

certain the work could be done for that sum, as a matter of fact. But the only way in which it can be finished expeditiously, in my opinion, is for wages to be increased so that you can compel labour to come to you. Of course, that will mean depleting the supply at other places and perhaps disorganizing other interests; but it seems to me that that is absolutely the only way in which we could get sufficient labour to carry out the work.

63. Assuming anything was arranged in this matter, you regard it as essential that there should be a further increase of wages?—I think so. I am not sure about a further increase. The increase we have given now is a good, solid advance, and makes the pay more than the men are obtaining anywhere else in the Dominion, I think; and we are getting a fair number of men. But while there is a veto like that against you, it is difficult to say you can even do it unless you further increase the wages. If we do increase the wages and they still keep that bar against us, we are just as badly off as ever.

64. In that estimated loss of £100,000 on the completion of the contract, do you include the difference between the cost price of the plant—£73,000—and the amount you reckon you are likely to get for it—£5,000: that is, a loss of £68,000?—That is included in the £100,000.

65. When you tendered did you include in your tender an amount for loss on plant?—Oh, yes.

66. You made proper provision for it, so it is from other causes, which you have explained, that the present condition of things has been brought about?—Yes. We made provision for every possible contingency that we could think of in arriving at the amount of the tender which we put in.

67. What is the total amount you have received to date from the Government on the contract?—£231,381 from all sources—that is, at the 31st May.

68. *The Chairman.*] That includes the £5,000?—No, it was not paid then. This balance-sheet at the 30th June is a later one. Up to the 30th June the total amount received from the Government was £241,505.

69. *Right Hon. Sir J. G. Ward.*] Do you estimate that a third of the work has been completed?—About a third.

70. And the contract price was £599,974?—That is correct.

71. Two-thirds of the work has yet to be completed, and the difference between £241,505 and £599,974 is £358,469?—That £241,505 includes the £25,000 loan that we had from the Government.

72. That £358,469, plus the £100,000, means a great deal less for each of the remaining two-thirds than you received for the third already done?—Yes, but we have not got to buy plant in the future. The plant that we have now will, with a few additions, complete the work, we anticipate.

73. Are you quite certain the contract could be completed for the additional £100,000 that you mention?—I will show you the way in which we work it out. [Figures shown to Sir Joseph Ward.]

74. From the information in your possession, then, you are of opinion that it could?—Yes.

75. Are you satisfied that there is no obligation that could be enforced on those responsible for the company to carry out the work?—There is no obligation; it is just an ordinary company.

76. Are you satisfied that your guarantors could not pay up the whole amount if they were called upon to do it?—I am sure they could not.

77. *Mr. Davey.*] The Government have paid £241,505. In addition to that the company has put in £45,000?—£53,418.

78. *The Chairman.*] Can you tell us the actual amount expended to date on the works?—£213,000.

79. *Mr. Davey.*] Assuming that the Government have paid £241,505 and the company £45,000, and all that has been expended; that amounts up to date to £286,505?—Just a moment. The company was formed to carry out the two jobs—the Wellington Dock and the Otira Tunnel. We put in £45,000 and the other shareholders in the company £45,000. £53,418 of our money has been expended on the tunnel.

80. *Mr. Okey.*] When you tendered for the work did you put in a schedule of the cost?—Yes.

81. Have you got that schedule?—We have it here. It shows how we arrived at the total. [Document put in.]

82. You said something about an additional £100,000 in your estimate—an additional £100,000 referred to by the men. What is that £100,000?—That we know nothing about. That was only a statement made by an individual. I presume he has obtained some information from the Public Works Department in connection with the matter. I never heard about it before. The statement was that our tender was £100,000 above the Government estimate.

83. There was no tender received for a lower amount?—No.

84. Yours was the lowest tender that was received, I take it?—I understand so. The Public Works Department will be able to give you information on that matter.

85. You state that you are satisfied with the treatment the Government have accorded you—that is, you drew more than the contract allowed?—The Government came to our rescue by making two loans—one of £20,000 and another of £10,000. And not only that, they were more prompt in payment under this contract than I have ever known them to be before. Knowing our needs, they were very prompt in payment every time.

86. What were you allowed to draw on the plant?—50 per cent.

87. And on the work?—90 per cent.

88. So that really the Government have paid you up in full for the work that has been done?—That is exactly what it amounts to: they have paid us in full for our work.