

14. *The Chairman.*] Have you any balance-sheet there that you were thinking of putting in?—Yes, I have a balance-sheet showing the state of the books at the 30th June. [Document handed in.] Our books are here if the Committee desire to see them. I think I have explained that the company's funds are quite exhausted, and that we are now on the verge of having to close down. I do not know if it is competent for me to make suggestions to the Committee as to how we should like assistance in the matter.

15. If you have any suggestions to make I think you had better make them?—The way we should like to have it done would be for the Government to increase the price, so that we could complete the work. I know the actual legal position so far as we are concerned—that the Government can step in and take everything that is there and wipe us right off the slate. Other alternatives are to call for fresh tenders or to do the work by day-labour. I think the Government would probably do better by continuing with us than by calling for fresh tenders. We unfortunately would not be in a position to tender a second time, our funds being quite exhausted; and there would no doubt be certain securities required and sums required to be deposited. I feel sure that if the Committee could see their way to assist us in the way I suggest, it would be a good way for us and a good way, I think, for the country as well.

16. Say, £100,000?—Well, that is the loss. The amount would be a matter for consideration subsequently. I cannot bind myself to the amount I have named at the moment.

17. *Hon. Mr. Fraser.*] I understand you are going to put in a full statement of the wages paid and increases of wages and the dates thereof?—Yes.

18. You allege that the chief difficulty you have had to encounter in carrying out your contract has been the difficulty of getting labour, and the increased wages you have had to pay: did I understand you to say that?—The main reason has been the difficulty of getting labour.

19. You did not explain to the Committee, however, how loss accrued from that fact. Could you have saved money had you had the full amount of labour that you required for your tunnel?—Yes. The overhead charges—that is, for the outside workers—namely, the engine-drivers, blacksmiths, locomotive-men, power-house men, compressor-men, and all that class—are always the same. No matter if you have only twenty men in the tunnel, you cannot work it for less; the fewer men you have in the tunnel the more expensive the mining becomes. If we could have had the full number of men in the tunnel, even with the increased wages we should have been able to make ends meet.

20. I understand from the contract that there is a deposit of £5,000 lodged with the Government?—That is so.

21. What bond is there?—Two sureties of £25,000.

22. What does that mean? Are the Government in a position to get the £25,000?—If it desires to do so. One of the sureties, unfortunately, was my late father, and most of what he left is involved with us in the works. Mr. Nicholson is the other surety.

23. Am I to understand that you are asking the Dominion to free you of all liability in consequence of your failure to carry out the contract?—I am.

24. What do you call “just, fair, and equitable terms” mentioned in your petition?—I am entirely in the hands of the Committee in respect to that.

25. You throw yourself on the mercy of the Committee: that is the meaning of it, is it not?—Exactly.

26. *Mr. Nosworthy.*] I understood you to say that your estimate of £100,000 was only an approximate idea?—That is so, but it is based on the previous cost of the work.

27. Supposing you could not get more labour, that estimated amount might be doubled?—It might be, but I do not think that is possible. I am beginning to doubt myself about these things, but I really do not think it is possible for the work to cost greatly more than that.

28. *Mr. Davey.*] I understood you to say that at the first interview you had with the representatives of the men they gave no reasons for their request for an advance in wages?—They gave reasons, but the arguments used were groundless. They gave a great number of reasons. Mr. Malloy was the spokesman, and he gave a great number of reasons, but there were no tangible reasons, and he finished up with a statement of which I told you.

29. That you had got £100,000 more than the Government estimate, and they were going to have it?—Yes.

30. Your main trouble, you say—in fact, practically your only trouble—has been labour?—The want of labour—not being able to get labour.

31. And the wages you have had to pay?—I am not complaining about the wages. If we had the number of men to work, the wages are not out of the way.

32. Supposing you still went on with the contract and had to pay the same wages, do you still think it would cost £100,000 more than the contract price?—I am sure it would cost £100,000 more.

33. You stated, if I understood you correctly, that up to date, after completing the tunnel for about one-third of the distance, you have actually lost £4,878?—Yes.

34. Does that mean actual loss, or interest on the amount invested in the work?—Actual loss, without any interest charged. There is no interest charged for anything in arriving at that. If the interest was charged the loss would be much more.

35. *The Chairman.*] And nothing is allowed for the contractors?—No.

36. *Mr. Davey.*] In the petition you say that in the formation of the company 45,000 shares were issued of £1 each: has that £45,000 all been raised and spent?—Oh, yes.

37. I take it from your petition that you made every effort to get the company to advance you further sums to go on with the work?—Yes, and they have absolutely refused. The capital is all paid up.