

SESSION II.
1906.
NEW ZEALAND.

GOLDFIELDS AND MINES COMMITTEE:

REPORT ON THE COAL-MINES ACT 1903 AMENDMENT BILL; TOGETHER WITH MINUTES OF EVIDENCE.

(MR. POLAND, CHAIRMAN.)

Report brought up 27th September, 1906, and ordered to be printed.

ORDERS OF REFERENCE.

Extracts from the Journals of the House of Representatives.

FRIDAY, THE 24TH DAY OF AUGUST, 1906.

Ordered, "That a Goldfields and Mines Committee, consisting of ten members, be appointed, to whom shall be referred all matters relating to mining and all Bills relating to mines; with power to call for persons and papers; three to be a quorum: the Committee to consist of Mr. Bennet, Mr. Colvin, Mr. W. Fraser, Mr. Herries, Mr. R. McKenzie, Mr. Macpherson, Mr. Poland, Mr. Seddon, Mr. Smith, and the mover."—(Hon. Mr. McGOWAN.)

TUESDAY, THE 30TH DAY OF AUGUST, 1906.

Ordered, "That the Coal-mines Act 1903 Amendment Bill be referred to the Goldfields and Mines Committee."—(MR. COLVIN.)

REPORT.

THE Goldfields and Mines Committee, to whom was referred the Coal-mines Act 1903 Amendment Bill, having taken evidence on the said Bill and carefully considered the same, have the honour to report that they recommend that the Bill be allowed to proceed as printed, and that the evidence attached be printed.

H. POLAND, Chairman.

Parliament Buildings, 27th September, 1906.

MINUTES OF EVIDENCE.

THURSDAY, 20TH SEPTEMBER, 1906.

EWEN WILLIAM ALISON, M.H.R., examined. (No. 1.)

1. *The Chairman.*] Whom do you represent?—I am chairman of the Taupiri Coal Company, of Auckland.

2. You have read the Bill now before this Committee—the Coal-mines Act Amendment Bill, introduced by Mr. Colvin?—I have.

3. You want to make a statement with regard to clause 2?—Yes. I have received the following telegram from the secretary of the Taupiri Coal Company: "Auckland, 19/9/06.—Directors of Taupiri Coal-mines request you to give evidence before the Mines Committee, and strongly oppose amendment of Coal-mines Act. Company object to be continually brought into conflict with their workmen by new legislation being passed every year. Matters should be left to Arbitration Court to decide. If Bill becomes law it will increase expenses to such an extent as to necessitate raising the price of coal, which it is desirable to avoid.—F. SCHERIFF." The telegram refers to Mr. Colvin's Bill, because it asks that the matters shall be left to the Arbitration Court to decide. The objection which is taken by the Taupiri Coal-mines Company, and also by other coal-mining companies in which I am interested, is that under clause 2 of the Bill the operation of the Conciliation and Arbitration Act is set aside, and that the effect of such legislation would be to interfere with the functions of the Arbitration Court. They contend that the hours of workers in connection with coal-mines, both underground and on the surface, should not be fixed by statute law, but by the Arbitration Court after full inquiry, as far as I know. There has been no dissatisfaction whatever expressed by the workers, either underground or on the surface, with reference to the hours fixed by the Arbitration Court in any coal-mines award at Auckland, and there has been no difficulty between the employers and the workers in fixing the working-hours in coal-mines at Auckland. There has been no contention over that question. In each dispute the working-hours have been mutually agreed upon. The operation of clause 2 will be seriously detrimental to the working of the Taupiri Coal-mines, where the workings are extensive and the headings extended very considerable distances. If this Bill becomes law one of two conditions of things must be brought about—either the price of coal must be increased to the consumer, or the wages of the workers must be reduced. It is undesirable that either the wages of the workers should be reduced or that the price of the coal should be increased to the consumer. Seeing that the workers at Auckland, at any rate, do not desire that this Bill should become law, and that there has been no difficulty or dissatisfaction there in respect to the hours of labour fixed by the Arbitration Court, the Taupiri Coal-mines and other mines at Auckland are unanimous in their opposition to the Bill, and are clearly of opinion that the operation of clause 2, if made law, will be seriously detrimental to the successful working of the mines, and will also be prejudicial to the interests of the workmen.

4. *Hon. Mr. McGowan.*] You say that one of two courses will take place if this clause you refer to is passed—namely, that the price of coal will be increased or wages must be lowered?—Yes, one of those conditions will happen.

5. Have you any knowledge as to whether the men have expressed any opinion with reference to lowering the wages?—I have heard no reference to that effect, but an increase has been suggested. There has been no difference of opinion with regard to the working-hours—there has not been one word of dissatisfaction expressed so far as I am aware.

6. *Mr. Colvin.*] Are the men working under any award with your company?—Yes.

7. How long is it since the award came into force?—I was unaware until last evening that I should be called upon to give evidence, and did not anticipate being the first witness. I have communicated with the manager with a view to ascertaining that. I think it was about two and a half to three years ago.

8. Have the men asked for another award to be made since that time?—They have asked recently that there should be a conference between the directors and themselves with the view of arriving at an amicable settlement of demands they are making. The question of an alteration of the hours of working, as far as I know, has not been suggested.

9. You are aware that if any award is made by the Arbitration Court now it is provided already by statute that the mines must come under this clause?—I do not follow you. If an award is now made, the Arbitration Court cannot fix the hours because they are fixed by statute.

10. Yes, under the Act of 1903; if the Arbitration Court makes an award the companies must come under that Act?—That is so.

11. That is to say, it is provided by statute now that the hours of working should be from bank to bank?—Yes, that is the objection the mining companies have to the Bill, which, they contend, should not become law, because under clause 2 the working-hours would not be fixed by mutual agreement or by the Arbitration Court, but by Act of Parliament.

12. And if the men say that they are willing to come under an award, no matter what the consequences are, if their working-hours are from bank to bank, do you not think it would be right if such an award were made?—Fixing the hours of labour in accordance with clause 2 of the Bill?

13. Yes?—I consider the working-hours is a matter for the Arbitration Court to decide. But under the provisions of clause 2 of your Bill there is no option. The hours are fixed. Clause 2 provides, "Every workman employed underground in a mine shall be entitled to be paid overtime when he is employed underground for more than eight hours in any day, counting from the time he enters the underground workings of the mine to the time he leaves the same."

14. Then, on account of the clause in the 1903 Act, the Arbitration Court is not to make any award?—Well, I do not say that; but the intention of the Bill is to override any award of the Arbitration Court with regard to the working-hours. That is what the coal companies object to. They ask that the working-hours shall be fixed by the Arbitration Court after hearing both parties.

15. You miss the point. Under the law passed in 1903 it was subject to any award then in force—the miner is to be paid overtime for any time he is working underground longer than eight hours?—Yes, I quite understand that.

16. Well, the Arbitration Court during the last three years has not made any award—therefore the law has been brought into force?—If the Arbitration Court has not made any award during the past three years, it was because the Court recognised that if an award were made and the hours fixed as provided under the statute, such an award would be seriously prejudicial either to the company or to the workers, and Mr. Justice Chapman gave a judgment in which the Court refused to make an award in respect of a coal-miners' dispute on the West Coast for the reason I have mentioned.

17. Then, if the men, in face of that, say that they are prepared to take a judgment whether for or against them, do you not think it would be right to put the clause in?—Not if it was going to be seriously detrimental to themselves or to the company. If the Arbitration Court is to remain operative, surely it devolves upon the Court to determine what the working-hours shall be, as well as the wages and conditions under which the men are to work in coal-mines, the same as under any other industrial award.

18. Are you aware that the Legislature passed this Act subject to any award? The cry from the employers was that it would not be fair to break any award then in existence, and the Legislature made the provision subject to any award then in force?—I am aware of the circumstances under which that provision was made.

19. Now the workers have asked for its enforcement and the Arbitration Court has refused it?—I am also aware of that, but section 1 in the Act of 1903 was a clause which should not have been made law.

20. That is a matter of opinion. You are aware that it was subject to any award then in force?—Yes.

21. Since that the Court has refused steadily to make an award?—So I understand.

22. You are aware that under the Mining Act the same clause I have here applies to all employed in gold-mines?—Yes, but as far as coal-mines are concerned it has been rendered inoperative by the Arbitration Court declining to make fresh awards.

23. But the same clause has been in the Mining Act, so far as gold-mines are concerned, and has been carried out throughout New Zealand?—Possibly so, but gold-mines and coal-mines are not the same.

24. *Mr. R. McKenzie.* You have had no award since the Act of 1903 was passed?—No.

