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MINUTES OF EVIDENCE.

WEDNESDAY, 28TH AUGUST, 1912.

MURDOCH MCLEAN made a statement and was examined. (No. 1.)

1. *The Chairman.*] Does your company wish to be represented by counsel?—I represent the company.

2. Will you be good enough, then, to put your case before the Committee?—I have to thank you, Mr. Chairman and gentlemen, for giving me permission to have counsel, but as there are, I think, no legal questions involved, there will be no necessity. Mr. Nicholson is attending merely as an interested party, being one of the sureties. The other gentleman with me is Mr. Williams, secretary of the company. I think it is hardly necessary for me to go into the history of this contract, which has been an unfortunate one for us. At the time the contract was taken, for the sum of £599,000 odd, it was considered by us that we had made provision for all necessary contingencies in connection with the work. This, however, has not proved so, and I am here to-day in the unfortunate position of having to tell you that we are just about at the end of our financial resources, and cannot go on much longer. What has brought us to this is largely the state of the labour-market. Nothing that we have come across in connection with the work has been abnormally difficult or out-of-the-way with works of this kind, but from the very inception of the work we were met with labour difficulties. I cannot say altogether that there was a "set" made against us, but it looked very much like it. One of the first things that happened was that a union was formed, and the secretary and treasurer or president of the Inangahua Miners' Union came on to the works and wanted to have a conference with me in respect to increasing wages and giving the men better conditions. At the time that this contract was let there was an award in existence for the Inangahua Miners' Union—the nearest award that was in existence for that class of work. We were then giving something like 1s. a day all round more than the award—that is, when we started. I met this gentleman in conference with the men. He could not give any reasons why we should increase wages or make the conditions better, but he finished up with saying that he would call all the men out on the following day, and would set the telegraph to work and stop men coming altogether; and he completed his statement by saying that we had £100,000 more than the Government estimate, and they were going to have it. That union brought us before the Arbitration Court, and there was an award of a kind given, but subsequently it became dead as our branch became dead, and for quite a little while we got on very well. Then the Federation of Labour took a hand and approached us. We had been increasing wages, and we increased them further, but we would not give all that the Federation of Labour required. There were several things that we fell out about, but one was this: they wanted a clause making preference to unionists compulsory. We would not give in to this unless the union were prepared to supply us with men. Then the president of the union stated openly to my brother and myself that they would send word round to the various unions under their juris-