

They were, I believe, such items as interest on capital, proving faults, and other dead works. In our audit at Brunnerton all these things were taken into account that showed the loss. In the audit at Dunedin there were certain items which were omitted for these things, and therefore it showed a slight gain.

2537. Will you look at the results of the Dunedin audit, put in by Mr. Kennedy, and say if the small profit you speak of was not a loss?—Yes [referring to results], I now see it was so.

2538. Will you also look at page 4. These are the items you refer to as omitted from the calculation in the Dunedin audit, are they not?—Yes, interest on capital, depreciation, main headings, &c.

2539. *The Chairman.*] Then the amount shown on that page has to be added to the tonnage shown on the other page?—Yes.

2540. But, on the whole, was the contention of the company borne out that they were really losing—or, if not losing, at any rate not making any profit with the existing rates of wages?—I should say, if you allowed a percentage on capital and for the opening-up of new works, they could not possibly be making any profits at the price paid to us.

2541. As a miner, do you think it a necessary part of the expenditure of the mine to be opening up fresh mine-room?—Yes, for the welfare of the mine.

2542. And the employment of the miners?—Yes.

2543. So that you think that the cost of exploring faults and winning coal is a fair charge against the working of the mine?—Yes.

2544. We have had in evidence that an arrangement was agreed to under which the men went to work again?—Yes.

2545. And what was that arrangement?—That arrangement was that, pending this inquiry, the miners were willing, in addition to a permanent reduction of 2d., to accept a temporary reduction of 3d., making 5d. in all for the present?—Yes; those prices to be paid until such time as this Commission made its report as to whether they could recommend the Government to allow the company any relief or not.

2546. And in the event of the Commissioners not recommending any reduction of rents, royalties, or freights, what would follow?—That is a question I could not answer. Probably it might be an arbitration case.

2547. The decision of the Commissioners would not be looked upon as an arbitration?—No.

2548. It would be looked upon as only collecting material for an arbitration?—If the Commissioners could see their way clear to recommend a reduction of 6d. per ton, this would enable the company to get the reduction they say they could carry on the mines with and pay this temporary reduction to the miners. If the Commissioners did not report as to any reduction being given, the question would stand over for further discussion.

2549. Then, subsequently the miners all went out?—Yes. This was about three weeks after they had resumed.

2550. Did they go out on any grounds connected with the arrangement that had been arrived at?—Yes, they went out on grounds connected with the arrangement that they were working under.

2551. Would you explain how?—There was an agreement between the company and the workmen that coals should not be supplied to the Union Steamship Company.

2552. Do you mean at the beginning of the three weeks?—Yes.

2553. This is the condition you mean: On the 28th August there was a notice given to Mr. Bishop, the mine-manager, that the miners were willing to return to work on a reduced price of 2d. per ton on pillar-rates, and also, in order to effect a temporary settlement pending the result of the Commission, a further reduction of 3d. per ton on the pillar-work. Then, on the 30th August the secretary of the Miners' Association writes further to Mr. Bishop, saying that one of the conditions of settlement is "that the coal mined shall be carried by vessels manned by union sailors"?—Yes.

2554. That is what you refer to?—In referring to the arrangement I take Mr. Bishop's letter to Mr. Andrew, the secretary, as the agreement.

2555. Then, was the strike in consequence of the coal being carried by the Union Company's vessels?—Yes; clearly so.

2556. Had the company agreed to this condition?—Yes.

2557. By letter, then?—You have Mr. Bishop's letter to the committee, which will show clearly what the agreement was. I think you will find that the final arrangement was made with two alterations in the letter he sent.

2558. *Mr. Brown.*] In imposing that condition were the miners fully aware of what it might lead to?—It is only speculative. A strike is speculative at any time.

2559. Did they understand that it might mean closing the shipping trade?—Yes. The miners were quite willing to carry out their arrangement until the end of the difficulty had the Union boats not been brought in.

2560. What I mean, rather, was the question of whether the miners were fully alive to all the consequences of making such a condition at the time they made it?—Yes.

2561. That they were putting themselves in the power of outside persons who might—to take an extraordinary case—have an interest in having the mines shut up?—No; I do not know that they were.

2562. They were not alive to that?—No.

2563. Do you think it is possible that could be a factor in the controversy existing now?—We have no quarrel with the manager nor the coal company up till now.

2564. Then your quarrel is with whom?—With nobody. We were simply refusing to give coal to assist the shipping companies to carry on a struggle against the seamen. We have no