25. Supposing your company found it convenient to bring a case before the Court and the award was varied: as soon as that award is varied you come under this Act?—Yes, but the company would never ask the Legislature to pass a law to override the operation of the Conciliation and Arbitration Act, or an award of the Arbitration Court.

26. The point is this: do you admit that the award was made before the 23rd November, 1903?—Yes.

27. You are working under an award prior to that Act coming into law?—Yes.

28. Do you contend that that award should apply for ever?—No, I do not contend that; I am contending for this, that the Arbitration Court shall determine the hours the men shall work in coal-mines as in other industries and undertakings.

29. That is not the point. As soon as the award is varied in any way the Act comes into force at once—not only with your company, but with every coal-mine proprietor in the colony?—Yes. The employers are prepared to accept the decision of the Arbitration Court, and so, as far as I know, are the men.

30. But supposing your company, or any company, found it necessary in their interest to vary the award then they must abide by the law of the country?—I have not heard any employers, including the coal-mine companies, say that there is any objection to accepting the decision of the Arbitration Court, and there has been no attempt on the part of the employers in any part of the colony, so far as I know, to seek to set aside the powers or operations of the Arbitration Court or its decisions.

31. If you cannot realise you can imagine a case in which it would be an advantage to a coal-mine proprietor to have an alteration made in an award?—Certainly.

32. Well, as soon as the Court varies an existing award the law comes into force?—Yes, but the employers are not objecting to any variation of an award, but say that the Arbitration Court should fix the working-hours after evidence has been submitted from both sides.

33. *Mr. Colvin.* Under the law as it stands at present, if the Arbitration Court makes an award the company must come under the clause I am now proposing?—Yes, because the Legislature has passed a law which it should not have passed.

34. You were a party to it?—Pardon me, I was not. I should be very sorry to be a party to such legislation. I was strongly opposed to it.

35. *The Chairman.* You thoroughly understand that the law is that if an award is made, then the hours in the particular coal-mine referred to shall be eight from bank to bank?—I understand the question, but the whole purpose of Mr. Colvin's Bill is to set aside the operation of any award of the Arbitration Court which comes in conflict with his eight-hours-from-bank-to-bank clause. The Act of 1903, the existing law, says, "Subject to the provisions of any award now in force under 'The Industrial Conciliation and Arbitration Act, 1900,' a miner shall be entitled to be paid overtime when he is employed underground in a mine for more than eight hours in any day, counting from the time he enters the underground working of the mine to the time he leaves

the same." Now, the only practical variation is that the award being subject to "The Industrial Conciliation and Arbitration Act, 1900," is struck out in Mr. Colvin's Bill. The endeavour is to override the provisions and intentions of the Arbitration Act.

36. *Mr. R. McKenzie.* Supposing you put it like this: suppose the award given in the case of the Taupiri Company varies in any way, and they have to come under the bank-to-bank clause, do you not think it would be fair and just if all companies came under the one law, because otherwise they would be working under a disadvantage, and this clause puts them all on a common footing?—My reply is this: that it is not desirable that all collieries should be working under the same law with respect to the hours of employment. There is a very great difference in the working of different mines and the conditions under which miners work. The Taupiri Mine is an exceptionally favourable mine for men to work in. There are high bords, splendid ventilation, and the conditions generally are most favourable. In some mines the seams are small and the ventilation not so good. After hearing evidence the Arbitration Court might decide that in one mine the men should work eight hours, in another seven, and in another six hours, as the case might be.

37. That would be at the expense of the miners who would be working under bad conditions?—It is not a question of expense, it is the condition under which they work; the men would be entitled to equal if not more pay. But this is the point: that if you are going to lessen the time the men shall work under contract underground, then you are going to affect the whole of the company's operations. It will affect the working of the surface men and all the mechanical appliances in operation, and will seriously affect the output of the mine. Clause 2 of Mr. Colvin's Bill really amounts to a vote of want of confidence in the Arbitration Act.

38. *Mr. Colvin.* The Arbitration Act has nothing to do with it?—That is the point. Your Bill practically says that the Arbitration Court shall not fix the working-hours in coal-mines—it overrides the Conciliation and Arbitration Act.

39. The Legislature is trying to regulate the hours of labour. Under certain conditions the Arbitration Court might decide that the men shall work six hours underground, but it could not go over eight hours?—The Arbitration Court cannot override an Act of Parliament, neither, in my opinion, should an Act of Parliament override the Arbitration Court.

THOMAS BALLINGER (of a deputation from the Employers' Federation) examined. (No. 2.)

40. *The Chairman.* What are you, Mr. Ballinger?—I am chairman of the Parliamentary Committee of the Employers' Federation, and president of the Employers' Association.

41. You have read clause 2 of the Coal-mines Act Amendment Bill?—Yes. We object to the Legislature interfering with the awards of the Arbitration Court—strongly object to it. If the Court makes an award we think the House should not try to regulate the hours.

42. *Hon. Mr. McGowan.* And if the Court makes no award?—Well, the men are quite able to take care of themselves.

43. You mean the miners?—Yes, any workmen. They are not downtrodden in New Zealand like they are in other places. Take, for instance, the case of the drivers in Wellington, which is on the same lines as the point we are considering. The drivers had an award made in Wellington as to their hours of labour, and the Minister for Railways altered their working-hours by shutting the gates of the goods-shed at an earlier hour. The men cannot work now after half past 4 o'clock. What would be the effect if the coal-mines shortened the hours of working? It would increase the cost of production. And who pays for it? All the industries in the colony that use coal, and, therefore, the consumers. It comes right back to the consumer again, and we have been told about the increased cost of living. What is the cause of it if it is not the shortening of hours, increase in wages, and combination?

44. You are representing the consumer now?—Yes. I do not know anything personally about coal-mining.

45. You are representing the combination of employers?—Yes. I will call Mr. Dixon, who is a coal-mine manager from the West Coast.

JONATHAN DIXON examined. (No. 3.)

46. *The Chairman.* What is your position?—Mining engineer and manager of the Westport Coal Company, at Denniston.

47. What have you to say with regard to clause 2?—I trust you will pardon me for reading some of my views. I will put the matter concisely before you. I believe the clause bearing on the bank-to-bank question should be deleted from the Bill in the best interests of the employer, the worker, and the colony generally. I might say, in connection with the Westport Coal Company's mines, the working-hours are set forth in the current award as eight hours at the "face," including meal-times (which is half an hour), and for work above ground eight hours, exclusive of said meal-time.

48. When was the award made?—I cannot say definitely, but I think it is in the fifth year of its existence. The working-time above ground—that is, for surface employees—is eight hours. I contend that the periods now worked in each shift are reasonably fair, and the demands of the workers' representatives to have such periods shortened by at least fifty minutes by legislative enactment do not appear to admit of equitable adjustment as between employer and workmen when the matter is seriously considered in all its phases. Such a demand should only receive statutory consideration, and justly so, were it conclusively proved that the present hours of work resulted in physical disability to the workmen. I claim that no just evidence can be adduced proving that underground workmen suffer in any such way under the conditions of coal-mining given effect to in accordance with the provisions of the Coal-mines Act of this colony. Seven hours and a half is not too long a period in twenty-four hours to require the exercise of a workman's productive power. It is not excessive, and in the matter of length of time can not be proved to

in any way injure a workman physically. Practically the whole question of healthy mining conditions is governed by efficient ventilation. The workman travels to and from his work underground, on the main haulage or travelling roads, in the pure main intake air-currents, which are not vitiated. In fact, the conditions are more congenial than those experienced in a varied way by workmen travelling above ground to and from other employments. To further limit the working-time will tend to indiscriminate and careless hewing of coal, and the filling-away of such coal in a less clean condition than now, with a consequent market-value depreciation and increased cost. Likewise greater hurry to obtain certain wage-results, and thus increasing liability to accident; and anything tending in this latter direction should certainly not be favoured. I submit that the limit of a man's productiveness—that is, without abortive effort—has been reached by the seven hours and a half working-time, which has for some years been in vogue, and without the slightest physical impairment of a workman being recorded, or chargeable to having worked continuously and given effect to the hours stated, and the other conditions attached thereto. To further shorten the hours will decrease a miner's earning-power, and where paid by contract his earnings would proportionately diminish, and where paid wages the employer would not be justly recouped if compelled to pay present rates for lessened amount of work. If the wages now paid are a fair equivalent for work performed in a stated time, then it appears a *sine qua non* that a reduction of rates and wages should accompany reduction in working-time. The commercial aspect requires grave consideration. We are faced with an ever-increasing import of coal from New South Wales (as proved by attached statement of extracts), which coal is mined much more cheaply than can be done in this colony, for certain important reasons, two of which are (a) much more favourable natural conditions in New South Wales as against the natural conditions of the West Coast coalfields, the adverse characteristics of which latter are unfavourable to competitive development and exploitation; (b) the New South Wales mines have a marked advantage in the matter of wages paid. The present rates paid in Pelaw Main and Hebburn, two of the largest mines in the new coalfields, New South Wales, are much below those paid by the Westport Coal Company (extracted from awards ruling at each place):—

Coal hewn and filled away altogether.

