

89. If the Government could come forward and take over the plant at valuation at the end of the contract, would that assist you?—It would, but in the meantime we are losing on the contract.

90. *Mr. Nosworthy.*] The plant would be no good to the Government once the work was done; it might be just as well worn out, because there will be no other work they will want it for?—Our generators and compressors and things of that kind are plant that would be saleable at a price every day.

91. *Mr. Okey.*] Under the conditions of contract, I take it, the plant belongs to the Government at the present moment?—It does; they have advanced on it. Everything there belongs to the Government by virtue of the contract.

92. What is the nature of the expert labour that you require?—Good general labour is what we want—good, healthy, strong labour. Miners are, of course, what we should like, but if we get good, strong labourers we can soon make tunnel-men of them.

93. You do not want expert labour?—It does not need anything specially expert. The main work is manipulating machine drills, and that kind of thing. If there are a few men of experience the others soon become expert in working a machine drill, and it is mainly machine drills we are working with. Nearly all the men working in the tunnel now are men who have gained their experience in the tunnel.

94. If the Government could see their way to take the plant over at, say, £50,000, a further £50,000 extra would carry the work through?—Yes.

95. If the Government said they would take over your plant and give you an extra £50,000, you think you could carry the work through?—From the information in my possession just now I should say Yes. It does not leave very much margin for further contingencies that might arise, but from the information at hand I should say Yes.

96. The loss of the company is not altogether occasioned by this contract—you lost £40,000 over the dock?—Yes. There was £90,000 of capital altogether put into the two concerns. We lost £40,000 over the dock, and about £50,000 on the Otira Tunnel.

97. What is the nature of the material that you are driving through now?—Just moderate rock—sometimes very hard, and sometimes medium. There is nothing excessively difficult about it. The worst feature is that there is a good deal of water, and consequently a good deal of wet time worked. That means that the men are working six hours instead of eight, and that increases the cost.

98. You do not anticipate that the work to be completed will be any worse than that which you have gone through?—No.

99. There are not any difficulties in the work?—I do not think so. Looking at our experience at both ends, I think it will be the same all through.

100. *Mr. Reed.*] There are two parties to this petition, are there not—John McLean and Sons and John McLean and Sons (Limited)?—Yes. The contract was assigned to the company by us.

101. So that John McLean and Sons is entirely merged in John McLean and Sons (Limited) in respect of this contract?—Yes; but not so far as the Government are concerned. Because we assigned the contract to the company, the Government did not release us as John McLean and Sons.

102. The contract was entered into with John McLean and Sons?—Yes, originally.

103. And the company was formed after that?—Yes.

104. The sureties, you say, were John McLean and Oliver Nicholson: were they sureties for John McLean and Sons?—Yes.

105. John McLean was your father: had Mr. Nicholson any interest in John McLean and Sons?—None whatever.

106. He only became a surety as a friend?—Yes.

107. How much capital was raised in the flotation of John McLean and Sons (Limited)?—£45,000.

108. That was the total capital of the company?—That is the total capital raised. The capital of the company was £130,000. There was £45,000 subscribed in preference shares.

109. How were the rest of the shares allotted?—We took up the ordinary shares.

110. You took 90,000 shares?—Representing the capital that we already had in the concern.

111. £45,000 was obtained from the shareholders in cash, and you retained 85,000 shares?—Yes, making £130,000.

112. Who were the holders of the 85,000 shares?—My brother and I.

113. The company was formed to work both contracts, and £40,000 was lost in the Wellington Dock. What position does the company stand in with regard to this petition: is it the company that is asking for relief, or is it John McLean and Sons?—It is both the company and John McLean and Sons. They have no further liability—the company's capital is gone.

114. But they could participate in any benefits, could they not?—Yes.

115. If we gave any concessions, who are going to get the advantage of the concessions—you and your brother, or John McLean and Sons (Limited)?—The company at present. We cannot separate ourselves from the company.

116. *The Chairman.*] The company would participate to the value of their £45,000?—Yes. The new arrangement could be made with John McLean and Sons.

117. *Mr. Reed.*] Are you thoroughly satisfied with the plant that you have there?—We have to increase the plant another £5,000, and it would then be one of the best we could have. There is nothing wrong with the plant.

118. Then the plant is capable of undertaking the work?—Yes, with some repairs.