

121. Is there any tunnel carried out by co-operative labour which you can compare with this Otira Tunnel in length?—No.

122. Did you hear the evidence given by Mr. McLean, that he would have liked to use the contract system for working in the tunnel, but he found it was of no use attempting to do it, because it would not have worked out well, and it might not have been safe for the men?—I did not hear that, and I should disagree with it. The trouble is that he cannot use the piecework system. It would be against the award, and the labour union would remonstrate at once.

*The Chairman* (to Mr. McLean): When you were asked about piecework you gave some reasons why you were unable to adopt that system. You said that you had a long conference with the men about it, thinking that you might work out a scheme to adopt it, but you found that it was impracticable?

*Mr. McLean*: Not with the men.

*The Chairman*: You gave some reasons why it was impracticable?

*Mr. McLean*: We considered it impracticable under the conditions of labour; also, there was danger to the men, and the men themselves were not anxious to work in that way.

123. *Hon. Mr. R. McKenzie* (to witness).] The Midland Railway Company had an estimate made for this tunnel, did they not?—I do not think so. They did not propose to put in a tunnel there.

124. I think they went into the question of a tunnel, at all events?—I am not aware whether they had an estimate or not.

125. Would you be able to give the Committee the cost of the Deborah Bay Tunnel—a rock tunnel which was done by contract?—Certainly.

126. And the Chain Hills Tunnel and the Caversham Tunnel?—The Caversham Tunnel was carried out by the Provincial Government. It was a very cheap tunnel. The Chain Hills Tunnel was much more difficult.

127. The Deborah Tunnel was very much like this at Otira, only shorter?—It is a long tunnel, and was an expensive one.

128. Will you supply the Committee with a schedule of wages earned by men working on co-operative works for the Government in tunnels since the Arthur's Pass contract was let, so that we can compare them with the wages paid by Mr. McLean?—Very well.

129. Mr. McLean handed in a return of wages: will you please take that and make a comparison of the two, and submit it to the Committee?—Yes.

130. *Mr. Davey*.] Have you known of many instances where a tender was below the Government estimate?—It sometimes happens. We had one not long since, where the tender was about half the estimate. The tenderer became bankrupt very promptly.

131. Did you accept it?—Yes. If we had not accepted it that man would have had friends in Parliament who would have wanted to know why we had passed him by and accepted the tender of some favourite.

132. *Hon. Mr. R. McKenzie*.] With every Government work does the Engineer send in a detailed estimate on practically the same schedule as that on which the contractors have to tender?—Yes.

133. Are not the Government Engineers in as good a position to estimate work closely as contractors are?—Since we have been carrying out work on the co-operative system I think they are, because they actually handle the men and buy the materials, and so on.

134. The estimate schedule that goes before the Tenders Board is for the information of the Minister and the Board, so that they can make a comparison between the tenders received and the departmental value of the work?—Exactly.

135. You can compare the various items of the estimate with the various items in the tender schedule?—Yes.

136. If the tender is too high the Board invariably advise the Government not to accept it?—That is so.

137. But to carry out the work on the co-operative system or call for fresh tenders?—That is so.

138. In estimating work the Government Engineers are allowed to put in an item for contingencies amounting to about 10 per cent.?—It is usual to make an allowance for contingencies.

139. So that in connection with this Otira Tunnel £50,000 was allowed for contingencies?—In addition to the 50 per cent., or nearly 50 per cent., which was allowed for increased length, &c.

140. Ten per cent. would be allowed on that even for contingencies?—Probably. Mr. Holmes could tell you that better than I.

141. *The Chairman*.] What is the experience of the Government as to the actual cost of tunnelling as against the estimates previously prepared: do tunnels as a rule exceed the estimates of the Government, or do they not?—I am afraid they generally exceed the estimates.

142. By what percentage, roughly?—Speaking generally, by no very great percentage.

143. *Hon. Mr. R. McKenzie*.] You let contracts recently for a few tunnels on the line from Westport to Inangahua Junction?—Yes.

144. How did those contracts compare with the estimate?—They are mostly below the estimate.

145. And they are all rock tunnels?—Yes.

146. *Mr. Okey*.] Has the Department made an estimate for the uncompleted portion of this work?—No, not specially. We have the original estimate, and we could deduct from that the value of the completed work.