68. *Hon. Mr. Fraser.*] How many chains are there now completed?—We estimate that there is just about a third completed. We estimate that there are 6,226 lineal yards to complete yet; the total distance is 9,350 yards. I may say with regard to our estimate of the total cost that we have made it as low as possible. We left very little in it beyond recouping ourselves for what we have lost. There must be some allowance for contingencies that might arise.

69. *Mr. Davey.*] Supposing the bondsmen are called upon to pay, is it impossible to get any money from them at all?—I am pretty sure Mr. Nicholson is not worth anything like the amount. I want to point out to the Committee—and I trust they will take it into consideration—that Mr. Nicholson became bondsman in this matter purely out of friendship; there was not a thought of a sixpence of remuneration at all in his mind when he entered into it. It is quite different from the case of, we will say, a merchant here who looks for business in connection with the work. A merchant here going bond does so knowing that he has some risk, but hoping to make something out of it. In Mr. Nicholson's case, however, there was no thought of gain. He went bond purely from a friendship point of view, and because of the confidence he had in my brother and me. As far as I know he is not in a position to meet anything like the full amount.

70. *Hon. Mr. R. McKenzie.*] Is he a shareholder in your company?—No; he has not a solitary share.

71. *The Chairman.*] You say that he is not in a position now to see the thing through?—That is my opinion.

72. Was he when he entered into it?—I do not know that he was. We asked the Government to accept him, and they did.

73. *Mr. Davey.*] What would be the amount if he were called upon to pay?—£25,000.

74. He could be called upon to pay much more if the other bondsman could not pay?—Yes.

75. Then, there is practically no security available, outside of Mr. Nicholson, if the Government called on the bondsmen?—No; it is all involved in this work now.

76. The deposit is still good?—Yes.

77. *Mr. Okey.*] Supposing that some scheme should be brought forward for giving you the additional price, what guarantee could you give that the work would be carried out for that amount?—It is difficult to say. I was talking to a friend of mine last night in reference to a question of that kind, but the scare of labour throughout the Dominion is such that I could not offer any real guarantee at all.

78. Your company would not come forward?—The company are so satisfied about the matter that they would not advance one shilling, I think.

79. They would not come forward as guarantors?—Some of them are wealthy men, and realise that they have made a loss, and are prepared to meet it. They have told me that. The wealthy men among the shareholders told me that. They never gave me any encouragement in that direction. Still, if there were such a proposition made, of course I could put it to them and see what I could do in the matter.

80. Under your suggestion they would get their money back?—The loss on this work, yes; they would get a proportion of it back.

81. Would it mean that they would get back their loss on this Wellington dock?—No.

82. Supposing you came out with a profit, would it go to them?—They are preference shareholders. They have submitted a proposal to me that might alter that a little bit, but I have not got a guarantee from all the shareholders in connection with it.

83. So it would be really in your interests to liquidate the company before you entered into any fresh arrangements?—I suppose it would, but I do not like to throw over the shareholders. I want to point this out to the Committee: some of the shareholders are personal friends and relatives, or connections by marriage, at any rate, and when we formed this company we felt quite convinced there was a very fair profit in it and induced them to join, and the whole of the shareholders took up shares on their personal knowledge of myself and my brother, and, I suppose, on our reputation as contractors. So I do not like to see the shareholders left out.

84. *Hon. Mr. Fraser.*] What was the value of the shares of the company: were they £1 shares?—Yes, fully paid up.

85. How many were there?—45,000, all cash. There was £90,000 in cash altogether put into the company, £45,000 by my brother and myself, and £45,000 by outside shareholders.

86. Then there is no uncalled capital?—No.

87. It is all paid up?—Yes.

88. And of that, £40,000 went in the dock?—Of that £90,000, £40,000 went in the dock.

89. *Mr. Okey.*] Do you anticipate that if you went on with the work it would all be considered wet work?—No, I do not consider it would be all wet. There is a good deal of wet time now, and the headings are mostly worked in wet; but after the headings are driven and we commence to widen out, the water takes up somewhat, and then the men working on the side walls and in the widening-out on the break-up are generally working in the dry. But the headings are mostly wet.

90. If you started again, do you anticipate that you would have to work under the bank-to-bank clause?—I hope not; but if we do start again I am quite sure we shall have to increase the wages to induce men to come to the place. I do not think we should have to work under the bank-to-bank clause. I should make an arrangement to halve the loss, and I think there would be no trouble about it if the wages were sufficient.

91. The shareholders have received nothing out of the contract?—Nothing at all.

92. You say the popper-drill has been introduced since you took the contract?—Oh, yes, but the use of the popper-drill is very limited as far as we are concerned. It is really for arch work, but is a very useful drill for the purpose.