

There is due to the contractors on account of 10 per cent. retained by the Government as against finished work, and for finished work at end of June, 1912	£	s.	d.
Plus deposit	24,802	0	0
	5,000	0	0
In all	29,802	0	0
Less advances over 50 per cent. on plant and materials	25,000	0	0
Balance	£4,802	0	0

This would represent the amount due to the contractors if the contract were cancelled and the plant and material taken over at half the actual cost as at the end of June, 1912.

(9.) That the contractors have, under great and varying difficulties, endeavoured to carry out the terms of the contract, and have sustained heavy losses both in connection with the Otira Tunnel and Wellington Dock contracts.

(10.) That, in view of the whole of the circumstances and of the difficulties experienced by the contractors, the Government be recommended to release the contractors and their sureties from their contract if the contractors so desire, and to return to the contractors the sum of £5,000, the deposit paid.

(11.) That the Otira Tunnel is a national work, and should be completed. That the Government be further recommended to invite tenders for the completion of the contract, and that, pending a decision on such tenders, the Government should carry on the works.

(12.) That, in the event of no satisfactory tender being received, the Government be recommended to take such steps and make such arrangements for the completion of the works as a national undertaking as they may think advisable.

The minutes of evidence are attached hereto.

18th October, 1912.

E. P. LEE, Chairman.

LIST OF WITNESSES.

	PAGES		PAGES
1. Murdoch McLean	5-13	8. T. Kennedy	47-52
2. Murdoch McLean	13-18	9. H. T. Armstrong	53-65
3. H. J. H. Blow	18-24	10. T. J. Malloy	65-73
4. C. R. Vickerman	24-34	11. R. W. Holmes	73-83
5. Murdoch McLean	34	12. Murdoch McLean	83
6. Mark Fagan	34-41	13. P. S. Waldie	84-85
7. W. H. Gavin	41-47	14. Murdoch McLean	85-91

APPENDICES.

EXHIBIT	PAGE
A. Reefton Award and Present Wages at Otira Tunnel	92
B. Arthur's Pass Tunnel Contract in Account with John McLean and Sons to 30th June, 1912	92
C. Arthur's Pass Tunnel Contract, Particulars of	93
D. John McLean and Sons: Ledger Balances to 31st July, 1912; Cost of Works and Progress of Works to 31st July, 1912	93
E. Rate of Wages, Engineering, and all other Salaries, from commencement of Contract to April, 1912	94
<i>(Exhibits A to E handed in by Mr. Murdoch McLean.)</i>	
F. Particulars as to Contract and Contents of Tunnels	95
G. Tunnels done by Co-operative Labour, North and South Island, New Zealand	96
H. Tunnels done by Contract, North and South Island, New Zealand	97
<i>(Exhibits F to H—Mr. C. R. Vickerman.)</i>	