

91. *The Chairman.*] Where is it? Where is the money—in the hands of the Government?—Yes.

92. *Right Hon. Sir J. G. Ward.*] Not in the hands of the contractor?—No, in the hands of the Government. I contend that any person having a contract and having the Government at the back of him with £300,000 can always finance against a sum of money like that to enable him to carry on.

93. If the Government do not get work done in return for the amount that is unexpended it is quite certain that no further progress-payments can be made. So in what way would that be of assistance to the present contractors?—The Government will find themselves in the same position, then.

94. I mean that the present contractors in that case could not carry on. You see the £300,000 is in the hands of the Government. The point we are inquiring into is whether the contractors should be compelled to carry on, or what the alternative is; and what I am asking you, as a representative worker, is whether in your opinion it is desirable to suspend the whole of these operations for a period in consequence of a deadlock which has arisen through the difficulties of the contractors?—I do not think it is.

95. Are the workers indifferent as to whether that work should be proceeded with or not?—No, as far as I know they are very strong on the point that it should be proceeded with, and that the original contract should be proceeded with without any deviation at all.

96. Even if the contractors cannot carry it on?—Just so.

97. *Mr. Reed.*] You say that it is incorrect that you told Mr. McLean at a meeting that labour intended to get the difference between the Government estimate for the work and the amount of the contract?—I never mentioned any such thing.

98. This is what Mr. McLean, in his evidence before the Committee, said: "I met this gentleman in conference with the men. He could not give any reasons why we should increase wages or make the conditions better, but he finished up with saying that he would call all the men out on the following day, and would set the telegraph to work to stop men coming altogether, and he completed his statement by saying that we had got £100,000 more than the Government estimate, and that they were going to have it"—That is incorrect. I should like Mr. McLean to be on his oath and made to swear to that. I can produce, then, before this inquiry closes a detailed published account of the conference or meeting, and you will find that this account runs in a different direction altogether.

99. *Mr. Davey.*] Were there reporters present?—There was a reporter from the *Canterbury* side, I believe, for the reason that there was a full detailed account published in the *Canterbury Times*. There was some person reporting it for the *Canterbury Times*, for a detailed account appeared in that paper.

100. *Mr. Reed.*] What date?—I could not tell you from memory.

101. Do you remember who were present at that meeting?—About eighty or ninety men, I think, were present, and a gentleman occupying a high position in connection with the railway—Mr. Vickerman.

102. Was he present?—Yes.

103. He would know what took place, would he not?—I do not know, for the reason that he had to be called to order.

104. Mr. Vickerman also gave evidence before us, and this is what he said, that you addressed Mr. McLean, and made a statement to this effect: "We have got a copy of the Government estimate from Wellington, and we know what they thought they could do the tunnel for, and we now see that you have got £100,000 over and above their estimate, which no doubt you look on as your profits, and we hope now to share with you in those profits"—That is positively a misleading statement, and I should like both gentlemen to swear on oath that those statements are correct.

105. Both of those statements were made to us?—Both are incorrect.

106. Mr. Vickerman has no interest in this matter?—He was a personal friend of Mr. McLean's at the time. There was a little difference between Mr. Vickerman and myself on this particular occasion.

107. You have no recollection of any such statement being made?—I swear positively on oath that it was never made.

108. What is the date of that *Canterbury Times*?—That I could not say. I saw the paragraph some time afterwards.

109. What date was it that you were there, when this interview took place?—That would be about August, I think, 1908.

110. *The Chairman.*] Mr. Vickerman said that it was a Sunday?—Yes, it was a Sunday.

111. *Mr. Reed.*] You stated, if I understood you correctly, that the underground manager, Baghurst, informed you that Mr. McLean was going to make an application for cancellation of the contract, and would thereby gain £100,000?—No.

112. I am wrong, am I?—In one part. I was told that Mr. McLean had stated to the underground manager that he would make application for the cancellation of the contract in the event of their encountering the same quantity of water on the Bealey side as they had so far met with, and when once the contract was broken he would be enabled to make application for an additional £100,000 for completion, and the right to drive from the Otira side. That is what I said.

113. It comes to this: that at that time you assumed it would mean a benefit of £100,000 to Mr. McLean?—Yes, assuming he could get the contract broken.

114. Was that the reason why you were anxious that the contract should not be broken, so as to prevent Mr. McLean from getting £100,000?—No. The reason I impressed on Sir Arthur Guinness was to see that the work was pushed on at a rapid rate without any violation at all of