	Hebburn and Pelaw Main.	Westport Coal Company.
Solid rates ...	2s. per ton.	2s. 4d. per ton, or 17 per cent. increase.
Top coal ...	1s. 6d. per ton.	1s. 11d. " " 28 " "

The Hebburn and Pelaw Main seams do not produce more than 25 per cent. of small coal, whilst the seam worked by the Westport Coal Company yields not less than 50 per cent. of small coal. It is therefore patent that the former have a marked advantage in this respect alone, as screened coal always has a higher market value than the small coal. The lower wages paid, and the fewer workmen required (proportionately) to deal with natural disabilities met with during exploitation, together with the extra yield of screened coal, enables the mines in the new coalfield of New South Wales to put coal into the market at prices we could not profitably look at under existing conditions.

Yardage Rates for Coal-hewing.

	Hebburn and Pelaw Main.	Westport Coal Company.
Under 9 in. wide ...	7s. 0d.	7s. 0d. : equal.
" 12 in. " ...	5s. 3d.	6s. 0d. : 14·3 per cent. increase.
" 15 in. " ...	3s. 6d.	5s. 0d. : 43 " "

Wages.

First-class shiftmen ...	9s. 6d.	10s. 6d. : 10½ " "
Second-class shiftmen ...	7s. 0d.	10s. 6d. : 50 " "
Wheeling or trucking ...	7s. 0d.	9s. 0d. : 28·7 " "
Labourers (not otherwise specified) ...	6s. 4d.	9s. 0d. : 42 " "
Miners (taken from face to other work)	9s. 6d.	12s. 0d. : 26·3 " "

The mines in the said new coalfield are favoured also by comparatively low traction-rates. Coal in owners' wagons is conveyed by the East Greta Coal Company over their private line from the different mines (Pelaw Main excepted) to the Government siding at 3d. per ton wayleave. This siding is twenty-two miles from the port of shipment at Newcastle, yet the Government, through the Railway Commissioners, haul the coal from this siding to the shipping-dyke, ship the coal, and return the empty wagons to said siding for 1s. 2d. per ton. On small coal for shipment a reduction of 10 per cent. is allowed. Pelaw Main proprietary have now a private line in operation to their own shipping wharves at Hexham, some ten miles from Newcastle. At said wharves they probably ship their coal under 3d. per ton all in. When their coal is hauled to Newcastle it will be shipped at less than 1s. per ton. It is patent from these facts that anything done by statutory enactment, or otherwise, to farther hamper the industry, by greater restriction of output and consequent increase of cost, must ultimately and assuredly result adversely to the worker. The commercial aspect should be equitably and seriously considered as having momentous bearing on the vital operations of any industry, and doubly so in connection with this, the colony's most important industry. The lower wages paid in New South Wales, as compared to those paid here, as also other natural advantages with the mines in the former place, should not be encouraged by legislation in this colony to the detriment of its own industrial life; and the trend of such proposed legislation is assuredly in that direction. There is no apparent legitimate reason why some 300,000 tons of coal should be annually dumped into this colony, and practically all the monetary return therefrom remain in New South Wales. The production of this quantity in our own colony would give direct employment to some 550 men and boys, and circulate between £60,000 and £70,000 sterling in connection with its immediate production, apart from wages which would

be indirectly paid resulting from its shipment and final delivery to consumer. The following is the import of coal into New Zealand from New South Wales—extracted from the annual reports of the Department of Mines, New South Wales: 1896, 127,883 tons; 1897, 152,342 tons; 1898, 178,798 tons; 1899, 170,725 tons; 1900, 207,428 tons; 1901, 246,984 tons; 1902, 244,033 tons; 1903, 270,276 tons; 1904, 245,302 tons; 1905, 288,077 tons; 1906, 151,868 tons. The quantity shown for 1906 is for the six months ending the 30th June, and is taken from the Customs return for that period at the Port of Newcastle—this shows an increase of 23,985 tons for said half-year over what was imported for the whole year in 1896—an approximate annual increase in ten years of 176,000 tons. In the first six months of 1905 (as per Customs returns), 144,114 tons was imported; in 1906 (similar period), 151,868 tons: increase for half-year, 7,754 tons. This heavy import of coal into a colony which is itself a coal-producer appears a matter for serious consideration by the Government, having in view the present and extended development in the near future of its coalfields. Nothing should be done which will jeopardize the industry. The following are some of the wages-rates paid per day at collieries in New South Wales, which are exporters into this colony of large quantities of coal; and, compared with those paid by us for similar work, they show a marked difference against us:—

	Some New South Wales Mines.	Westport Coal Company.
Engineers	11s.	16s. 8d.
Fitters	7s. and 8s.	10s. and 11s. 6d.
Blacksmiths	8s. 8d.	10s., 11s., and 12s. 6d.
Strikers	6s. 3d.	7s. and 8s.
Carpenters (foremen)	9s.	12s. 6d.
Carpenters	7s. 8d.	11s.
Bricklayers	11s.	16s.
Bricklayers' labourers	7s. 6d.	9s.
Engine-drivers (haulage)	7s. 6d. and 8s.	10s. and 11s.
Boiler-firemen	6s. 9d.	10s.
Screenmen	6s. 3d.	8s.
Screenmen-boys	3s. 6d.	Under 15, 3s. 6d.; 15 to 16, 4s.; and 1s. per year rise up to 8s.
Labourers	5s. 8d. and 6s. 6d.	9s.

If the bank-to-bank clause be enforced, and the travelling-time be as agreed by the union representatives and those of the company when the Court was sitting in Westport—viz., twenty-five minutes each way—then operations would be adversely affected over £20,000 if rates and wages had to remain as now. Lessened hours which would have to be paid for, some £8,900; restricted output and consequent increased cost of production, over £14,000: total, £22,900. The total number of employees at date, including managers and staff, is 1,025. The operations of the industry are not continuous, and the coal-hewer has a large number of "play-days" during a year, which are arranged. The maximum time it is possible to work is as follows: Award holidays, 9; Sundays, 52; idle pay-Saturdays, 26: total, 87. [And 365—87 = 278 possible days. There are thus eighty-seven days as a minimum on which the mines are idle. Leaving out the Sundays, there are thirty-five days' idleness of the workman's own seeking. It is fallacious to contend that any diminished output resulting from a further shortening of hours could be made up by putting on more men. The coalfield is so disrupted and broken that it does not admit of development for such purpose—in fact, it requires extraordinary, what might be aptly termed abortive, development to keep pace with ordinary requirements for working-places, whereby anything like a uniform output can be maintained. The seam is not continuous, and the too-oft thinning-out of the seam, and total absence of same in many directions in the mines, are satisfactory proofs to any one having a knowledge of coal-mining that but limited operations can proceed and be maintained. This extraordinary difficulty in the way of uniform development has been the experience in the West Coast coalfields, of Tyneside, Wallsend, Coal-pit Heath, Brunner, Seddonville, Point Elizabeth, Millerton, and Denniston Mines. The seam cannot be developed in a manner whereby at will extra men could be employed to maintain an output decreased by shortened hours of work. Even were it possible to do so, the restricted output per man at once increases the working-charges per ton. It is sophistic argument to contend this will get over difficulties and keep normal the cost of production. In my opinion, the Arbitration Court should be the tribunal to determine the working-hours at mines. The Court is charged with power to determine all else. The Court hears detailed evidence *pro* and *con*, and should therefore be the authority best fitted to equitably determine what shall or shall not be.

49. *Hon. Mr. McGowan.*] In giving us the cost of production of coal in Newcastle and the wages, showing the increased cost here, you left out, of course, the cost of living here. A return of this kind is worth very little unless you give the whole facts. We know that the cost of living is not the same on the West Coast as it is here. The only question in reference to clause 2 that I want to ask is this: Have you ever heard any of the men say that they would be content to risk a reduction of wages if they got a reduction in the number of hours worked?—I might say that I have not heard it directly said by any of the workmen, but it has come from the union, and it was put in evidence before the Committee last year by the president of the union that he would prefer that clause and let things find their own level. With regard to the cost of living, I have resided on both sides in the Southern Hemisphere, and can say that the cost of living in New South Wales is not very much different in regard to edibles. The cost of boots and clothing is greater here. Some statements have been made that the cost of living has gone up 50 per cent. in a few years here, but I say No to that, unless people buy their goods at different shops from

those at which I make my purchases. I can go back to 1898 and show that there is very little variation in the price of commodities. With regard to the bank-to-bank clause, the Court sat in Westport at the beginning of last year, when the matter was gone into exhaustively, and the position was placed before the Court in detail by both sides. The Court recognised the gravity of the situation, and could see that the enforcement of such a clause was likely to prove injurious to both parties and to the colony.

