of the tunnel cannot be said to have been owing to the steepness of the slopes of the cutting the contractors are not entitled to be paid as an extra in the contract for the work required in removing it and making good the cutting in accordance with the contract drawings."

CHARLES R. VICKERMAN, Resident Engineer.

Public Works Office, Auckland, 4th February, 1896.

EXHIBIT No. 5.

DEAR SIR,—

Mount Albert, 12th February, 1896.

Re *Slips at North End of Makarau Tunnel.*—In reply to your letter stating that the Engineer-in-Chief has decided that it cannot be said that the slips have taken place through steepness of slopes, and therefore the contractors will not be paid for them as an extra, we fail to understand to what other cause they can be attributed to—in fact there can be no other cause, unless, as in the present instance, through the weakness of the wing-wall, for the greater portion of the slip that has occurred lately has taken place certainly not through the steepness of the slopes, but because the wing-wall at the end of the tunnel was not of sufficient strength to hold the ground up; but surely we are not held responsible for this, for we have built it faithfully with the materials specified and to the full dimensions shown.

We at present refuse to take the responsibility, and have consequently stopped removing the slip until we get satisfactory instructions as to what has to be done with it. We may say that we would not have started removing this slip only that, from your conversation at the time, you led us to understand that we would probably be paid for it, nor did we wish to waste such fine weather as we have been having. We may state that if the slip had occurred in the ordinary way, we would have gone on removing it, trusting that the Engineer-in-Chief would have treated us fairly in the matter. Instead of that he seems to be treating us as harshly as it is in his power, for if ever a clause was intended to cover slips, clause 8 of the specifications surely had that intention. The only thing that is wanting is a written order, and we have endeavoured to obtain that from you, but you have not given us one, although the specifications clearly intended that these slips should be paid for; and we, acting in good faith, have gone on removing them. A slip occurred at the very first of the contract. We wrote then claiming payment for slips under this clause; but Mr. Hales would neither say we would be paid, or we would not; but now that we have spent thousands of pounds removing slips he decides not to pay us, under the technicality of the slips not occurring through steepness of slopes, which, of course, is fatal to us. We hope still that the Engineer-in-Chief will alter his decision in the matter, and pay for these slips.

We are, &c.,

The Resident Engineer, Auckland.

JOHN McLEAN AND SON.

EXHIBIT No. 6.

MEMORANDUM for Messrs. J. McLEAN and SON.

Makarau Contract, North End Tunnel Slip.—I am instructed to draw your attention to the second paragraph of section 8, pages 3 and 4, of specification, which provides for drainage and slips therefrom—viz., "The contractor shall remedy them and restore the slopes to the specified or a flatter rate of inclination, such inclination being that at which the material will naturally and permanently stand." As this slip seems to be due to the want of proper drainage, this will apply to it; also, I have to request you to at once proceed with the removal of the slips, and to finish the works in terms of your contract.

Please therefore inform me what steps you are taking in this matter, as it is desired that your contract should be completed without further delay.

CHAS. VICKERMAN, Resident Engineer.

Public Works Office, Auckland, 17th February, 1896.

EXHIBIT No. 7.

DEAR SIR,—

Mount Albert, 20th February, 1896.

In re *Slips.*—In reply to yours of the 17th instant, calling our attention to section 8 of the specification, we can hardly think that you are in earnest in attributing the slips to want of proper drainage. We are positive that all the drainage in the world would not have prevented these slips. We, in the very first place, dug a drain around the cutting to catch the water, but only succeeded in getting some of it, as the balance was running at a great depth and spreading all round the basin, so that a drain would have been useless.

We suppose, however, that, as you seem to shirk every responsibility which you should properly take, we must go on under protest. We have sufficient of the slip clear to enable us to get the