

proposition was this: We were demanding a reduction of 20 per cent., which would run into 7d. or 8d. per ton; and the deputation in Wellington were asking for a reduction of 6d. per ton royalty, which, with 2d. from the miners, amounted to our demand. I said our demand was so much, and we need not examine too closely where it came from. We were prepared to start the mine so long as we got a reduction of 8d., from whatever source it came.

68. How much did you demand?—Twenty per cent. off 2s. 10d.—nearly 7d. It was only an offer; we might have taken a little less, or we might have insisted on a little more. I produce extract from the *Grey River Argus* of the 7th August, giving a report of three alternative offers to the miners to work the mines. I may add to this that the 5s. 6d. we offered only left 1s. per ton for the company, to cover permanent charges and interest, as the price realised after paying all charges for royalty, railage, and marine freight only left 6s. 6d. per ton net at the mine-screens, calculated on the weights paid to the miners. All overtures were declined; they would only abate 2d. per ton on pillars.

69. Would the miners give 2d. permanently?—Yes.

70. This, in addition to the 6d. from the Government, would be 8d. altogether?—Yes. As the result of their negotiations in Wellington they informed myself and the Hon. Mr. McLean, who is chairman of the company, that the Government would appoint a Commission, and in the meantime would take authority from Parliament to give effect to the Commissioners' report. The Premier accompanied that statement with a request that they should go to work immediately.

71. In that offer was there any mention made that it would be retrospective?—A conclusion had been arrived at that the arrangement would be retrospective. I am, of course, only giving the version that came to me.

72. You do not know definitely?—No.

73. Did they go to work?—We had a good bit of discussion on the matter, and it resulted in this way: I made them an offer in this direction: we were naturally anxious to get to work, both for our sakes and for theirs. I said this: "Pending the report of the Commission, if you allow 2d. permanently, and the half of what is promised by the Commission, 3d.—that is, you allow us 5d.—we will join you in the risk of the 6d." We still held to the claim of 8d., but we would take 5d. pending the result of the Commission. The 5d., of course, comes off the two-and-tenpenny rate in Coal-pit Heath and the half-crown rate in Brunner.

74. Then, under what arrangements did they work?—They worked for the 5d. reduction—that is, 2d. certain, and 3d. pending the result of the Commission.

75. *Mr. Moody.*] When did they work?—A general strike set in before they got to work, and they intimated to the mine-manager that they would not cut coal for the Union Company's steamers.

76. *The Chairman.*] That was before the mine got to work?—It was while the mine was being prepared for work. That is to say, the modification of my offer was accepted, as stated, on the 27th August, and on the 30th August we were notified that the miners would not give coal to the Union Steamship Company's steamers. Personally, I agreed to that, as at that time it was uncertain when the Union Steamship Company could replace the seamen just then called out.

77. *Mr. Brown.*] All the local difficulties between the company and its men were arranged, and the men were going to work when this other distinct strike arose?—Yes.

78. *The Chairman.*] And then they went to work on that basis?—Yes.

79. How long did the strike last?—The work of preparation began on Monday, the 22nd September; on Saturday, the 30th, 34 tons of coal were sent down by rail; and on Monday work ceased.

80. I mean to say, when they refused to cut coal for the Union Steamship Company: did they strike on that occasion?—No.

81. You at once conceded?—Yes. There was no interruption. There were only about a third of the men employed, however, as the work was limited, owing to their refusal to ship by the Union Steamship Company's boats, or any other boats carrying "blackleg" labour or in conflict with unions, or for use by such people.

82. *Mr. Brown.*] Were there other boats available?—There were the "Stormbird," "Huia," "Queen of the South," "Kiwi," "Kahu," Anchor line—"Kennedy," "Charles Edward," "Murray," and "Lawrence;" and some sailing-vessels.

83. *The Chairman.*] Then, they continued at that state of things up to about three weeks ago?—Yes, up to the 22nd September; and then the Union Steamship Company made a demand on us owing to an agreement with the Grey Valley Company made three years ago, and renewed six months ago, whereby the Grey Valley Company agreed to give all its carriage to the Union Steamship Company and the Union Company undertook to provide sufficient steamers to carry all our coal requirements, and upon us loading the "Brunner" the miners went out on strike; but if the "Brunner," or any other Union boat, was not loaded the miners would cease work the following week, as all the available tonnage was withdrawn from us by the seamen being called out, and all the wagons would be full; in fact, I regard the calling-out of the crews of all these small steamers, excepting only the "Lawrence," as a breach of the agreement made on the 30th August, and the "Lawrence's" freight was £1 5s. to £1 15s., against the Union Company's 7s. to 9s., while our contract price for coal delivered was £1 to £1 4s.

84. Could you produce the agreement?—It is in writing in Dunedin. I know the spirit of it, and I carry it out. It is for our mutual advantage.

85. *Mr. Brown.*] Then the agreement is this: that the Grey Valley Company agree to retain all its New Zealand freights for the Union Steamship Company, and the latter agree to provide tonnage for all your freight requirements in New Zealand?—That is correctly expressed.

86. *The Chairman.*] You can sell to steamers going beyond the colony or to sailing-vessels?—We have perfect freedom. There is no restriction at all beyond the colony, so long as we get a market. The Union Steamship Company has no control at all beyond the colony.