

ing for the gross weight. It was then made a question to be dealt with under the form of arbitration, or reference to accountants. Major Keddell was to act as referee if there happened to be any difference between the accountants, but, there being no difference, Major Keddell's services were not required.

11. Can that form of arbitration be produced?—Yes; and that would show that the equivalent rate then was about 2s. 3d.

12. I understand, then, that as the result of arbitration previous to the present dispute you arrived at a basis?—Yes; we arrived at what was an equivalent in gross weight to the then net-weight payment—that was, 2s. 3d. to 2s. 5d. as against 4s.

13. *Mr. Moody.*] You did not make an alteration then?—No; they would not take it then, as at that time we made a proposition to them in this way: We said, "We will give you your choice as to whether you shall continue on the net-weight system, but we will check the accounts, and when they are ascertained you can still take your choice whether you will continue on the same system."

14. *The Chairman.*] Then, when the result was ascertained they chose to go on with the net weight?—Yes; they elected to continue on the old system. They had an idea in their own minds that it would run out to 3s. When they found it would run to 2s. 6d. and 2s. 8d. they said, "We will continue as we are."

15. That was entirely at their own option?—Yes; they elected to continue on the old system, and continued until early in March last, when by their notice dated 24th February to cease work unless payment was made at 2s. 10d. ton on gross weight. We then referred them to the old arbitration, and said, "If you will persist in demanding payment on gross weight we will adopt these figures." They replied, "No; we will have the district rate as paid at Westport," which was 2s. 10d. And as a choice of evils we gave way as to Wallsend and Coal-pit Heath Mines.

16. They did not insist that 2s. 10d. was the equivalent of 4s.?—No; they insisted on a district rate.

17. *Mr. Moody.*] What was the rate at Reefton?—There was no regular rate there that I know of.

18. *The Chairman.*] What do you mean by a district rate?—Well, it was in such an area as the association chose to cover. In this case it meant Westport and Greymouth. We did not recognise it until we were forced to do so at their dictation.

19. *Mr. Moody.*] Were they paid on the net production at Westport?—No, on the gross. For some years they were paid on net weight, but some five years ago they had a dispute which was settled by paying on gross weight.

20. *The Chairman.*] Now we come to the particular rates. How did the pillar-coal get into the dispute? Who raised the question first?—The mine-manager raised the question.

21. In what form?—The Brunner working was all pillars, and the manager, finding a heavy loss resulting from working, stopped them about January of that year, and work was only resumed in that district on the 10th of March, as stated. The position of the Brunner Mine at the present time is, that the only solid coal workable is to the dip, and to work that we want more special pumping appliances, which are not there yet, but are being provided by electric power. The coal available in the Brunner Mine to work at the present time is pillar-coal only, and these pillars being considerably crushed and soft, the percentage of round coal is much less in consequence. We said then that this was practically filling coal, not hewing. We imagined, or, at least, the manager asserted, that the men could make wages at 1s. 6d. per ton: 2s. was what we offered them first for pillar-work in Brunner and 2s. 4d. in Coal-pit Heath, but, secondly, 2s. 4d. in Brunner and 2s. 6d. in Coal-pit Heath.

22. Was this subsequent to the 8th March?—No, it was early in March.

23. Was it discussed apart from the former question of gross and net?—It was discussed simultaneously. When we found we could not get them to accept our offer, we conceded 2s. 10d. in the Wallsend and Coal-pit Heath rather than have a strike. That is, 2s. 10d. per ton all round for gross in both mines. They would make no distinction. Their iron heel was on us, which we recognised for two years before, and we had to accede. On account of the Brunner pillars being badly crushed, we offered them 2s. 3d., although 2s. was what we considered a fair wage. They would not accept the 2s. 3d., and then I think we increased it to 2s. 4d., but they would not accept that; and then I made them an offer myself of 14s. a day, rather than give them 2s. 10d. They accepted this offer, and went in to work at 14s. a day.

24. That is to say, there was no strike or interruption at that time?—No; we would not resist their demand, exorbitant and tyrannical though it was, because we were under very heavy contracts at the time to supply coal to all the railways and gas companies in New Zealand, the New Zealand Shipping Company, and other steam-users.

25. *Mr. Moody.*] Did you pay that to all the miners, irrespective of their ability?—Yes; every man that went to work at the Brunner pillars was paid at the rate of 14s. a day, and the coal sent out just cost the 2s. 4d. we offered them.

26. *The Chairman.*] How long did that continue?—I think the payment of day-wages only continued two weeks. They then changed from 14s. a day to 2s. 6d. per ton all round, the manager giving way so far, as the cost of supervising day-labour was too great.

27. *Mr. Moody.*] Of course it was all pillar-working?—Yes.

28. *The Chairman.*] Then, the next change?—We found in working that we were losing very heavily at these rates, and we gave notice, by letter dated the 30th June, of a conditional reduction of 20 per cent. on the hewing-rates, and stated that unless they conceded the mines would have to be stopped. Before this letter there was a telegram sent by me to Mr. Bishop on the 24th June, which was communicated on the 25th to Mr. Andrews, and subsequently, on my arrival at Greymouth, I wrote to the association a letter on the subject, which was published in the *Grey River Argus* of the 28th June, now produced. In that letter, and Mr. Bishop's subsequently, we offered to submit the question to arbitration, to have the mines worked on the co-operative principle, or to