

permanent-way through, but do not think it advisable to go on with it until we have removed sufficient of the slip to insure it not blocking up the line again. We hope to have enough removed by the middle of next week, and then we can go on with the permanent-way, the materials for which you will kindly forward us. We have about one hundred rails on the ground. We have not counted the sleepers, as they are a good deal scattered. We shall require about that time eight ballast-trucks, which we trust you will let us have. The four ordered a week ago have not come yet, nor do we want them at present, as we have been able to do without them. The two we have we will not require after Saturday next until we start the platelaying.

Hoping you will forward the material as soon as possible, and that you will not forget to send as many green ends as is necessary,

The Resident Engineer.

We remain, &c.,

JOHN McLEAN AND SON.

EXHIBIT No. 8.

2nd July, 1897.

WE enclose particulars of our claim for extras, in addition to those allowed by you, the amount of which we respectfully submit we are justly and equitably entitled to receive. We would refer you to the correspondence that has passed between us respecting the contract for the purpose of affording you the data upon which we base our claim.

Trusting that the same will meet with favourable consideration,

Chas. Vickerman, Esq.

We are, &c.,

McLEAN AND SON.

EXHIBIT No. 9.

MEMORANDUM for Messrs. J. McLEAN and SON.

Makarau Contract.—In reply to your letter of the 2nd July, 1897, I am instructed as follows:—

Slips: 11,605 cubic yard slips are not allowed, as they are connected with want of drainage, and the way work was left without drains after being opened out and exposed to the weather.

Bank, &c.: The extra depth at 43 miles 68 chains 19 ft., where 9 ft. was only shown, will be allowed. The deviation at 45 miles 51 chains, for which 300 cubic yards is claimed, must be dealt with as a matter of addition, and also deduction for work and pitching not done. Bridge at 46 miles .02 chains made up for 80 ft. span, 500 cubic yards: how is this arrived at, as it does not appear how there can possibly be excavation for a shorter span?

Tunnel: The claim on the soft ground is a matter for contractors' risk, as no guarantee of the character of the ground was given. In the same way, the excavation for timbering comes under this heading. The cost of the brick invert can only be allowed at schedule rates, as contract provided for it in bad ground.

80 ft. Span: The cast-iron blocks will be allowed for if handed over in good order, with weighbridge ticket of weight. The screw-bolt ends cannot be taken, as the truss-rods in 80 ft. spans must be solid bars, without welds.

Will you see about the blocks, &c., and call at office.

CHAS. R. VICKERMAN, Resident Engineer.

Public Works Office, Auckland, 20th August, 1897.

EXHIBIT No. 10.

DEAR SIR,—

Mount Albert, 4th September, 1897.

In reply to your letter of the 20th ultimo *re* extras on our Makarau contract, we beg to state as follows:—

Re Slips: We consider that there was not a slip occurred on the contract through want of drainage. The first slip of any size that took place was at 44 miles .08 chains. There is not a drop of water shows there until rain comes, the ground falling away to the back leaves just a narrow ridge where the slip comes from, and we cannot see where drainage would effect this. At the south end of the tunnel we took every precaution to prevent slips, but, as you must be perfectly aware, the ground is of such a nature that drains have no effect. At the north end of the tunnel, where our greatest trouble has been, we took the precaution to excavate a ditch the whole length of the cutting before we even started to take the earth away, intercepting a stream of water which ran at a right-angle across the line of railway, leading it down some distance away from the cutting. It had little or no effect, the ground being of such a nature that drainage was useless. It is simply a pug-hole on the top of a greasy back, and all the drainage in the world would not keep it back, and so we may say of the whole of the slips for which we claim.

In *re* the 300 cubic yards claimed for at 45 miles 51 chains: You state that the deviation was made with the view of saving us expense, on account of the creek being so close, and consequently the earthwork would be washed away, and with our concurrence. We have no recollection of the circumstance.

In *re* the 500 cubic yards at 46 miles .02 chains: We find we were under a misapprehension in thinking you had ordered an 80 ft. span only, to substitute the 40 ft. and 4/20 spans originally intended, instead of to substitute the 40 ft. span only.

Re Tunnel: We fail to recognise the reason given by you as any just or equitable ground for disallowing our claim for tunnel in soft ground, and cannot see how it should be considered as "contractors' risk." There is no mention made in the specifications providing for tunnel in soft