50. I suppose, summed up, your opinion is this: that you would prefer to see the question remain in the hands of the Court than have it dealt with by statute?—Yes.

51. When the appeal for an award came before the Court the Court decided that they would make no award, consequently the award made two or three years previously stood?—Yes.

52. Do you think that is better than for the Court to make an award either on the application of the men or the company?—Under the present conditions of mining on the Coast I should much prefer to see the present award continue. Owing to the competition in the coal trade and with the State Mine, I think it will be advisable not to interfere with existing conditions.

53. Do you know the hours of working in the State Mines?—I understand they are working under the bank-to-bank clause.

54. And yet you say you are afraid of this competition?—There is no parallel between any two mines in the world, and I agree with the remarks of the previous witness. You may produce a positive hardship with respect to one mine and not in another. The State Mine is in its infancy yet. The men can get to their working-places in a few minutes. You could perhaps get from seven to seven and a quarter hours' work at present, whereas you would not get more than six hours and forty minutes if you had to allow for travelling-time later on. I contend that the Arbitration Court would hear all the evidence and from that determine the working hours. To a company which has the interests of its workmen at heart in the way of ventilation and other things necessary—of course, it reaps a corresponding benefit—the clause should not be enforced.

55. *Mr. R. McKenzie.*] You gave us a very long statement as to the difference between the cost of production to the Westport Coal Company and the New South Wales mines?—Yes.

56. Can you give us anything of a comparative nature to show the selling-price of New Zealand and New South Wales coal in this colony?—The selling-price is higher of the local coal.

57. How much higher?—Perhaps 3s. or 4s. a ton.

58. Do you think it is £1 more?—Do you mean to the consumer or f.o.b.?

59. I mean in the ship's slings—how much does your coal sell for at Westport?—I cannot give you the figures.

60. Do you think it is 100 per cent. more than New South Wales?—No, I do not think so. New South Wales coal has been put into Lyttelton at 15s. 6d.

61. And how much is your coal there?—I cannot tell you that.

62. Would it be £1 5s.?—It may be. I wisely keep myself free from these figures. There is a certain increase in the wages here compared with those in New South Wales in connection with shipping and handling the coal after it has left the mine. I should not like to see the wages brought down to the New South Wales level.

63. I am aware that the Westport Coal Company is a very good company, but when you want to make a good case for the company, if they sell coal at 100 per cent. to 200 per cent. higher, I say it is an arguable case?—There are two sides to the question. Coal-mining is different from any other industry in the world. The moment you have taken out a ton of coal the mine is a diminishing asset, and if you do not get a sufficient foundation laid for your diminishing asset you are going to suffer.

64. You made a comparison of the cost of railway haulage in this colony and in New South Wales. You are provided by the Government with haulage wagons to Denniston?—Yes.

65. In Newcastle they have to find their own wagons?—Yes.

66. What is the cost in wagons by the Railway Department?—Judging from the £150 which is charged to us for every wagon destroyed by us it would be about £40,000 or £50,000 in value. There are 420 or 430 running.

67. There is considerable depreciation in this rolling-stock: how long do the wagons last?—I have known wagons to last twelve or fourteen years. I reckon we buy a wagon every few weeks by the excessive railage charged compared with New South Wales.

68. You admit that is a consideration, the cost of the rolling-stock?—Yes.

69. I suppose you admit that the Westport Harbour was made for the coal trade?—Yes, I admit the extra harbour-development was.

70. What is the capital of the Westport Coal Company?—I think it is £280,000 in £5 shares originally, and £3 10s. has been paid up.

71. What is the selling-value of the shares?—The last time I saw them quoted they were £6 10s.

72. They have gone up in value?—Yes.

73. Can you tell me what was the declared value of the company's profits?—I cannot tell you that of my own knowledge, but I think they were something like 10s. 6d. per share last year.

74. I think the profit was £134,000 last year?—It might be for the past two years.

75. Do you think it would affect the company very much if the men were allowed to have the time taken off?—Yes, very materially. I think it would cost about £20,000.

76. Do you not think the company could afford it?—It might for a year or two, but the time will come when the dividends will not be what they are now; and if the profits were spread over the whole period during which the company has been in existence they would not come to 4 per cent.

77. Supposing you had some bad years, would that not be the proper time for you to go to the Arbitration Court for a new award?—Yes, but why should we give this away now when we know that when the bad times come the men will leave us?

78. Do you not think that when all the companies in the colony do very well the men should participate?—The men get a fair equivalent for their labour now. They get higher wages at Westport than are paid in any other part of the world.

79. Do the company pay anything higher than is provided for under the Arbitration Court award?—They get award rates.

80. I think you said the mine was under good ventilation?—Yes.

81. I suppose you could imagine that there are mines in this colony in which there is no efficient ventilation?—I am only speaking of my own mine.

82. I suppose you admit there is coaldust there?—Coaldust is not so serious to health as some people imagine.

83. I suppose you consider it is healthy to get your lungs full of coaldust: Have you read the report of the Coal-mines Commissioners at Home, in which they say they consider that six hours are quite enough for any man to work in a coal-mine?—Why?

84. Owing to the insanitary conditions. Have you or your company any objection to giving preference to unionists in your mine?—Strict preference, yes. But we have an understanding that when a man applies for work we state that it is with the union we make the arrangement.

85. You must necessarily be aware that the lives of all the men underground in a mine depend upon any one of them?—Yes.

86. Do you not think that under those conditions the men should know who are going into the mine?—No, I do not think so. The mine-manager, who is qualified, or he would not be there, is the proper man to say. He is hemmed round by all sorts of legal enactments and is liable to all kinds of punishments. He should decide, and not the union, the members of which do not understand many of these things.—The union should not be allowed to say which man is qualified and which is not.

87. Do you not think it would be increasing the margin of safety?—No, not in the slightest. I think it would be imperilling it.

88. You are aware that there are mining accidents from time to time?—Yes.

89. And sometimes those accidents occur through a man not knowing the effect of what he is doing, or because he is careless?—Yes; but the fact of the man being a unionist does not increase the margin of safety. The man might be a tailor.

90. But if a man did not know something about mining the union would not admit him?—How could the union judge whether the man was qualified or not? The man who is charged with the responsibility of carrying on the discipline and safety of the mine is the man who naturally should be in a position to say whether a man is suitable or not. We strive as far as possible, where a new man is put on the coal, to give him to a responsible man to be broken in.

91. Do you think a man who is starting to work as a collier should begin as an apprentice?—Yes, but we cannot get them.

92. By a good bank-to-bank clause you would get them. What do you think of the Arbitration Court and its working?—Any machinery that prevents strikes is a blessing to any colony; but the bank-to-bank clause you speak of would override the Court and injure the industry generally.

93. Are you aware that the arbitration award in your case is in its fifth year, and that the Court has refused to make a new award?—Yes.

94. Do you think an arbitration award should last for ever?—The conditions at present are satisfactory. There may be a time when a change may be wanted.

95. You get on very well with your employees, do you not?—Yes.

96. When the conditions are satisfactory do you not think you should meet one another?—We try to do that.

97. Do you not think that the Court, in not considering the bank-to-bank clause, put itself above the law of the country?—I do not see that. The Court said the award then in force should continue.

98. The Arbitration Court refused to act?—It did act.

99. But it has not acted in your case for five years?—If the Court, after consideration, says that the award shall continue I believe the Court is within its jurisdiction.

100. But Parliament is higher than any Court in the colony?—Yes.

101. When the law is applied to gold-mining, do you not think it is hard if it does not apply to coal-mining?—I have already given the Committee my views.

102. *Mr. Seddon.*] You say it takes on an average fifty minutes for a man to go to and from the "face"?—The day before the Arbitration Court sat the union officials and myself met and agreed that that would be a fair time to allow.

103. When was that decided?—In January or February, 1905, when the Court was sitting to hear our case.

104. *Mr. Macpherson.*] During these twenty-five minutes each way the miners are working for the company?—No.

105. Do they not have to carry their tools in and out?—They go in for themselves when on contract-work. A man who is on piecework is not working when carrying his tools.

106. If you had to send the tools in or bring them out, you would have to pay for that?—Yes, but a workman on piecework is not working when carrying his tools.

