

49. Is there any recognised rule or understanding between employers and employed as to the exact definition of the term "lock-out" as opposed to "strike"?—I am not aware. The only thing, I suppose, is that when an owner asks for a reduction and does not get it, it is a "lock-out."

50. Then, if the men ask for an increase and do not get it, it is a strike?—Yes.

51. If you had resisted their demands in the first instance it would have been a strike?—Yes.

52. But, having given their demands a trial, you wanted to go back to the old system, and that constitutes a lock-out?—That is what I understand. Though I have been only connected with coal-mines for twelve or fifteen years—this is the only place in which I have been connected with coal—so that I am not, of course, an authority, but to my mind that is the basis of it.

53. Now, with reference to your letter to the Premier, do you still hold the same opinions as set forth in the letter? [Letter handed to Mr. Kennedy.]—Yes. I should, however, like to make some comments upon this enclosure published in the *Grey River Argus* of the 7th July. With reference to the statement there that the loss has been £1,390, I wish to explain that that includes, as the letter states, 1s. 6d. per ton for general charges and interest, which of course means that, exclusive of this amount, the receipts just about balanced the expenditure. We had just sufficient to pay the wages and freights—that is all. There was nothing left for development of the mines, for proving faults, for supplying machinery, depreciation, &c. My estimate of that was 1s. 6d. per ton on gross weight, as paid to miners; and I still hold that it was not too much, but upon the weights sold 2s. per ton would be about the equivalent.

54. Will you explain how you arrived at that?—I have a list at the office, and I will put in the details. I do not wish it to go forth that we were incurring that loss as between receipts and expenditure. It is a loss nevertheless, for the mines could not and cannot be worked without expending the money contemplated therein for development. Now, with regard to the following statement in my letter of the 16th July: "The returns show a loss of $7\frac{1}{2}$ per cent. of good marketable coal in favour of slack washed into the river. This alone is a loss of £4,000 yearly." That is explainable in this way: Taking the three last months upon which we paid on the net-weight system, to the 8th March, the proportion of screened coal was $62\frac{1}{2}$ per cent. of the output, whereas for the subsequent three months, which was the first three months of the gross-weight system, the proportion was 55 per cent., a difference of $7\frac{1}{2}$ per cent.

55. *Mr. Brown.*] That the waste was $7\frac{1}{2}$ per cent. greater after the 8th March than before?—Yes.

56. *Mr. Moody.*] There was no difference in the screens?—No. And my contention is that it was on account of the recklessness in the coal-hewing. The miners' defence is that it was a sudden crush. But I think that would not be likely to occur at the very time of the change in the mode of payment. At any rate, $7\frac{1}{2}$ per cent. of screened coal was lost—made into slack, and washed into the river.

57. And you think it was owing to carelessness on the part of the miners?—I think it was due to the want of incentive on the part of the miners to make good coal. That is my version of it, but I think it would come better from Mr. Bishop.

58. Do you think it could be caused by a change in the screens?—There was no change in the screens. In my opinion, as I have said before, it was due to a want of incentive on the part of the miners to make good coal. By the gross-weight payment rubbish is paid for the same as good coal. At Newcastle, New South Wales, all mines pay on the net weight, and generally so throughout Great Britain.

59. *The Chairman.*] Are there any other points in the letter you wish to make any remarks on?—The remedy I proposed is to return to the net-weight system in whole coal, and paying a fair rate on pillars badly crushed, on the gross system, as the round coal in them runs too uneven for making a fair average. This they would not have. They went out on Saturday, the 19th July.

60. You proposed two remedies, I think, one being the remission of royalty, and the other a reversion to the net-weight system?—I suggested at that time a remission of the royalty, or a portion of the royalty, pending some settlement between us and the miners; but the real cure for it was to revert to the state of things that existed before the 8th March. I think we could do this without any remission of royalty.

61. *Mr. Moody.*] On the screened-coal system?—Yes.

62. That is, 4s. a ton?—Yes; but on badly-crushed pillars, as stated, payment could be made on the gross weight.

63. *The Chairman.*] Now, that brings us to the present state of things. Since that date, has the mine been working at all?—Yes. After that letter was written, and the miners went out, they made a proposal to us through their secretary that they would allow 2d. off the tonnage-rate if the Union Steamship Company would allow 2d. and the railway 2d., making in all 6d. in that way divided by these three interests. We did not entertain that offer: we stood upon our old offer of 20 per cent. reduction to cover our loss. Subsequently communication was made to us to know if we would join them in a request to the Government to reduce railage and royalty by 6d. a ton.

64. Was the Wallsend Mine closed before or after this?—A few days after the strike set in the directors resolved to close the Wallsend Mine. It had been under consideration for months before.

65. It was while the Wallsend was still in a condition to be worked that this application was made, or before you decided to close the mine?—Yes. They made the application to Mr. Bishop, and he wired me to know whether we would join them in making an application to the Government for a reduction of the royalty. I said Yes, although I did not see that it would do much good, as I had already made application, and it was refused. Still, the deputation came to Wellington.

66. This was after the Wallsend was abandoned?—No; the resolve to close the Wallsend occurred about three weeks before finally closing, on the 14th August, the movable plant being removed during that time.

67. Was your company disposed to agree with this application to the Government?—The