

1890.
NEW ZEALAND.

THE LABOUR DISPUTE ON WEST COAST OF MIDDLE ISLAND

(CORRESPONDENCE RELATIVE TO).

Laid on the Table by the Hon. Mr. Fergus, with the Leave of the House.

No. 1.

The Hon. the PREMIER to MESSRS. LOMAS and NEWTON.

GENTLEMEN,—

Premier's Office, Wellington, 18th August, 1890.

With reference to your letter of last Saturday evening, and to your query as to how a Royal Commission can help the miners out of their difficulty, I have the honour to state that, from the nature of the difficulty which has arisen, the Government are unable directly to render assistance. All they can do is, by a full inquiry into the whole subject, to ascertain whether the amount levied for royalty and freight by them is excessive, which can only be done in the manner already indicated to you.

The Government propose to appoint a Royal Commission in consequence of your request that the State should remit 6d. per ton of the 2s. 6d. now paid to the Government in royalty, and for freight by railway from the mines to the harbour. This, as I have informed you, the Government can only do with the sanction of Parliament, and that sanction cannot be asked without at the same time affording Parliament the fullest information as to the position of matters at the mines, and the causes which have led to the present deplorable difficulty.

As I understand the question, from representations made by you, and the statements of the company, the position is this: In March of this year the miners, being dissatisfied with their position, determined to alter the mode and rate of payment for getting coal. After some negotiation the company accepted the miners' terms as a trial. The new rate continued from March to June, when the company declined to continue to work on the new terms, alleging that they were losing at the rate of about £250 per week, and offering to permit the examination of their books by an expert appointed by the miners to ascertain the truth or otherwise of their statement. This examination took place, and I understand it is now admitted by you that the work cannot continue at the present rates without serious loss to the company. It is therefore proposed by the miners to reduce their price for getting the coal by 2d. per ton, and to ask the Government to remit 6d. in royalty or railway freight—making 8d. in all—at which rate it is thought the company will be willing to resume work on certain conditions. This proposal, as you will see, opens up two very large questions all over the colony—viz., railway freight and royalties.

It is impossible for the Government to touch either question without the fullest knowledge of all the circumstances of the case, and the Government know of no way of obtaining such information except by a full inquiry on the spot by a Royal Commission. The Commission will therefore, if appointed, certainly, amongst other things, have to inquire into the amount of wages earned by the miners, as well as the profits made by the company, and the rates of freight paid by land and sea, &c.

The Government have no intention in any way to interfere between the company and the miners, and they have only proposed to inquire into the matter when, as trustees of public property, they have been asked by yourselves, as representing the miners, to forego certain revenues belonging to the public. This, as I have said, it is impossible for them to do without strong reasons being shown to Parliament which would justify such action.

Messrs. Lomas and Newton, Wellington.

I have, &c.,

H. A. ATKINSON.

No. 2.

MESSRS. LOMAS and NEWTON to the Hon. the PREMIER.

SIR,—

Wellington, 16th August, 1890.

Your memorandum of even date just to hand, and, in reply, we beg to say that we are at a loss to know how such a Commission can help us out of our present difficulty. We should, however, esteem it a favour if you would kindly give us some idea of the nature of this Commission.

1—H. 52.

If it is to inquire into the question of wages, we shall most decidedly object to the Government interfering between us and our employers on these matters; at the same time, we have not the slightest objection to the fullest inquiry that may be arranged between us and the Grey Valley Coal Company, such inquiry to be based on the rate of wages paid to coal-miners on the West Coast. An answer to the above inquiries at your earliest opportunity will greatly oblige

The Hon. the Premier.

Your obedient servants,

LOMAS and NEWTON.

No. 3.

Messrs. LOMAS and NEWTON to the Hon. the PREMIER.

SIR,—

Wellington, 18th August, 1890.

We have no wish to bore you, but, as we have not received an answer to our communication of Saturday's date, our only reason for again troubling you is in consequence of us not being able to make any temporary arrangements for starting the mines again, pending the result of the Royal Commission.

Sir, could you not, by resolution of the House, concede the royalty until the Commission have done their work, so as to start the mines again? Trusting you may help us in this matter, apologizing for troubling you again,

We remain, &c.,

The Hon. the Premier.

LOMAS and NEWTON.