107. *Mr. Seddon.*] In your mine you are getting farther from the surface every day?—Yes. As you extract the coal you go further in.

108. Every day it is further for the miners to go?—Yes.

109. Where do the workmen live?—A good percentage of them live at Denniston.

110. How far from the mouth of the mine?—By the rope-road three miles, and over the county road three miles and a half.

111. What time do they go to work?—One mine starts at 7 in the morning, and the other at 8.

112. Is that at the face or at the mouth?—At the face.

113. *Mr. Macpherson.*] Are there any means of conveying the men to the mine?—No.

114. Are you of opinion that the Arbitration Court is a competent tribunal to deal with this question?—Yes.

115. You were of that opinion when the Court refused to give an award some few years ago?

—Yes, I say the Court is quite competent.

116. Do you think it is the function of the Court to regulate matters relating to mining?—Yes.

117. And not the Legislature?—I say the Arbitration Court should be the body to regulate these things.

118. And you think it would be a mistake for the Legislature to take that power?—I do.

119. *Mr. Colvin.*] Do you think the Legislature by this Act is taking away the power from the Arbitration Court?—They are restricting the power of the Court. They are enacting by a statute that you must do a certain thing, and if the hours are to be restricted by statute my contention is that a reduction in the wages must be made, which would be detrimental to both parties.

120. During the last few years have the men asked for an award to be made in two cases?—Yes, in 1905.

121. And the Court refused to make an award?—Yes. The Court, after hearing evidence of an exhaustive nature from both sides, decided that on account of the large number of interests affected it would not be equitable to vary the award.

122. The men were asking for a fresh award to be made after the previous one had run out: Did you show that the men were satisfied with the previous award?—They are never satisfied.

123. Supposing you represented the company, and the company was not satisfied with the award given, and after the term of the award was up made application for a fresh award, would you not consider you were not getting fair play if you did not get it?—If that law with the bank-to-bank clause were passed we should have to accept the inevitable and apply to the Court for another wages award while that clause stood; but I contend it would be disastrous to the industry.

124. But take it the other way: Supposing you applied for an award and were prepared to take the responsibility whether for or against you. If the Court gave no award, would you consider you were badly treated?—I suppose, looking at that particular case, we should.

125. What do your men average per day?—The miners at Denniston average between 14s. and 15s. per man.

126. What was the average when you were here on a former occasion?—I cannot speak as to that, but I do not think it would be any worse. I am speaking for Denniston, not for Granity.

127. You are aware that during the last ten years the price of coal has gone up?—I am aware that during the last year or two it has gone down. The Westport Coal Company is selling coal shillings a ton less than it did a few years back. It has gone down I could not tell you how much.

128. You remember when they put on the accident insurance—I think it was 3d. a ton?—Yes.

129. And the company put on 1s. a ton?—It was only 3d. a ton—not 1s.

130. Threepence was about the average cost, and 1s. was put on at the port. They charged the consumer 1s. a ton more?—I cannot answer that question positively.

131. What length of time does your haulage-rope run, on the average, per day?—Under seven hours on the average. But that does not affect the case one iota. That is because the miners do not produce enough coal to keep the rope going, and we cannot put on sufficient men to keep our ropes going.

132. You work two shifts?—Yes, but there is a stoppage. One mine starts at 7 o'clock and the other at 8 o'clock, and work till 3 and 4 p.m. respectively.

133. If the men are willing to take the responsibility, whatever it may be, of an Arbitration Court award, do you not think the Court should take the responsibility of making one?—No, I think the clause ought to be deleted altogether.

134. You will admit that the price of provisions has gone up in the Buller district?—I cannot admit that by my own domestic bills.

135. You admit that meat has gone up in price?—Yes, that has gone up through the operations of the trust in Westport.

136. What do you pay for your meat?—Ninepence per pound for very inferior meat, and 8d.

137. What do you pay 9d. per pound for?—For roast beef and rump-steak.

138. What do you pay for mutton?—Eightpence per pound.

139. Are you aware that the butchers are supplied at Denniston with meat at less than 4d. per pound?—I happen to know that at one time it was very low from the fact that a quarter of beef was lost on the incline, and the bill was brought in to me to settle, and that opened my eyes.

140. You say 9d. per pound, and I am in a position to prove that it does not cost more than 4d.; but it is a well-known fact that the price of provisions is higher all over New Zealand than it was a few years ago?—Well, I tell you there is scarcely any appreciable difference except in the price of potatoes and flour, and when the duty comes off those we shall be able to get them almost for nothing.

(Witness recalled on Friday, 21st September.)

Witness: I made a statement yesterday relative to the twenty-five minutes each way. It has now been stated that it was forty minutes. In the Court, in the statement of the Judge, the travelling-time underground was to be twenty minutes each way. That was not questioned in Court. In connection with the number employed, I think I said there were 780: I wish to qualify that by reducing the number by 54 at Granity. I omitted the number of miners at Granity. The number

of miners at Denniston is much less than 274 at the present time. The trucking that is done by contract would be materially affected by a reduced output. In connection with all other contracts, such as tipping and lowering on the incline—which is not done by contract at present—the decreased output would increase the charge. We are compelled by the award to pay a minimum wage, and there would have to be a readjustment. The statement that coal is hewn cheaper at Denniston than at the State Mine requires qualification, inasmuch as the Denniston coal-miners do not hew coal as low down as at the State Mine by 2 ft. in height. The rate at a similar height to that at Denniston is paid for at 2s. 4d. a ton at Point Elizabeth. The basis of calculation for our loss is not estimated on the running of the rope.

The Chairman: There is nothing to rebut in that.

Witness: I might say that the company will be quite as willing to go to the Court as the unions. We never fear a fair adjustment in industrial affairs.

ERNEST G. PILCHER examined. (No. 4.)

141. *The Chairman.*] What are you, Mr. Pilcher?—Managing director of the Tyneside Proprietary (Limited) and manager of the Greymouth—Point Elizabeth Company, Brunnerton.

142. Do you wish to make a statement?—I have come here to enter a protest on behalf of the companies I represent against the interference, as I deem it, with a decision of the Arbitration Court in matters affecting the coal-mining industry by means of private legislation. The matter particularly dealt with in the Coal-mines Act Amendment Bill does not affect the Tyneside Company, as under the present award the bank-to-bank clause is in operation, and we find that it costs another extra 3d. per ton in the present state of our workings, which cost is likely to increase as the workings of the mine extend. When the Brunner Mine was working four years ago, and when the 1903 Coal-mines Act was being put through the House, I ascertained that the enforcement of the bank-to-bank clause would at that time cost the Brunner management a little over 3½d. per ton, owing to the shortening of the output due to its operation. Our men at the Tyneside Colliery enjoy the bank-to-bank condition, and put in on an average seven hours' work per day—that is, one-eighth of a day is lost to a large number of employees, and the cost of working the mine is correspondingly increased. As employers we have hitherto cheerfully submitted to the operation of the Arbitration Act. When the decisions of the Court have been against us we have accepted them, as in this case, notwithstanding the additional cost. The time, however, will come when, owing to the extended workings and probably for other reasons, the cost will be so increased as to make it imperative that some adjustment of the present conditions must be sought; and if the principle of seeking in a private Bill to amend a grievance on one side or the other is to be recognised, then we say that the confidence which we have learned to place in the Arbitration Court and its administration so far will be very much shaken; we shall not feel that security which has always been claimed as a strong point in favour of the Act being continued. Already we have at Brunnerton the direct disadvantage of competing with the State Mines at a difference of 9d. per ton, that being the amount of the royalty and harbour rate which private companies have to pay. This, added to the additional cost of 3d. in working under the bank-to-bank clause, makes an increased cost to us of 1s. per ton during the last year or two, in addition to other costs which have been piled on to coal-mine owners in recent years, including the accident insurance fund which we pay. Already it is impossible for us to compete successfully against the Newcastle importations, and in our mine we have expensive workings to contend with in other respects, such as the cost of pumping and want of railway facilities owing to lack of room. I wish chiefly to protest against the principle that Arbitration Court awards should be amended from time to time by special Act.

143. *Mr. Colvin.*] What you principally object to is the Arbitration Court awards being amended by special Act?—Yes. It is not our turn to suffer to-day, but it may be our turn to-morrow.

144. This Bill does not say a word about the Arbitration Act or the Court?—No, but any one connected with the coal-mining industry knows that it has an indirect bearing on the Court's awards.

145. *Mr. R. McKenzie.*] You said you reckoned the bank-to-bank clause would increase the cost by 3d. per ton?—As a matter of fact it does.

