

71. You absolutely deny, then, that you bluntly said to Mr. McLean, "You have got £100,000 more than the Crown's estimate, and labour is going to have it"?—I deny that straight out. I never made use of the words that labour must have it—never.

72. Do you remember any member of the conference that discussed the matter with Mr. McLean making use of those words?—I do not.

73. In the Arbitration Court at Greymouth was any opinion expressed by you or by others as to the general treatment the men had received from the contractor? What was the men's opinion as to the treatment meted out to them by the employer?—It was recognized by nearly every one of them that Mr. McLean was a good boss, to use their own word; as far as treatment was concerned, they could expect only fair treatment from Mr. McLean, and that the general run of them got. In the early stages of the tunnel contract the conditions were not too good, but after the complaints were made the conditions were improved, and the workers were thoroughly satisfied.

74. Do you remember any one representing the labour unions or the Federation of Labour writing to Australia and suggesting that men should not go to Otira—that the conditions were too bad to work under?—I cannot say that I know anything at all about that. But I can tell you this: Mr. McLean, in the Arbitration Court, said that too many men were applying for work, that he could not give employment to them.

75. You have been in pretty close touch with the workers, have you not?—Yes, for many years.

76. Can you tell us of any specific complaints made by workers regarding the tunnel, and what those complaints were?—Of late years I could not, but in the early stages there was a general complaint. Of late years I believe the conditions have been fairly satisfactory. During the latter part of my term as president of the Inangahua Miners' Union, when Mr. McLean had improved the tunnel and the conditions under which the workers were living in their cottages, and so forth, there were no complaints then whatever. They were all perfectly satisfied.

77. When did you sever your connection with the union?—In August—I think it was August—1909.

78. *The Chairman.*] Did you sever your connection with the union before you made the statement to Sir Arthur Guinness and Mr. Graham?—I think it was whilst I was a member.

79. *Right Hon. Sir J. G. Ward.*] What did you mean by the statement you made that if the cancellation of the contract was effected the cost of the tunnel would involve a million of money?—I said "probably." I said that if the contract was once broken we would not know where we should stand, and it might cost a million.

80. What did you base that assumed amount upon?—I assumed that if the contract were broken it would probably change hands to other contractors, who would take it at a very much higher rate; and before the work would be completed I thought there was a possibility of the whole thing costing a million or thereabouts.

81. But you have not any data upon which you could arrive at an estimate?—No.

82. It was assumption only?—That is all.

83. With regard to the suggestion you made to the Wellington Trades and Labour Council to keep their eye open for an application for the cancellation of the contract, on the ground that it would mean a further amount of £100,000 to McLean and Sons, did you mean that if the cancellation of the contract took place the Government was going to make them an additional payment of £100,000?—No. I advised them to oppose any application that might be made for the cancellation of the contract or the breaking of it in any shape or form, for the reason that that would be a ground for making application for an additional amount.

84. So you had no direct information from any one in a position of authority that would warrant any assumption that an additional £100,000 would be paid to any one?—Oh, no. It was only the statement made by Mr. Baghurst to myself, that it was Mr. McLean's confidential programme outlined to him, and that it would take place eventually.

85. Which implied in any case that the other party to the contract would have to agree?—That is so.

86. Supposing the present contractors are not able to carry on the contract, as they have declared here, in your opinion is it desirable to keep them to the contract?—Most decidedly.

87. Even though they cannot carry it on?—Yes.

88. For what reason?—I do not think it is right that an agreement should be broken. I believe that if a person takes a contract the whole of the money should be exhausted first, and he should show in that way that he is not able to complete it; and if there are bondsmen or sureties they, too, should be called upon to complete their part; and the Government should then finish the contract, charging them the difference for non-completion.

89. The contractors have stated in evidence that the whole of the £45,000 capital of a company that was created when they were in difficulties to enable them to carry on has been expended, and that the members of the company who provided the £45,000 will provide no more. What I want to ask you, as a representative worker, is, is it in the interests of the country that men who cannot carry out a contract should be kept hanging about for the next twelve months and the work in an important tunnel suspended?—Assuming that there is, say, £300,000 of unexpended capital, I am of opinion that it is in the interests of the country for the contractor to proceed with that work until that money has been expended, and then show, after the expenditure of that capital, that he is not in a position to go further. If labour troubles, as alleged, be the cause, the Government will have the same troubles and conditions to work under.

90. The contractor has stated here that the £45,000 has been expended, that the money advanced by the Government against the boring plant and machinery has been expended, and that the progress-payments made to date have been expended?—I presume there is an unexpended amount of approximately £300,000.