P.S.—We leave for home at noon to-morrow by the "Mawhera."

No. 4.

The SECRETARY to the PREMIER to M. KENNEDY, Esq.

SIR,—

Wellington, 17th July, 1890.

I have been directed by the Hon. the Premier to acknowledge the receipt of your letter of the 16th instant, relative to the proposed stoppage of the Brunner collieries.

The Government was previously aware of the dispute between the miners and your company—upon the merits of which, however, it cannot offer an opinion—and, while regretting exceedingly that any such dispute should have arisen, I am to inform you that it is quite out of the power of the Government to assist the company by suspending the payment of the royalty from the collieries. The Railway Commissioners also, to whom your letter was referred, do not see their way to abate or reduce the railway charges on the haulage of coal from Brunnerton to Greymouth.

I am to add that the only suggestion the Government can make is that the matter in dispute should be referred to arbitration.

I have, &c.,

M. Kennedy, Esq., Managing Director,
Grey Valley Coal-mining Company, Wellington.

ALEX. WILLIS.

No. 5.

The ACTING-SECRETARY to the CABINET to MESSRS. LOMAS and NEWTON.

GENTLEMEN,—

Premier's Office, Wellington, 16th August, 1890.

With reference to the interview which you had with the Premier on the subject of suspending the royalty payable in respect of the Brunner and Coal-pit Heath coal-mines, in order to enable these mines to be reopened, I have the honour to inform you that after giving your application very careful consideration the Government find they are unable to deal with it without legislation.

You are aware that the royalty forms a portion of the endowment of the Greymouth Harbour Board, and also that this matter must necessarily raise the question of royalties payable in respect of other mines. The Government therefore think that before any definite action would be taken by Parliament it would require full information on the subject.

While, therefore, recognising the urgency of the matter, and in view of the fact that even a temporary stoppage of the mines would be a serious disaster, possibly involving their abandonment through flooding, the Government believe that the question of the remission by them of the royalty, or any part of it, can only be satisfactorily settled after the fullest information is obtained and time is given for its complete consideration.

The Government have therefore decided to appoint a Royal Commission to inquire and report as soon as practicable as to whether or not existing circumstances are such as to justify a remission of the whole or part of the royalty. In the meantime, it being evident that this is all the Government are justified in doing, it is earnestly hoped that, pending the report of the Royal Commission, which will be obtained as early as possible, the miners and the company will, in the interests of the colony as well as in their own interest, temporarily come to arrangements to continue working the mines, pending a permanent settlement of the matter.

I have, &c.,

Messrs. Lomas and Newton, Wellington.

AMELIUS M. SMITH,
Acting-Secretary to Cabinet.

No. 6.

Mr. J. LOMAS to the Hon. the PREMIER.

SIR,—

Brunnerton, 10th July, 1890.

We wish most respectfully to draw your attention to what we consider is altogether a serious departure (at least, from our point of view) from the meaning and spirit of your memorandum

re the Westport Harbour contracts. By referring to copy of the aforesaid memorandum you will see that you agreed to let the works in small contracts to the workmen. This has not been carried out in every instance, but what we complain of most is that the maintenance contract has been let to and is still retained by non-unionists of the very worst kind.

We have offered a strong protest against our members being compelled to work along with these men. Up to the present we have carefully avoided resorting to extreme measures; but we regret to find that these same men have again tendered for the work, and quite a number of others whom we cannot recognise as having any claim within the terms of your memorandum. We could give most satisfactory reasons for our protest if an opportunity were afforded us before the tenders were formally accepted. There is, however, the one position we have taken up, that of not allowing our members to work with non-union men—a position from which we cannot and will not move whatever may be the consequences; and in this we have the fullest sympathy and support of the Maritime Council and of all the trades-unions in the colonies.

Therefore we are of the opinion that, if you cannot see your way clear to let the maintenance contract to the men who really represent the employés on the harbour-works—namely, Messrs. Reece, Barrowman, and Cross—you should at least give us a chance of explaining our position in reference to these contracts, and not force us into extremes that would involve the thousands of unionists, and bring trouble upon those who have no direct interest in these labour disputes.

