1910.
NEW ZEALAND.

GOLDFIELDS AND MINES COMMITTEE:

REPORT ON THE COAL-MINES AMENDMENT (No. 2) BILL; TOGETHER WITH MINUTES OF EVIDENCE.

(MR. POLAND, CHAIRMAN.)

Report brought up 25th August, and ordered to be printed.

ORDERS OF REFERENCE.

Extracts from the Journals of the House of Representatives.

THURSDAY, THE 7TH DAY OF JULY, 1910.

Ordered, "That a Goldfields and Mines Committee be appointed, consisting of ten members, 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. Anderson, Mr. Colvin, Mr. J. Duncan, Mr. Greenslade, Mr. Poland, Mr. Scott, Mr. Seddon, Mr. E. H. Taylor, Mr. J. C. Thomson, and the mover."—(Hon. Mr. R. McKENZIE.)

WEDNESDAY, THE 17TH DAY OF AUGUST, 1910.

Ordered, "That the Mining Act Amendment Bill and the Coal-mines Amendment Bill (No. 2) be referred to the Goldfields and Mines Committee."—(Hon. Mr. R. McKENZIE.)

REPORT.

THE Goldfields and Mines Committee, to whom was referred the Coal-mines Amendment Bill (No. 2), have the honour to report to your honourable House that, having duly considered the provisions of the said Bill, they recommend that the Bill be allowed to proceed subject to the amendments shown on a copy of the Bill hereto attached.

H. POLAND,
Chairman.

25th August, 1910.

MINUTES OF EVIDENCE.

THURSDAY, 18TH AUGUST, 1910.

JONATHAN DIXON, District Manager for the Westport Coal Company, examined. (No. 1.)

The Chairman: You wish to give evidence in regard to this Bill?

Witness: Yes. The only clause I wish to refer to is clause 5, having respect to the compensation to workers. I take exception to this clause on the ground that it does not appear to me to be equitable. The owner in coal-mining is by statute compelled to pay into a fund under, I think, clause 80 of the Coal-mines Act—or the "halfpenny-per-ton fund," as we term it; and also, by subsection (6) of clause 5 of the Workers' Compensation Act, it is by statute set forth that 50 per cent. of the earnings shall be paid to a worker in the event of accident. I wish to call attention to the fact that the coal-mine owner is called upon to pay more than 50 per cent. if clause 55 of the Compensation Act is rendered inoperative by this amendment. It seems to me that this is the only industry which has this double charge made upon it. I wish it to be distinctly understood that I am not opposing the principle of making the industry responsible for injuries received by the workers, but I am objecting to extra expense being put on the coal-mine owner. I would like to illustrate the position. Say a worker is receiving £2 10s. a week. Fifty per cent. of that is £1 5s. The statute sets out under the regulations that in the case of accident he has to be paid out of the halfpenny-per-ton fund a sum which amounts to 12s. 6d. per week, which is 25 per cent. of the £2 10s., or equal to 75 per cent. of his wages, as compensation. £2 15s. per week: £1 7s. 6d., 50 per cent.; 12s. 6d., 22·8 per cent. of £2 15s.: a payment of 72·8 per cent. £3 per week: £1 10s., 50 per cent; 12s. 6d., 20·9 per cent. of £3: a payment of 70·9 per cent. £3 5s. per week: £1 12s. 6d., 50 per cent; 12s. 6d., 19·3 per cent. of £3 5s.: a payment of 69·3 per cent. £3 10s. per week: £1 15s., 50 per cent.; 12s. 6d., 18 per cent. of £3 10s.: a payment of 68 per cent. £3 15s. per week: £1 17s. 6d., 50 per cent.; 12s. 6d., 16·7 per cent. of £3 15s.: a payment of 66·7 per cent. £4 per week: £2, 50 per cent.; 12s. 6d., 15·7 per cent. of £4: a payment of 65·7 per cent. of the weekly wage. I say it is unfair to make this additional charge in clause 5 of the Bill by annulling the provision of clause 55 of the Workers' Compensation Act. If 50 per cent. is not considered enough compensation in the industry, then let us increase the sum set out, and not compel the coal-mine owner to pay more than is paid in other industries in respect of accidents. Last year we paid practically £1,200 into the halfpenny-per-ton fund. A feature about coal-mining is that it is considered a hazardous occupation, but the whole of the onus is thrown on the employer with regard to accidents and inspection, and individual responsibility is overlooked. The largest percentage of accidents is due to carelessness and the taking of undue risks by the workmen, and for these the employer has to pay every time. There is some wording in the Workers' Compensation Act—I think it is clause 15—referring to serious and wilful misconduct; but that is a very difficult thing to prove, and this clause should be amended to read "serious or wilful misconduct." I think it is unfair to penalize the employer when an accident can be proved to be caused through the worker taking undue risks or being guilty of carelessness. If the provision in clause 55 of the Compensation Act is rendered inoperative by this proposed amendment, then it is only a matter of calculation to see that we have to pay 75 per cent. and not 50 per cent. in cases of accident. We are directly paying 50 per cent. and indirectly 25 per cent.

