

could at that time have come together in respect to the bank-to-bank trouble by our taking—this was a proposal from them—the men in, and their time starting from when they got off the truck at the end of the line.

41. *Hon. Mr. R. McKenzie.*] You were dividing the lost time?—Yes. They would have been quite agreeable to that at the time. But where we could not come to terms was with reference to compulsory preference to unionists. We agreed to accept the compulsory clause if they would agree to supply us with men as we required them; but, of course, they could not do that. It was an impossible condition, no doubt, to propose to them, but it seemed to us an impossible position for us to compel every man on the work to be a unionist. There are a great number of men there who are not unionists, and they said that they would sooner leave the job than become unionists; and we did not feel that we could economically concede that point to them.

42. *Mr. Veitch.*] If we agreed to offer you a little more money to complete the contract, how much more would you want?—I think I made that clear in my opening statement: about £130,000 to £140,000 is what I stated; but I may tell you that my engineer's estimate is more than that.

43. *The Chairman.*] You said £130,000 or £140,000: having heard all the evidence given before the Committee, do you wish to vary that estimate?—My engineer and I went into it very carefully. I hardly like to put it in evidence, but I have the estimate made up in detail.

44. *Hon. Mr. Fraser.*] Did you make that estimate with a view to recouping to yourself the loss already made on the work done besides leaving you a fair return for your future work, or was it only with regard to what would leave you a fair return in the future?—The estimate was made with a view to recouping what we have lost.

45. And allowing?—Some little return besides for our time in the future.

46. And for what is already done?—Oh, nothing for that. It is only an estimate to recoup what we have lost.

47. *Right Hon. Sir J. G. Ward.*] Are you satisfied that you cannot carry the contract on under the existing conditions?—I am sure of it.

48. Are you satisfied you could not, even if, as is suggested in the evidence given by Mr. Waldie, there was a reduction in the cost of management, and that sort of thing?—It would, in my opinion, be impossible to carry it out at the price.

49. You have gone carefully into the question of what additional money would be necessary to enable you to carry out the work?—Yes.

50. And you suggest £120,000?—I have gone into the matter further than that. I have the details very carefully worked out. If it would be of any assistance to the Committee I do not mind giving this estimate to them, but I should not like to put it in evidence.

51. You state that it would take £130,000 or £140,000 to recoup you for past losses, and to enable you to make a fair return from future work?—That is our estimate.

52. Is there any percentage of profit in that £130,000 or £140,000?—Very little. £150,000 is what we make it now.

53. Could your sureties, if called upon, pay the amount of their bond?—I do not think so. As far as my father's estate is concerned, it is involved in this work, so there would be nothing in that at all.

54. Your position, then, I understand, is this: if you do not get the increased amount that you name, the alternative is liquidation?—That is so.

55. At what do you estimate the actual value of the plant at the end of your contract if you carried it on? It was assessed at £5,000, I think?—Yes.

56. Is that what you estimate it would be worth?—I do not think it would be worth a shilling more.

57. *Hon. Mr. R. McKenzie.*] Does that include the Diesel engine that you propose to get?—No. Whoever carries the work out will have to provide additional power for dry seasons.

58. *The Chairman.*] At a cost of?—About £4,000.

59. *Right Hon. Sir J. G. Ward.*] Have the difficulties that you experienced over the Wellington dock in any way weakened your financial position in connection with the Otira Tunnel contract?—Yes. We lost £40,000 over the dock, which would have been available to lose over the tunnel.

60. So the troubles over that undertaking affected you financially to some extent?—They affected our financial position, but they really did not affect the loss or profit on this job at all, because the Government of the day came to our assistance and helped us financially.

61. *Hon. Mr. Fraser.*] The dock trouble simply affected your ability to bear the loss?—That is right.

62. *Right Hon. Sir J. G. Ward.*] It affected your ability to continue for a further period before you were financially embarrassed?—Yes.

63. *Mr. Davey.*] Has it ever been suggested by the Government that you or your firm or your engineers have shown delay or incompetence in carrying on this work?—No. There was a letter sent to us by the Under-Secretary complaining about delay, but there were no letters showing wherein we could improve matters, nor was there any complaint made in any particular direction.

64. It has never been shown that your plant was not up to date in any shape or form?—No.

65. It has never been shown that either you or your engineers are incompetent in any shape or form?—No, never suggested.

66. You say that if this extra amount of money is paid you the cost of the tunnel will run out to about £77 per lineal yard?—That is so.

67. Has not the tunnel so far as it has gone cost more than £77 a yard—I mean, the portion already constructed?—I should think not. I have not gone into that.