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.