146. Are you working under the bank-to-bank clause?—Yes, at Tyneside.

147. Also, you are working at a disadvantage of 9d. per ton as against the State Coal-mine?—Yes.

148. The State Coal-mines are working under the bank-to-bank clause?—Yes.

149. You also stated that it was impossible for you to compete against New South Wales in the sale of coal?—Yes.

150. Why?—The cost of putting coal on board and of carriage to the destination of the coal is higher than we can afford to sell at.

151. You have been for some years connected with the coal trade?—Yes.

152. And are you a philanthropist?—As far as I can be.

153. You are still engaged in opening up new ground for the benefit of the public?—As far as I can.

154. Is it your intention to get the coal down?—If it is possible to sell against Newcastle.

155. How does Brunnerton coal compare with Newcastle coal?—It is half a crown to 3s. 6d. higher.

156. What was your coal selling at in Palmerston North?—I do not know what it is retailing at. We land it unscreened at £1 1s. or £1 2s.

157. What about Brunner nuts?—They are difficult to obtain. They run to about £1 4s.

158. I was told that Brunner nuts were selling at Palmerston North at £2 5s. ?—Very likely; we cannot get sufficient of them. They are worth their weight, almost, in gold.

159. The Brunner Mine is still going?—Yes.

160. Do you think it is likely to close up before the Tyneside?—Yes.

161. How much coal are you putting out?—At the present time 1,500 tons a week, but we hope in a short time, when the appliances are ready, to nearly double that.

162. I suppose you are making a substantial profit out of that?—There is not much after paying for all the appliances.

163. You are making 2s. a ton, and you object to allowing the men this 3d. a ton?—No, we are doing it.

164. You had an award made in connection with your mine?—The agreement was made in 1903, after the passing of the Act.

165. Consequently you are working at a disadvantage compared with the Westport Coal Company?—In that respect we are.

166. Do you not think the Westport Coal Company should work under the same law as you are?—I do not know their circumstances.

167. They are a wealthy company, and I do not see they should have an advantage of 3d. a ton over you?—I do not think they could afford it any more than we can. I am here to speak on behalf of the companies I represent.

168. *Hon. Mr. McGowan.*] You say the State Mine is competing with you and puts you in a disadvantageous position, and you refer to a charge of 9d. what 9d. is that?—I say the State Collieries are better off by 9d. per ton than the private companies, which have to pay 6d. per ton royalty and 3d. a ton harbour rate.

169. How do you know it is 9d. a ton?—Because these charges are fixed by statute.

170. Who collects the money for the Harbour Board?—The Greymouth Board collects the 3d.

171. Did they give you this information?—No; but I see the reports of their protests often, and the parliamentary proceedings have disclosed the fact often enough.

172. That is the only reason you have for grumbling?—I think it is very unfair.

173. You referred to the cost of pumping, and said that increased the cost of production: Do you think that because you have to pay for that the cost should either come out of the miner or the State should not compete with you?—No.

174. You have put that forth as a disadvantage under which you are working?—Exactly.

175. Do you not think, then, that because other mines are in a better position they should be placed in your position?—No; but we are under a disadvantage owing to the extra cost, and we are not enabled to make the same profits that other companies do.

176. You know what the State Mines are paying in railage?—No; but we pay 1s. 10d. from Brunnerton.

177. What is the distance?—Eight miles.

178. Do you pay your men as much as the other mine-owners do on the Coast?—Yes, more.

179. Will you tell us some of the mines against which you pay more?—I have not got their figures. We pay 2s. 4d. for hewing, and for solid coal 2s. 7d.

180. Did you ever hear of the State Mines paying more?—I do not know what they are paying.

181. You seem to know the charges in connection with the wharfages?—Yes, I know all about that. The mining department is not in my line—I am the commercial manager.

W. A. FLAVELL examined. (No. 5.)

182. *The Chairman.*] What are you?—Branch manager for the Westport Coal Company at Wellington.

183. Let us have your views with regard to clause 2 of the Coal-mines Act Amendment Bill?—I do not know that I can add anything that is new to what has been said by other witnesses. Mr. Dixon has put our case very fully. The main objection to Mr. Colvin's Bill is the fact that it does not make any reference to the present decision of the Arbitration Court. Secondly, it would mean that while the hours of labour would be shortened if the Bill passed, the wages would remain as at present, and as we are working under all the other conditions of the arbitration award, with the exception of the shortened hours that this Bill provides for, it would be manifestly unfair to the employers. I think Mr. Dixon mentioned that the increased cost to his company would be £20,000, and we consider that the matter is too important for us to allow the Bill to go through without our entering an emphatic protest against it. The main point is that the Arbitration Court having heard all the evidence in this particular case, they should be the final arbiters in fixing the wages for the work done.

184. *Mr. Colvin.*] The Government have fixed the hours of labour?—If the Arbitration Act has broken down, or the Court will not give an award, then it seems to me that the Legislature should deal with the matter. But apparently the Court is within its rights in refusing to make an award, and it has given ample and full reasons why it cannot see its way to do so. Another main point with reference to the bank-to-bank clause is that the conditions vary so much throughout the colony that many mine-owners do not object to it at all, while on the other hand others do not want it. Furthermore, I see that the Allandale and some other mines in Otago have withdrawn their case from the Arbitration Court because, under the present Act, with its bank-to-bank clause, they were not prepared to risk reduction in their wages. If the conditions vary so much in different localities it seems to me that the matter should be determined by the Arbitration Court. If the Arbitration Court has not carried out its duty, then apparently there is some difficulty which ought to be met by the Legislature dealing with the Arbitration Act. It is not the general question of the bank-to-bank clause, however, that I desire to deal with, but only this particular Bill before the Committee, and the main point is the first one I mentioned: that it seems rather unfair that a Bill should be put through altering the hours of labour while all the other conditions are left untouched.

185. If you are put on the same footing as others under the award, you would be in a position to ask for a fresh award?—I do not see how we could be put under the same conditions as the others by an arbitrary clause of this kind. The conditions are so different that an arbitrary Bill of this character could not be equal in its incidence if applied to every company. If the Court has not yet given an award, it seems that it is rather precipitate that a Bill should be brought down to make this clause compulsory without giving us an opportunity to call evidence to show why the wages should be reduced in accordance with the alteration in the hours worked.

186. *Mr. Macpherson.*] Your idea is that this question should be left to the Arbitration Court to decide, and not to Parliament?—Yes.

187. Do you think it is an arbitrary act on the part of Parliament to take the matter out of the hands of the Arbitration Court?—I should not if Parliament had dealt with the hours of labour before the Court had given its decision as to the conditions of employment; but after the Court has dealt with the case, it seems to me to be on all-fours with an interference in a decision of the Supreme Court.

188. *Mr. R. Mackenzie.*] Is it not the duty of Parliament to pass laws for the country?—Yes.

189. You are in the clerical branch of the Westport Coal Company?—I am branch manager at Wellington.

190. Did not Parliament interfere and compel the company to give the clerical staff a half-holiday in each week?—Yes.

191. Have they not interfered with every industry, and said that employees should only work during certain hours?—Yes.

192. That has not been left to the Arbitration Court?—No. I quite admit that the Legislature is the highest tribunal in the land, and has the right to pass such legislation as it considers desirable; but it seems to me that this Bill would be very unfair, inasmuch as it only deals with the hours of labour, while with regard to all other conditions we have to apply for a decision of the Arbitration Court. Our position is this: that had the Arbitration Court given an award in 1905, they would probably have given a decision not only reducing the hours but also reducing the wages, whereas if this Bill goes through it will only deal with the hours of labour and leave the wages as they are at present.

193. In *Mr. Pilcher's* case, owing to the Act of 1903 having been passed, his company comes under the provisions of this Bill, whereas you, having worked under the old award of five years ago, are getting an advantage?—I have already explained that it is impossible to compare any two mines, and that there are mines the owners of which do not object to the bank-to-bank clause. But in our mines, where it means a loss of fifty minutes a day in going to and from the face, it is a serious thing, and this is a case where the Arbitration Court, sitting in different localities, would be able to say that at one mine the bank-to-bank clause should apply but not in another, the conditions governing their decision. The difficulty in connection with this Bill, as I have said, is that it refers simply to the hours of labour and not to the wages to be paid.

194. Supposing Parliament says that no man shall work in a coal-mine longer than a certain time, you have the Arbitration Court to go to, where you can say, "Our industry can only afford to pay so-much wages for that time"?—But this clause would come into effect before we could go to the Arbitration Court.

195. The point you want to make now is the point you object to yourself—you asked the Court not to make an award?—We may possibly have asked the Court not to alter the award, but having heard the evidence they decided that it would be a great injustice to make the award asked for, and did not do so.

196. Consequently, you would not have an award, and possibly would not care to have one for fifty years?—Certainly, if it were likely to be injurious.

