

49. *The Chairman.*] Supposing you had the opportunity, as a business proposition, of going on as you are going now for five years, or with an extra staff for two years and a half, which you say would be at a less cost, would it pay you to give any increase on the present rate of wages in order to get the full complement of men so as to complete the work?—Yes.

50. You have not framed any estimate of how much increase you would have to give?—That would have to be gauged by the way the men came about. I think I stated yesterday that it is quite evident that there is a considerable shortage in the Dominion of the class of labour that we are using.

51. *Hon. Mr. R. McKenzie.*] But you told us yesterday that nearly all the men you have got you trained in the tunnel yourselves?—That is quite right; that is the point I make—that we have not got the class of men in the place.

52. *Mr. Nosworthy.*] To what cause do you attribute the shortage of labour?—There are several causes affecting labour here. In the first place, there is a large loan expenditure both by Government and by local bodies. There is also a considerable amount of mining done by private companies. And in addition the prosperity of Australia has been drawing away our men continuously for the last few years. Quite a number of our fellows have gone away.

53. Do you consider there are any other causes at work?—Those are the only reasons I can give to account for the shortage of labour.

54. Do harvesting and shearing make any difference?—That always affects us, but it is more or less temporary.

55. *Mr. Seddon.*] Since the strikes at Reefton and Waiuta have you been able to get more men?—There are more men about, but, unfortunately, just now we are not able to make use of them as we would like, because we have encountered a dry season again. This could be obviated, and we are proposing to obviate it, for which purpose we got a loan from the Government to purchase a Deissel oil-engine with a capacity of about 250 horse-power. This, with the power that is always available, would keep us going without any disorganization of the works at a little extra cost, rendered necessary for the running of the oil-engine, which would be covered by our continuously keeping going.

56. *Hon. Mr. R. McKenzie.*] At which end do you propose to use it?—At the Otira end.

57. *Mr. Okey.*] Have the men lost much time through having to wait?—At this time of the year a few of them lose time, but at the present moment the Public Works Department have given us some work to do in addition to the contract—some protective work along the railway bank in the river. Fortunately we have been able to draft our tunnel-men on to that, and so keep the thing a little bit organized.

58. *The Chairman.*] What is the greatest length of time you anticipate it will take the men to go from the face to their work as the work goes on?—The longest time possible would be about three-quarters of an hour. The motor that takes them in goes in at the rate of about eight miles an hour. We are always within about 25 to 30 chains of the face with the lining. They will never have to walk more than 20 or 30 chains.

59. *Hon. Mr. R. McKenzie.*] If you did all the work from the Otira end they would have to travel about four miles and a half?—Yes, and the longest time possible would be three-quarters of an hour.

60. *Right Hon. Sir J. G. Ward.*] Would you say, from your experience as a contractor, that if one of the other tenderers had received the contract similar troubles to those which have overtaken you would have been met with by him?—They must have done. There could not have been any special reason for the men to tackle us, because we have hitherto borne the very best reputation as far as our treatment of the men is concerned. At the sitting of the Arbitration Court in Greymouth each of the men who had just previously aired enormous grievances was asked what kind of employers we were, and each one said we were the best employers he had ever worked under. So there could have been no personal antagonism to us.

61. I did not mean it in that respect. Supposing that another tender than yours had been accepted, as the result of your experience are you of opinion that the present deadlock would have arisen?—I am almost certain of it.

62. From the causes you have explained?—Yes, I am sure of it.

63. In your opinion it was not possible to have foreseen the difficulties?—It was not possible to have foreseen the difficulties that have arisen.

64. Otherwise you would not have tendered?—No.

65. *The Chairman.*] When did you first realize that there was going to be this loss?—Not for some time. I could not believe but that labour would come in. I never realized till two years ago that there was serious trouble. I did not realize but that we should get labour. We had often experienced periods of shortness of labour, accounted for in one way and another, but we never experienced anything like this.

66. I suppose your troubles were somewhat explained when you asked for the advance of £20,000?—Yes, I put it as clearly as I could to the Minister.

67. *Hon. Mr. Fraser.*] By how much was your tender below the next tender?—I do not remember.

68. Were the amounts of the unsuccessful tenders published?—Yes, but I do not remember.

*Hon. Mr. Fraser:* Mr. Blow hands me these figures: At the first invitation the following tenders were received: White and Goodman, Christchurch, £599,068; Niven and Co., Napier (five years), £749,889; Niven and Co., Napier (four years), £751,989. At the second invitation the tenders received were: John McLean and Sons, £599,794; J. Drummey, Arrowtown, £628,732; Kirkwood, Kerr, and Co., London, £688,215. At the first invitation the time was four or five years, and at the second five years.