

could be claimed to be caused by the steepness of the slopes of the cutting in which they occurred, and no orders for their removal had been given; besides, some of the heaviest of these slips occurred nearly three years after the time for the completion of the contract had expired, and therefore were owing to the long time the works were allowed to remain in an unfinished state.

21. If the statement "that the contractors carried out the works to completion at a loss to themselves, relying on the promise of the Hon. Minister for Public Works that on the completion of the works their position would receive at the hands of the Government favourable consideration, and that their claim would then be justly and equitably dealt with by them," refers to the interview Mr. Murdoch McLean had with the Hon. Minister for Public Works in Wellington, at which I was present, it is very incorrect, as the Minister made no promise except that the matter would be considered, and said nothing that could be held to be an inducement to the contractors to continue or discontinue working on their contract.

22. With regard to the supposed benefit accruing to the Government through the action of the contractors in connection with these works, it may be pointed out that the public was deprived of the use and benefit of this section of railway for about five years from the time it should have been completed and handed over to the Government in accordance with the terms of the contract. There was consequently a very large amount of forbearance exercised by the Government in dealing with the contractors; besides, after making an ample allowance for the time required to execute the extra works, penalties amounting to £4,880 for overtime had, under the conditions of the contract, accrued, and were due and payable by the contractors, but payment of these have not so far been enforced by the Government.

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