197. Do you think all the mines should be placed under the same law?—We do not mind the award, but the serious part of this particular Bill is the fact that it is going to regulate the hours of labour without giving us the opportunity of having the wages altered accordingly.

198. But your award expired long ago?—I think it has two years to run. I thought it had been renewed for a certain time. This Bill seems to us to be rather arbitrary in fixing the hours of labour without giving us the opportunity of getting the other conditions altered.

199. It is open for you to go to the Court for that purpose?—Possibly.

200. *Mr. Herries.*] How often does the Arbitration Court sit in your district, supposing you wanted to apply to it?—We might have to wait twelve months.

201. Is that the shortest time?—I know they have been very much behind in their work, and one has to wait a considerable time before a reference can be got.

202. Supposing you had to wait six months, can you form an estimate of what the company would lose?—Yes, £10,000.

203. If this Bill passed, would the Westport Coal Company ask for the Court to sit?—I have no doubt at all that they would.

204. And would the other mines in the district also ask for it to sit?—All those affected would.

205. *Mr. R. McKenzie.*] Are you aware that the Arbitration Court can make an award, if the Court did not sit for six months, so that it would date from the time the Act was passed?—But could we collect the amount which we had lost in the meantime?

206. You have the money in your own hands, and could see that you would not lose?—That would be a very difficult thing.

207. *Mr. Colvin.*] What was the output of your mine during the last twelve months?—About 550,000 tons.

208. What did you base your calculation on the twelve months at?—It is based on the fifty minutes a day lost multiplied by the number of men that would be affected, and also the loss sustained by the decreased output; and whenever the output of any industry diminishes the cost of production rises proportionately.

209. Are you aware of the number of tons per day each miner puts out?—I do not know the average, but I believe it is about 6 or 7 tons per day.

210. At 500,000 tons, the output would come to about 9d. per ton. That would be about one-eighth of the whole output per day. We have had it in evidence that at Tyneside it only costs them 7d.?—Yes; but Mr. Pilcher has explained that it does not affect him anything like it does us. The circumstances vary at different mines. We have a loss of fifty minutes per day per man, while Mr. Pilcher may have only five or ten minutes.

211. He calculates it at 3d. per ton. It is only the truckers and outside workers who would be affected?—We consider it would affect all our men, inasmuch as the output of the mine would be affected. The wages would be affected by the amount of the tonnage, but we estimate that if we work fifty minutes less there would be a considerable shortage in the production and the output, and we should lose the profit on the decreased output.

212. How many day-men are there employed at the mine?—About 120, I think.

213. The only men it can affect much are the truckers. The men working outside would not lose the 50 minutes?—They probably would. The men outside cannot work very well until the coal comes out. They would have to wait until the work in the mines commenced. As a matter of fact, it is going to affect them more than the miners.

214. I do not see on what basis you calculate the £20,000 loss?—We estimate it in this way: we know exactly what the men can do in eight hours, and it is therefore not very difficult to calculate how much the loss would be if they worked fifty minutes a day less.

215. Do you think it would take fifty minutes a day?—We cannot possibly get at it in any other way. It is only a reasonable assumption that the men would not work so much.

216. If the men claim that they can put out as much coal in the lessened time and have given it in evidence here, you think they are wrong?—I should doubt it certainly.

217. *Mr. R. McKenzie.*] Do you stick to the statement that you have 120 men and boys who would be affected by this clause?—I think so.

218. Supposing you had 240, what would the average wages be?—I suppose 9s. per day.

219. Supposing we make it 10s. per day, or £3 per week?—Yes. Seven hundred and eighty would be immediately affected out of the whole staff at Millerton and Denniston. There are 1,025 employed, including the staff, shift-men, truckers, rope-boys, all surface-men—also the timber-men.

220. You take it to be 780 men?—Yes.

221. And you have 1,025 men altogether?—Yes.

222. Do you mean seriously to tell the Committee that it takes 780 men to cover those working outside the mines?—A number of those men are coal-hewers, but are working on the machines.

223. Do you tell us that you have 780 men to deal with the coal?—No. There are 780 men on wages.

224. And these would be affected by this bank-to-bank clause?—Yes, inasmuch as the men who are getting coal and are not on the tonnage rate would have their wages affected.

FRIDAY, 21ST SEPTEMBER, 1906.

WILLIAM PRYOR examined. (No. 6.)

1. *The Chairman.*] What are you appearing as?—I am parliamentary secretary of the New Zealand Employers' Federation. I have been asked to appear on behalf of the coal-mine employers of Otago.

2. You wish to make a statement?—I wish just to add to what has been said, and say that the Otago coal-mine owners object to clause 2 of the Coal-mines Act Amendment Bill for the reasons which have already been stated—that it will usurp the functions of the Arbitration Court. I would also like to put in an extract from a letter received from Mr. William Scott, secretary to the Otago (N.Z.) Employers' Federation.

3. *Mr. Colvin.*] Have you the authority of the coal-miners themselves—the working-miners—to say they object?—No; I have nothing to do with the workers—I am speaking on behalf of the coal-mine owners. Mr. Scott's letter is dated the 14th September, 1906. The extract is as follows: "With regard to the withdrawal of the coal cases in Otago, all I can say in connection with the matter is that a conference was held composed of representatives from the employers' and workers' unions, and, after going fully into the matter, it was shown that to alter the present conditions in any way meant a new award and the bringing into operation of the bank-to-bank clause. The employers pointed out that if the working-hours were to be reduced in accordance with the bank-to-bank clause they would be compelled to insist upon a corresponding reduction in wages. The men were frightened to risk this matter, and consequently preferred to leave well alone and to work under the existing conditions. I need hardly point out that, although this condition is satisfactory to a certain extent, yet the provision bringing in the bank-to-bank clause in connection with any new agreement or award is in the meantime an effectual bar to any alteration being made in the present conditions of work, &c. We want more than the preventing of the bank-to-bank clause being made operative. We must insist upon the present clause being struck out altogether, so as to enable new conditions to be arranged for by either party without the consequences that would now ensue." That puts the matter in a nutshell, and explains the position with regard to the withdrawal of the men's demands from the Arbitration Court at the present sitting of the Court at Dunedin. I am also advised by Mr. Scott that at this meeting the employers met the workers and went through the decision of the Arbitration Court given at Westport, and discussed the matter at length. The decision came to was that these men were not prepared to accept the

shorter hours with lower wages. That seems to me to put the whole matter as concisely as possible. I would just like to say that the evidence before the Arbitration Court must have been very conclusive against the bank-to-bank clause for the Court to take such a step as it did, and that seems to be the opinion of the men when the matter is fully explained to them. They are not favourable to this bank-to-bank clause, because they recognise that it means a reduction of their wages and earning-power. The Arbitration Court proceedings at Westport are reported in the *Labour Journal* for April, 1905, page 262, where it is pointed out that a very great hardship would ensue if the bank-to-bank clause were to be put into operation. With regard to the statement that the companies could apply for a new award if this Bill goes through, I would like to say that I have no knowledge of any case where the Legislature has interfered with the judgment of a Court during the currency of an award, and I would suggest that there should be added to this clause, in fairness to all concerned, a proviso that if the shortened hours are adopted in any of the mines a corresponding reduction in wages should follow.

4. You would make yourself the judge?—No; if a man is paid so-much for eight hours and a half—say, 8s. 6d.—there would be no question of judgment at all: he would be then paid for eight hours.

5. *Mr. Macpherson.*] Supposing he is paid on a tonnage rate?—I suppose the companies would have to put up with the tonnage rate in the meantime, but it would make a very considerable difference if the wages hands were reduced.

6. It would make no difference with regard to the tonnage rate, but the lesser output would minimise the companies' profits?—Yes, that is going to make a very big difference.

7. But not so big a difference as was stated here yesterday?—I can only say that the Judge in the Arbitration Court accepted as approximately correct the figures of the Westport Coal Company showing in connection with the two mines at Denniston and Granity that the increase in the cost of production would amount to £22,000 per annum. I am using my argument from the point of view of the Judge's decision in the Westport case. In the *Labour Journal* appears the summing-up of the Judge and the result of the whole thing, and I think it is fair to assume that the Court was competent to come to a decision on the matter.

8. I do not dispute that for a moment. I have not read the report—I am simply referring to the statement that was made here by a previous witness?—The evidence in the *Labour Journal* will at once establish the fact that to introduce the bank-to-bank clause will mean that it is going to have a tremendous effect on the cost of production from the coal-mines.

9. *Mr. Colvin.*] You were here yesterday and heard Mr. Dixon give his evidence?—Yes.