We were more than astonished, after going to the trouble, and at considerable expense, of going up to Wellington to interview you, and getting your pledge that the works would be let to the employés, to find that they could only be let for the short term of six weeks. Surely this was tantalising us in a manner that we consider unbecoming to the Public Works Department; and, although the contracts have been extended, we are again confronted with the District Engineer advertising to relet the contracts in the quarries for another short term. We are at a loss to know why this should be necessary, seeing that the works are being carried out to the entire satisfaction of the local engineers, and, according to their own admissions, better and cheaper than by the late contractors, and under much greater difficulties.

Such being the case, it would be at least some satisfaction for us to know why our men should be treated so much worse than the ordinary contractor. We feel satisfied that neither the Government nor any other employer would ever think of letting works of such importance to other contractors for such short terms as are offered to us.

We are most anxious to avoid any friction with the Government, but we cannot submit to be put into competition with such unprincipled men as those who have at present the maintenance of the Cape Foulwind Railway line. Neither would we like to think that the present Ministry would encourage in any degree a system of sweating in order to get any works under their control done cheaply. I may also inform you that the present union contractors have in several instances made important and very material concessions on some of their contracts to the Board, and these concessions, I understand, in every case were unsolicited.

If the Government cannot meet us in the manner I have indicated, could they kindly consent to allow the tenders to remain in the hands of the local engineer until a deputation had had the opportunity of stating their case to you?

I expect to be leaving for my home at Denniston early next week: until then my address is, care of Mr. G. Newton, Taylorville, Brunnerton. If you deem it necessary for the deputation to come to Wellington will you please let me know at your earliest convenience?

Trusting that we shall receive every consideration, and apologizing for the length of my letter,
I have, &c.,

JNO. LOMAS,

President A.L.M.A. of New Zealand.

The Hon. the Premier.

No. 7.

COPY of MEMORANDUM by the Hon. the PREMIER.

THE Premier, having replied to the deputation upon the general question as to what action the Government meant to take as to employment in the several districts, was then asked by the deputation, as they had heard by telegram that the contractor had stopped the works at Westport Harbour, what provision do the Government intend to make until contracts can be let, and at what rate of pay, as the men would be seriously inconvenienced if no work was obtainable until the Government were in a position to let the contract.

The Premier, having consulted the Minister of Public Works, stated that the Government were desirous to provide temporary work pending the introduction of the new system referred to in his answer of yesterday. He mentioned that, from a reference to the Public Works Department, it appears that the stoppage of Westport Harbour works was due to the contractor declining to proceed with them. His original contract was completed a few days ago, but, as the Public Works Minister was unwilling there should be any stoppage of the works, he sanctioned their continuance at the late schedule rates for a few days, until specifications could be prepared for letting the works in small contracts to gangs of workmen. The specifications are in hand, and it is hoped they will be completed in a week or ten days.

The Public Works Department was taken somewhat by surprise by the contractor stopping so suddenly, and by having received only about twenty-four hours' notice. In order to meet the temporary difficulty of the men being without work through the stoppage of the contract, the Public Works Minister has given instructions that the works shall be proceeded with at day-wages until the small contracts are out, and that the rate of wages will be the same as was paid by Mr. Wilkie.

1st March, 1890.

H. A. ATKINSON.

No. 8.

COPY of MEMORANDUM by the Hon. the PREMIER referred to in Mr. Lomas's Letter of the 10th July, 1890.

THE Government is of opinion that they should do as little as possible to interfere with the current rate of wages, either by paying more or less than the market rate; that for all temporary or casual labour required the ordinary market rates paid in the district by private employers should be paid by the Government.

With reference to the works at Westport Harbour, it is the intention of the Government to let by contract all the required work as far as possible, and to pay for such temporary or casual labour as cannot be done by contract the ordinary rate of wages prevailing in the district; but the Government cannot accept the dictum of any society as to what that rate is without first having satisfied themselves by full inquiry as to the current rates.

28th February, 1890.

H. A. ATKINSON.

No. 9.

M. KENNEDY, Esq., to the Hon. the PREMIER.—(Proposed Stoppage Brunner Collieries.)

SIR,—

Wellington, 16th July, 1890.