1. *Hon. Mr. R. McKenzie.*] Your company was in the habit of insuring the whole of its men?—Yes, at one time.

2. And in case of accident the amount they were entitled to get from the Miners' Relief Fund the company was able to deduct from the amount due under the Workers' Compensation Act?—We have deducted the 12s. 6d. per week for a period.

3. You have paid them the 12s. 6d. if they were working for any one else outside of the colliery?—No.

4. Any other employer in New Zealand than the owner of a coal-mine has to pay the 50 per cent.?—Yes.

5. Whereas the coal-mine owner pays 50 per cent., less the 12s. 6d.?—We had to pay the 50 per cent. if we deducted the 12s. 6d. The halfpenny per ton covers the 12s. 6d. paid—that is paid through or in connection with the medical association.

6. This fund was established long before the Workers' Compensation Act came into force?—Yes.

7. Was it not started as a guarantee that a man working in a dangerous occupation should get something if he met with an accident?—Yes.

8. And when the Workers' Compensation Act was passed you took advantage of the law and ceased to pay the 12s. 6d.?—It has been done for a period.

9. The object of this clause is to prevent you doing that?—Quite so. It is making us pay more than the 50 per cent. by the 12s. 6d. being also paid.

10. That was established long before the Workers' Compensation Act came into force?—When the relief fund was established there was no anticipation of the Workers' Compensation Act coming into force.

11. At that time coal-mining was looked upon as a dangerous occupation, and this relief fund was provided?—Yes. When the Compensation Act came into force I contend the halfpenny-a-ton fund should have been deleted.

12. Parliament, having decided that coal-mining was a more dangerous occupation than others, provided for this relief fund?—If a broken arm occurs in any industry the worker gets 50 per cent. of his earnings, but a broken arm is no worse in the coal-mining industry than in any other.

13. You admit that the object of clause 5 of this Bill is to prevent coal-mine owners taking advantage of the relief fund?—I admit that, but I submit it is not equitable.

14. *Mr. Colvin.*] The company would have to pay this 12s. 6d., or the halfpenny per ton, under any circumstances?—Yes, that is statutory.

15. Then they are only paying 50 per cent. under the Workers' Compensation Act?—Provided the 12s. 6d. is taken off. If not, we are paying more.

16. Whether the 12s. 6d. is taken off or not, the halfpenny per ton is paid for the miners?—By paying the 50 per cent. set out in the Act, and then 12s. 6d. in addition, it increases the percentage we have to pay for all accidents.

17. *Hon. Mr. R. McKenzie.*] If you insure with an accident insurance company it does not increase your premium—you only pay the same premium as any one else. If you insured outside you would not get the benefit of the halfpenny a ton?—Yes, the company gets the benefit of it at present.

18. Take a company that insures with an insurance company: the insurance company gets the benefit of it?—I am fighting against the inequitable nature of the principle in saddling this industry with the 12s. 6d., which brings the compensation up to 75 per cent., when other industries escape it.

19. *Mr. Colvin.*] Previous to the Workers' Compensation Act coming into force you had to pay this 12s. 6d.?—Yes.

20. Then it was shown that the mining industry was a more dangerous occupation than others, and yet when the accident insurance comes in you only pay the same as other companies?—The Compensation Act coming on top of the other made an additional burden. It is only recently that we have been deducting the amount—only since last March. We were paying it last year.

WALTER LEITCH examined. (No. 2.)

The Chairman: You wish to give evidence on the Coal-mines Amendment Bill?

Witness: Yes. I have not very much to add to what has been said. I cannot see why a man hurt in a coal-mine is worse off than if he is hurt in bushwhacking or any other occupation, and yet according to the contention I have heard here he is considered to be worse off, because it is proposed to give him increased compensation. Before the Workers' Compensation Act came into force our miners had a sick and accident fund of their own, into which they paid 6d. per week, and it was worth something like £300. The men got £1 a week in the event of accident, and got something more from the Government. Two years after, when the Compensation Act was in force, they spent the whole of the amount, and reduced the weekly allowance down to 12s. 6d., which shows that there must have been a certain amount of malingering going on, due to the increased sum given. Some of the miners get £4 a week when on the accident fund, and only £3 18s. when at work. They have got as high as £4 8s. per week when on the compensation fund.

