

21. *The Chairman.*] You think, then, that even if you do not get a fuller supply of labour and have to go on on the same conditions as you are going on now, the work can be completed for, approximately, an extra £130,000?—That is exactly the position.

22. Taking things as they stand to-day, and not anticipating any better conditions in any way whatever?—That is so.

23. *Hon. Mr. Fraser.*] If you had a full supply of the class of labour that you require, would it take £130,000?—I do not think so.

24. By how much would you reduce that amount?—I think it would reduce it by £40,000 or £50,000—probably £50,000.

25. *The Chairman.*] By how much do you think it would be reduced if you completed the tunnel in the way in which you were speaking yesterday—by boring right through to the Bealey?—That I have not properly gone into. I should have to go into it much more carefully before giving an estimate.

26. You might consider that question?—I should have to consult my engineer. I gave the answer that I did give yesterday somewhat hurriedly. There are a lot of questions involved. At the moment I was thinking of the old method of carrying out works—with hammer and drill—and that, I think, would be the cheapest way to drive the heading right through and then widen out. But we are working on quite a different method. Our compressors, our generators, and all the plant would have to be fully manned even to drive a heading. We should not want so many smiths or tool-sharpeners; we should not require quite so many carpenters and men outside, but all that is involved; and the more drills and machines that can be got to work at one time the cheaper the excavation. We have plant there now that will drive about eighteen machine drills.

27. *Hon. Mr. Fraser.*] Could you work eighteen at a face?—At the Otira end we have enough to drive twelve, going the whole time. If there are eighteen machines working in the tunnel the average would be twelve. We have two compressors with five-machine capacity, and one with two. That is twelve, fully working. If we had sufficient men to keep the whole of those machines in operation the excavation would be enormously cheapened. So the question of driving the heading by that method involves the expense of the generators and the compressors, and only the same expense is involved if you are doing six times as much work.

28. *Hon. Mr. R. McKenzie.*] Do you do your widening out and driving at the one time at the Bealey end?—Not at the Bealey end. There we have to drive, say, 10 or 12 chains, and then we have to go back and do the lining.

29. And leave the headings standing?—Yes.

30. While you are working the headings you have got to let the widening-out stand?—Yes.

31. So you gain no advantage as far as that goes?—Not at that end. I am speaking mainly of the Otira end, because that is where the great bulk of the work is done.

32. *Mr. Davey.*] Would it be possible in any way to reduce the administration charges—engineering and salaries?—It is possible. The charges there could be reduced considerably, I think. They are in excess of requirements—brought on through circumstances at the commencement of the work.

33. Your financial year ends with September, I take it?—Yes.

34. I see that up to the 31st July this year you paid £31,000 in wages and £3,600 in salaries?—That is right.

35. Yet for 1910—the full year—you paid £40,000 in wages, and it cost you only £300 less than the shorter period for salaries?—Yes. I would like to further explain this statement. Nineteen hundred and nine was the year in which I engaged an engineer. I found that it was getting too much for one individual. I went for a year without an engineer. I am now giving an engineer £600 a year.

36. *Hon. Mr. R. McKenzie.*] You say that you require about sixty more men?—Yes, another sixty men employed continuously in the tunnel would give us the full output of our machines.

37. By how much would that increase your incidental expenses—say, for overseers?—It would not increase it at all.

38. Would you not have to put more gangers on?—We would put no more foremen on, and no more blacksmiths. We might have to get one or two more fitters, but no more men would be needed on the sharpening.

39. What is your average expenditure per month in wages?—About £3,500 now.

40. And for salaries?—Between £300 and £400.

41. About 10 per cent. of the wages?—Yes.

42. *The Chairman.*] How long do you anticipate it will take you to complete the tunnel under the present conditions?—Under present conditions we could not drive any faster than we are driving now.

43. It will take another four or five years?—Yes.

44. And if you had your full complement of men in the tunnel?—I think it ought to be done in two years and a half—two and a half to three years at the very outside.

45. Double the tunnel-work, practically, would be done per day?—Yes. We have hardly had half the number of men in the tunnel. At the present moment we have got about a hundred men altogether in the tunnel. We have been working with about fifty or forty or sixty—all numbers. And the overhead expenses are the same.

46. *Hon. Mr. R. McKenzie.*] You propose to put in more pumping plant at the Bealey end?—We shall have to put in a larger pump than we have got there now.

47. With more power?—Yes.

48. Otherwise you could not go any faster?—No.