

No. 31.

AMALGAMATION OF LEASES.

(Memorandum No. 862.)

Crown Lands Office, Nelson, 19th August, 1889.

Westport Coal Company's Leases.—I enclose herewith return of coal leases, having corrected the remarks relative to the amalgamation of the Waimangaroa and Ngakawau leases. With regard to the question as to how far the terms of amalgamation apply to existing leases, although legally the agreement was at an end on the surrender of one of the leases amalgamated, I think the company can fairly claim that the amalgamation should be held to apply to the existing leases, when it is considered that the new lease is for the same area, with an additional acreage, and that the required output under the new lease was increased to 25,000 tons in consequence of the additional acreage. With regard to checking the output from the mines, you will probably recollect that I applied some time ago to be furnished with monthly returns from the Railway Department showing the tonnage of coal and coke carried from each mine at Grey and Buller, in order that I might compare them with the output returns received from the lessees. These returns were supplied for a short time and then discontinued. If these returns were regularly supplied it would be a fair check on the output.

ALFRED GREENFIELD,

The Under-Secretary, Crown Lands, Wellington.

Commissioner of Crown Lands.

No. 32.

WESTPORT HARBOUR CONTRACT.

The UNDER-SECRETARY for PUBLIC WORKS to the CHAIRMAN, West Coast Coalfields Committee.
SIR,—

Public Works Department, Wellington, 26th August, 1889.

With the printed copy of my evidence, which came to me for correction on Saturday last, there were two or three pages of other evidence, amongst which was a portion of the evidence of Mr. David Wilkie, contractor, which relates to some transactions with which I was connected while at Westport, and, as I do not quite concur in the way Mr. Wilkie puts the case, I think it desirable that I should state for your information what my recollection of the facts is.

With relation to some question of 20,000 tons of stone, Mr. Wilkie, in reply to a request that he would explain to the Committee what that extra was for, stated as follows: "They wanted us to employ eighty-four men that were out of employment—that were locked out. Mr. C. Y. O'Connor wanted us to put on these men. I told him we could put out the necessary quantity with the men we had. He said he would increase the output if we would put them on. We put them on." My recollection of the case, however, and I may say that I made careful notes of it at the time, and have same still, is to effect as follows: When I was at Westport I found that the dispute between the contractor and the union men was still going on, and that the works were consequently very much delayed. Up to that time the union men had insisted that they must all be taken on, and that nobody but union men must be employed, and that, moreover, contractor must give reason if he discharged any of them in the future. With the view of endeavouring to smooth matters over, I told these men that I thought that their attitude was quite unreasonable, as contractor had got men down from Auckland whom he could not reasonably discharge; and that, therefore, they could not expect to be all taken on; and that the claim that contractor must give reason for discharging any of them, although stated to be sustainable in the case of coal-mines, was, I considered, altogether preposterous in the case of works of the character in question. On this they reconsidered the matter and eventually agreed that if contractor would put on about eighty of them, which was, I think, about two-thirds of the total, they would be satisfied. The contractor stated that he had room for eighty—that is to say, that the machinery and appliances supplied to him by the Government would admit of his employing that number in addition to those he had already got—but that if he put on so many he would be putting out stone in excess of the quantity provided for in his contract; and he then came to me and asked if the Government would have any objection to that. I stated that I thought not, but would refer the question to Hon. Mr. Mitchelson. As a matter of fact, there could be no reasonable objection, seeing that the Government and all others interested in the work were desirous of having it pushed on as rapidly as possible, and that the contract price is a reasonable, and, in fact, I think, a low, one. The quantity fixed by contract was as much as the Engineer thought contractor could put out, and contractor was, of course, bound under heavy penalties to put out that quantity; but there seemed to be no reason why he should not be allowed to put out more if he could do so within the term of his contract. It was, however, distinctly understood that there should be no extension of the contract term. On putting this to the Government it was approved, and contractor was informed accordingly.

Mr. Wilkie's statement, above quoted, that he could have put out the necessary quantity with the men he had must evidently have been made without due consideration, as I feel certain he could not have put out anything like the contract quantity with the men he had at the time that I am speaking of, as he was admittedly a long way behind his contract rate at that time, and did not work anything like up to it until the strike was over and the union men went to work again.

I have, &c.,

C. Y. O'CONNOR,

Under-Secretary for Public Works.

The Chairman, West Coast Coalfields Committee, House of Representatives.

P.S.—If Committee wishes for any further evidence as to the accuracy of this statement it can readily be obtained, as there are many persons in Westport who were present at the interviews which I had with the men and with the contractors, and I would submit that Mr. Wilkie's version of the case, which was evidently given without due care, should not be accepted without further investigation.