As the stoppage of these mines would throw out of employment upwards of five hundred workpeople at Brunnerton and Greymouth, and probably cause serious hindrances to trade all over the colony, I deem it my duty to bring the subject under your notice, especially as the Government are directly concerned as "lessors" of the collieries—the royalty from which, and the traffic of our minerals on the Brunner Railway, yield a weekly revenue of about £500—in the hope that, having satisfied you our company have done all that can be expected of them and much more, you may see your way to suggest some mode of averting such a catastrophe. And here I would suggest that a temporary suspension of the 6d. ton royalty, and the Railway Commissioners allowing a reduction on the railway, would be the proper source to help to meet the deficit, as during the suspension there would be neither royalty nor railway receipts.

In proof of our company having done all that could be expected of any company to avoid conflict, I beg to enclose extract from *Grey River Argus* of the 7th instant giving a letter of mine on the subject. The £1,390 loss therein stated for four weeks will be vouched for by the Miners' Union Association accountants now examining the company's books. This huge loss—upwards of £17,000 yearly—no one can expect the company to continue; indeed, for myself, holding one-fourth of the company's share-capital, it is impossible for me to continue another week, and, having already extended the notice on two separate occasions to allow examination of company's accounts, though it could have been done in half that time, no object can be served by further extension.

As you will be unacquainted with the circumstances leading up to this difficulty, allow me to explain briefly. Prior to the 10th March last the mode of payment at Brunnerton was on the screened coal delivered by the miners; the same practice obtains throughout New South Wales and most part of Great Britain. Under that system the wages earned by the miners at our collieries run from 10s. to 18s. daily for about seven hours, or an average of about 12s. 3d. However, for a long time previous a few miners were agitating for a change, resulting at date named in union's ultimatum to our mine-manager, by which we had to accept the payment of 2s. 10d. gross weight or submit to a strike, the vote for which being almost unanimous, at same time the union protested they did not seek an advance of pay, contending this 2s. 10d. was the equivalent of 4s. net, while we had proof of 2s. 3d. being the equivalent, and also that additional great loss would ensue owing to there being no inducement in the gross-weight payment to miners sending out good coal, receiving as much for rubbish as for good coal. The past four months' experience of this change has unfortunately only too forcibly demonstrated the truth of our contention. The returns show a loss of 7½ per cent. of good marketable coal, in favour of slack washed into the river. This alone is a loss of £4,000 yearly.

The hewers, numbering 194 men, are making excessive pay—upwards of £4 weekly for less than forty hours' work—and, as some of them do, notwithstanding the restrictions put on them by the union, make upwards of £1 daily, this restriction of output, coupled with union interference with the mine-managers' duties, have added largely to all headings of cost at the collieries, culminating in the losses shown, instead of the small profit previously earned under the net-weight system. I observe, by Press telegrams from Brunnerton, it is alleged the loss is due to mismanagement and excess surface-labour, &c. It's the same management and labour now as before the 10th March, except the extra labour employed in cleaning, screening, and loading coal necessitated by the change named.

All this loss and trouble has been brought about by the agitation of a few men not content with payment under the net-weight system—indeed, it is safe to say the number does not exceed a hundred men as benefited by this change—a change which threatens to destroy the large capital sunk in the development of these coal-mines, to ruin what has hitherto been the best-paying railway in the colony, the cost of which, together with the Greymouth Harbour works, exceeds £400,000, and to throw out of employment upwards of four hundred and fifty men and boys at the collieries, in addition to the railway staff and labourers at Greymouth, and thus inflict on the whole district incalculable injury—for it is quite certain the greater part of the entire population at Greymouth and Brunnerton—some five thousand people—are depending on the continuance of the coal business.

The remedy we propose is a return to the former system of net-weight payment, or, next, a reduction in the rates on the gross weight equivalent to that previously paid on the net weight; or the company are willing to consider any proposal by the Miners' Union to work the collieries on any equitable co-operative basis, whereby the miners may earn a fair wage while giving the capital invested therein a small interest after providing for permanent charges.

Saturday next being the last working-day for the collieries unless the reductions asked are conceded, and from the attitude adopted by their unions I confess I have great fears of them doing so, or, at all events, to such extent as will at all meet the difficulty.

In view of the whole circumstances, I trust the Government and the Railway Commissioners may be able to suggest a means to enable our company to keep the collieries working with some assurance of assistance as suggested to meet the difficulty, pending the result of negotiations, should the notice for stoppage be postponed to a future date.

I have, &c.,

M. KENNEDY,

Managing Director, Grey Valley Coal Company.

The Hon. the Premier, Wellington.

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