the same blue indurated mud or clay as inside, and showing signs of slacking all round. Last week the eastern side of face of cutting began to move in fairly dry weather, but to a certain extent with a lot of moisture in it, and slipped against this wing, causing the wall to cut right off at about 1 ft. above formation-level, and to move bodily forward till it now stands almost parallel to the centre line, and to prevent it tumbling over heavy timbers have been put across to the other wing. This has blocked the road again, and the whole wing will probably have to be taken down, the pressure of the slip eased, and then the whole rebuilt. So far I have not had time to carefully examine it, but hope to do so in few days.

Chas. R. Vickerman, Resident Engineer.

EXHIBIT No. 13.

The Under-Secretary for Public Works. Public Works Office, Auckland, 13th January, 1896.

Makarau Contract (Slip, North End Tunnel).—I examined this slip on the 11th instant, and find that it is going to be a very large slip. Looking at the section of the line, there are two hollows just beyond the north end of the tunnel. The present slip is in the first hollow. The water in the bottom of the hollow has got down on to a rotten bottom fully one chain away to the east of the tunnel, and the whole body is gradually sliding down. It has cut the east wing wall off just like a knife about 1 ft. above formation, and there will probably be some 3,000 cubic yards on the move. Whether it will all have to come out or not I do not know yet. But the bottom must be lightened, and, if possible, a drive put into it to get the water out, as it is the latter which is doing the mischief. Contractor is starting to lighten it, and will do what he can to get it away, but he asks this question: "Am I not entitled to be paid for this?" It is certainly no fault of his, but entirely owing to the treacherous nature of the material, which starts to slack and run as soon as exposed to air and water. He says he will go on with the work, but has asked for an answer to his question, and I should be glad to have your instructions in the matter.

Chas. R. Vickerman, Resident Engineer.

EXHIBIT No. 14.

Resident Engineer, Public Works, Auckland.

Makarau Contract (Slip at North End of Tunnel).—In reply to your memorandum (No. 50/38) of the 13th instant, inquiring whether the contractor is to be paid for making good the damage caused by the slip at the north end of the tunnel, I send you the following copy of a minute by the Engineer-in-Chief on the subject—viz.: "By the terms of the specifications the contractors are bound to complete and maintain the whole of the works in the manner shown on the contract drawings, including the cuttings, which are to have the widths at base at formation-level and slopes as specified, according to the nature of the material in which they are made, and no slips can be paid for by the Resident Engineer except those that, in his opinion, are due to steepness of slope, and for which an order has been given beforehand. 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 on the contract for the work required in removing it and making good the cutting in accordance with the contract drawings."

H. J. H. Blow, Under-Secretary.

EXHIBIT No. 15.

(Telegram.)

Auckland, 13th February, 1896.

I have conveyed to Messrs. McLean and Son contents of instruction re slip at north end of tunnel, and they have written stating that they have stopped removing this slip until they get satisfactory instructions from you about it, and that they refuse to take the responsibility of it. Please instruct me what to do.

Chas. R. Vickerman, Resident Engineer.

The Under-Secretary, Public Works, Wellington.

EXHIBIT No. 16.

(Telegram.) Wellington, 15th February, 1896.
SLIP at north end Makarau Tunnel seems to be due to want of proper drainage, which is a case specially provided for by the specification. The contractors have to remedy all such slips and restore the slopes to be specified or a flatter rate of inclination. You should again instruct contractors to remove slips and finish works in terms of their contract, and tell them that if they fail to do so without delay Government will do the work at their expense. Please report what action contractors take in the matter.

H. J. H. Blow.

Resident Engineer, Public Works, Auckland.

EXHIBIT No. 17.

Memorandum for Under-Secretary for Public Works re Makarau Contract, Slip at North End of Tunnel on East Face.

In forwarding the copy of John McLean and Son's letter of the 12th to you for your instructions, I would mention that I particularly gave Mr. M. McLean to understand that I would not undertake in any way to settle whether he would be paid or not, but that I would refer the matter to you