10. You heard Mr. Dixon state that it would make a difference of fifty minutes a day to the company for each man if this Bill were passed?—No, I do not think he said that. I think he said there had been a conference on the matter between representatives of the miners and the company, and that they had agreed that fifty minutes would be taken up in going and coming.

11. They allow now twenty-five minutes. The men give twenty-five minutes and the company give twenty-five minutes?—I did not understand that to be the case. I understand it is eight hours and a half from bank to bank—the men and the proprietors are dividing the time. The point at issue is that the mines are being worked now on the principle of eight hours and a half from bank to bank, and this clause would make it eight hours from bank to bank.

12. *Mr. Herries.*] In the event of this clause passing, do you think a provision should be inserted providing that any employers affected should have the right to go at once to the Arbitration Court?—That is the difficulty—they cannot go at once. They would have to make application and meet difficulties, and it might be six months before it was heard. We hold that the Court is the only tribunal that is fit to make the award. In some of the mines the workings are at the entrance, and the eight hours provision would not trouble the owners to the extent of five minutes a day, while the working-faces in other mines are at a considerable distance; therefore we say that the Arbitration Court, being experts in this matter, should be the body to decide what the number of hours should be.

13. You would have no objection to the Arbitration Court putting it in and correspondingly reducing the wages?—No. We say the Legislature should not settle the hours in this way. The Court settles the hours in all other industrial matters, so why should they not have the same power in connection with the coal-mines?

14. You would have no objection to the Arbitration Court putting the eight-hours-from-bank-to-bank provision in their award?—No, because we should have to submit if they did. We have accepted their conditions before. We say it should not be put in the Act, but the Court should have a free hand.

15. You say the consequence of the bank-to-bank clause would be a loss to certain mines, and you point out that you would be paying the same wages for less work: supposing the men are willing to take lower wages in order to get this bank-to-bank clause?—We say that, taking the men generally, they are not willing to take less wages for the shorter time. We say that the increased cost of production would be so much that it would open the door wider for an increased importation of coal from Australia, and would detrimentally affect the industry.

16. If the wages are reduced, where does the increased cost of production come in? What other circumstances besides the wages would increase the cost?—If the wages are reduced sufficiently all round, then, of course, it would be all the same so far as the employers are concerned.

17. Then it is only on account of the wages that the employers object to this clause?—Yes.

18. What other increased cost is there besides the wages?—Well, if the time is shortened there will be less coal got, and the whole of the plant and machinery will be employed for a shorter period. They would not be able to get the same amount of work out of it because the same amount of coal would not be produced.

19. Do you estimate that at a large sum?—I have not estimated that.

JOHN FOSTER examined. (No. 7.)

20. *The Chairman.*] What position do you occupy?—I am president of the Denniston Miners' Union, and check-weighman for the miners on Denniston Hill.

21. You have heard the evidence given so far on this clause 2 by witnesses for the other side?—Yes.

22. Do you wish to make a statement with regard to it?—Yes. I do not know that I can add much more to the evidence I previously gave before this Committee; but evidence has been placed before you now that I would like to show in a different light. It was stated by a witness yesterday that the miners and the company had agreed to fifty minutes as the time that would be required for travelling in and out of the mine. As a matter of fact the miners agreed to forty minutes. The company took the fifty minutes before the Arbitration Court simply to make up the £22,000 referred to. I am quite confident that forty minutes would be ample. Secondly, it was stated here yesterday that there were some 700-odd people working on wages at Denniston Hill and Granity. I say that is not correct. On Denniston there are 274 miners that I am weighing coal for now. Outside of them all the trucking in the mine is let by contract wherever it is possible to do so. In the Ironbridge section, with the exception of two truckers on day-wages, the trucking is done by contract, if my memory serves me right. I could not swear to what I am going to say now, but I honestly believe that on Denniston Hill 125 would cover all the day-labour out of the five hundred employed. Granity, I believe, has some sixty or seventy pair working by results; but they let the trucking, I understand, by contract the same as on Denniston Hill. Then, coming to the brake-head, the tipping is all done by piecework in general. The running of the coal down the incline is done by piecework too. There are times when this work is not done by piecework, but that is seldom. There is a change on Denniston Hill, and the tipping is done by day-labour; but I know the employers and the men are in negotiations to take that work on by piecework. I do not think this clause will affect the Westport Coal Company so far as Denniston Hill is concerned. They are getting their coal hewn cheaper there than at any other mine that I know of in the district. The difference in price between the Denniston Hill Mine and the State Coal-mine at Point Elizabeth, where they are working an inferior coal, is something like 2d. a ton, if the two agreements are worked out. Another statement made yesterday was that the officials of the unions of this colony were urging this matter on and bringing it before Parliament. I totally deny that. It was brought before the House on a petition signed throughout New Zealand by all the miners. That petition should be in this House now. So far as the Otago miners are concerned, it has been stated this morning—and it surprised me very much—that they had withdrawn their application from the Arbitration Court for fear of getting a reduction in their wages. I do not think that is correct. I do not think the miners in Otago would enter into any such arrangement as that without letting the executive of the Miners' Council on the West Coast know what was being done. Neither I, as president, nor Mr. Betts has had any communication from those people, and therefore I do not think they have done anything of the sort. With regard to the haulage-time on Denniston Hill, the eighty score a day is done in six hours and a half. The average time the hauling-rope is going is six hours and a half. If the £22,000 alleged as the loss to the Westport Company is based on the full half-hour's running of that rope, then the estimate is wrong, as the time the rope runs is only twenty minutes per half-hour through the day, and they may base it on that; but I am convinced as a practical miner that as much coal could be produced in the shorter time as in the longer time. If we take the figures for the north of England, in the Durham mines they work six hours and a half a day, and we find that the output per man is equal to that of any other part of England, where they work eight and ten hours. Before the Act came into force we worked eight hours and a half in the mine, but we now work in the mine only eight hours. Before the law was altered we were paid 2s. 10d. a ton, but now we have been reduced to 2s. 4d. At the present time on Denniston Hill the output must be greater per man than it was before, because our wages-sheet shows as good a standing wage now as it did when we got 2s. 10d., which proves that we must be producing more coal in fewer hours. We contend further that immediately a man puts his head underground he is under the supervision of the Westport Coal Company or any other employer who owns a mine. That is the law of the coal-mines Act, and a man is practically working from the moment he puts his head into the mine until he comes out. We contend also that it is only a just and right thing that we should have shorter hours for every miner who is working underground. Notwithstanding the 2d. per ton difference at Point Elizabeth, shorter hours are worked, and there are no complaints. I do not think anything should be put into the Bill with regard to a reduction of wages. We are quite willing to go before the Court with our case, and whatever the Court says shall be a fair living-wage we are prepared to accept; but for the House to say wages shall be reduced would be a step in the wrong direction. We look upon the Court as the proper tribunal to adjust these things, or, in other words, the Court should give a fair living-wage and let things adjust themselves. We are not frightened to let the matter go before the Court for an award. In fact, if this Bill becomes law to-morrow, we have filed a reference to the Court, and it will be before the Court before I go home. This Bill will not stop us from going to the Court. There are certain things that we are not paid for and we must go before the Court for these, and the Court will have an opportunity to adjust matters both on behalf of the employers and the men. It seems to me that the employers are actually afraid to face the Court on the facts; but the men are not afraid to face the Court in any shape or form. I do not know that I can say anything else.

JOHN FOSTER recalled.

Witness: I distinctly state that the State Coal-mine is paying 2d. per ton more than is being paid at Denniston.

23. *Mr. Dixon.*] For the same height of coal?—From 5 ft. to 4 ft. the State Coal-mine is paying 2s. 4d. a ton, 2s. 6d., and 2s. 8d., whereas you are paying only 2s. 4d. In addition, the State Coal-mine is paying for all its timber and stone scale to all heights, whereas your company is only paying for 6 ft.

JAMES ALLEN, M.H.R., examined. (No. 8.)

24. *The Chairman.*] What are you?—Chairman of directors of the Allandale Coal Company (Limited).

25. We have had a statement made here that the miners who had filed an order of reference to the Arbitration Court against your company have withdrawn that. Can you give us any particulars with regard to that?—That is correct. The miners did withdraw it. They filed an order of reference some months ago; but when the Court was coming down to Dunedin to hear the case they sent notice to withdraw the cases altogether from the hearing. Our representative, Mr. Scott, met the miners' representatives in conference about it, and the delegates representing the men said they preferred to go on under the old award for twelve months rather than go to the Court just now. As far as I could gather from a conversation with Mr. Scott afterwards, it was really on account of the fear of what might result from the bank-to-bank clause in the Court. I can only say that as the result of a conversation with Mr. Scott. We did want to go on.

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