

38. *Mr. Seddon.*] In the petition there is mention of a contract of John McLean and Sons with the Wellington Harbour Board. Can you tell the Committee how much approximately you lost over that contract?—£40,000.

39. You mentioned in your statement that you had been delayed considerably in the construction of the tunnel: what has the delay been caused by? You had some fires there, did you not?—The fires did not delay us much. We are delayed at the present moment through frost and the drying-up of our water-supply.

40. You had a fire at the Otira end: did that cause you much loss?—Not much delay.

41. At the Bealey end, did not the tunnel fall in?—About 6 or 7 chains in there was a bit of a break, but that was not very serious. It cost a few hundred pounds.

42. With regard to the plant, you assume that you will not get much of a price for it on completion of the tunnel. It has not been suggested to you that the Government might take it over?—No.

43. Could you give us any idea what it would be worth to the Government if they did take it over?—I think it would be very useful to them if they intend to electrify that railway. When the water is going there is 1,200 horse-power available—600 horse-power at either end.

44. About labour troubles: you had a conference with the men—was that with the leaders of the union?—Yes.

45. Who were they?—Which conference are you alluding to?

46. You alluded to a conference: I presume it was the first one?—That was just immediately after we started. Mr. Malloy was one and a man named Fagan was another. Then I had further conferences.

47. *The Chairman.*] Could you give us these conferences in order of date?—The first one was with Mr. Malloy and a man named Kennedy. Then we had difficulty over lamps, and the men struck work because I insisted that they should be responsible for the destruction of these lamps, on account of which I had a conference with a man named Betts and the secretary of the Miners' Union there—a man named Fagan.

48. *Mr. Seddon.*] Were they private conferences?—This last one was a private conference, but at the previous one all the men were there. The next one was through another strike, and then I met Messrs. Semple, Webb, and Armstrong. This strike was called because we would not recognize the union connected with the Labour Federation while we were still bound by an award of the Arbitration Court to another union. That was also in the presence of the men. The next one was after the award had expired. They met me with a request to increase wages and improve conditions generally, and then it was Messrs. Webb and Armstrong—not in the presence of the men. I am not altogether finding fault with the men. It appears to me that labour is not available in sufficient quantity for a huge work like that at the present moment.

49. *The Chairman.*] What shortage is there?—We have been working about 50 per cent. short all the time in the tunnel.

50. *Mr. Seddon.*] How many men could you employ?—We are at present employing about 240. We could employ 300 quite easily. That would mean another sixty men in the tunnel. It would double the number working in the tunnel.

51. You referred to a threat made by one of these labour men about taking the £100,000: was that Malloy?—Yes.

52. He was going to make a statement throughout Australia as to the conditions at Otira—he threatened a kind of boycott?—Mr. Malloy's statement was made at the first meeting. It was Mr. Webb, at the last conference I had with him, who stated that he would communicate with the various unions under the Federation's jurisdiction and also with the unions in Australia, and say that the Otira Tunnel was not a good place to work in. I do not say that that has been done, but I know that after the increase of wages was granted we got no more men for quite a long time. We have been getting a few men round us lately, but that, I take it, has been more on account of the strike at Reefton and the strike at Waihi.

53. With regard to the housing of the men at Otira, you provide the houses, do you not?—Yes.

54. And there are bathhouses provided and dressing-rooms?—Yes, and drying-rooms.

55. With respect to the wages of the men, how much a week do they pay towards the hospital?—6d. a week.

56. You yourself contributed something to the maintenance of the hospital there, did you not?—We contribute £25 a year, I think it is.

57. That is the hospital erected there for the benefit of the men in case of accident?—Yes.

58. Your suggestion is that the Government should increase the price for which the work should be completed. You say that an additional £100,000 would just about complete it?—Would just about cover our loss.

59. That is, as you roughly assess it now?—Yes.

60. You state that if the Government called for fresh tenders you could not, in your present position, tender?—We could not unless some one were to come to our rescue, but I have no hope of it. As far as the shareholders are concerned, they absolutely refuse.

61. *The Chairman.*] How long would it take you to complete if you had this extra £100,000?—That is a difficult question. At the present rate it would take another four or five years; but if it were possible to get the number of men that are required, it would not take anything like that time.

62. *Right Hon. Sir J. G. Ward.*] Supposing the extra amount that you ask for was provided, have you any reason to believe it would make it any easier for you to get the necessary labour to complete the work?—I said that £100,000 would be the loss at the completion of the works. I would go on with the work, of course, but there would not be very much in it for us. It is not