1. How do you make that up?—Their half-pay comes to £1 14s.; then there is the Government fund of 12s. 6d., and their own fund another 12s. 6d., making altogether £2 19s., and then some of them are in the Druids and Odd Fellows societies.

2. *Hon. Mr. R. McKenzie.*] That is their own business?—Yes; but I want to point out to the Committee that the more these men get, the more inducement is given to them to malinger. A man has only himself to consider, and he may say, "What is the use of my going to work?" when he has a bad finger. The men pay their own doctor, and if they say they cannot work he gives them a certificate to that effect. That has been our experience since the Workers' Compensation Act came into force. My contention is that a man working as a miner is no worse off than another if he meets with an accident, and I do not see why he should get extra compensation for it.

3. *Mr. E. H. Taylor.*] You would not say it was a discredit to the miner if he belongs to a benefit society?—No; I say it is to his credit. But I also say that at present it leads to malingering.

4. *Mr. Anderson.*] Do I understand you to allege that the miners malinger in order to obtain relief from these various funds?—I am only saying that is my opinion from the appearances given. Since the Workers' Compensation Act came into force they have lost all the money they had in hand, and have had to decrease their £1 per week to 12s. 6d., and yet they pay the same contribution that they did before.

5. To what part of the country does your experience extend?—I have been among miners all my life.

6. Do you suggest that they do malinger, or would malinger?—Yes.

7. What percentage of them, do you think?—I cannot say that. We have had several cases where, when the men have been sent to another doctor, it has been proved there was nothing wrong with them whatever, and they could start work the next day. There are other men who have had notice from me to go to another doctor when they have said they were ready to start work. This is my actual experience I am telling you now.

8. *Mr. Colvin.*] You find the men working on the West Coast equally capable and as fine a body of men as you could get in any other country?—Yes. Of course, there are a few black sheep among them. I believe mostly the men I speak of are those who have not been long mining—because I find that some of them have only been six weeks in our employ.

9. With regard to the 6d. per week they pay, I suppose there is nothing to stop bushmen and others doing the same thing? To boil it down, it is only this matter of 12s. 6d. that the coal-mine owners have to pay by Act of Parliament that is the cause of the trouble?—Yes, that is 12s. 6d. more.

10. You find that the genuine miners are not the men likely to malinger, but other men who are not accustomed to the industry?—I admit that at once. Some of our older hands have been in our employ fifteen years and not had an accident yet; but these other men come in and take advantage of the fund. My contention is that it is giving these men a higher premium to do so.

11. *The Chairman.*] That is only to the extent of 12s. 6d.?—That is so.

12. The compensation they get from the lodges does not concern the company?—No.

13. You do not think the 12s. 6d. the company pays induces the malingering?—It tends to it.

14. You have men in your employ who are in friendly societies?—Yes, about two-thirds of them.

15. Do you not think the men belonging to friendly societies are the most trustworthy and reliable men you have in the mine, and are not those who go travelling from one coalfield to another?—No, they are not.

16. Is it always the same doctor who lets them get on to the friendly society and sick and accident funds?—Yes.

17. There are a large number of other people in friendly societies who are not connected with the mines at all?—Yes.

18. Do you think they allow a man to get on the Sick and Accident Fund unless he is reasonably affected?—I do not see how they can help it. The doctor has to give a certificate.

19. My experience is that a doctor is always very careful when connected with friendly societies—the doctors are very particular?—I have known cases where, when examined by another doctor, men have been declared fit for work.

20. You have the right to have the men inspected by another doctor?—Yes.

21. So that when you have a case of malingering you have the remedy in your own hands?—Yes, we can call in another doctor.

22. You are aware that the Miners' Relief Fund was started a few years before the Workers' Compensation Act was passed?—Yes.

23. And that it was started on account of the dirty and dangerous nature of the employment?—Yes.

24. You will admit that that was the object of the Legislature when this fund was created?—Yes.

25. After the Workers' Compensation Act was passed, and you paid the insurance company to take your risk, they took advantage of the 12s. 6d.?—The insurance company did not take a penny of it.

26. Who stopped it?—We did. We paid the insurance company a premium, but since the beginning of June we deducted the amount ourselves.

27. *Hon. Mr. R. McKenzie.*] Do you not consider the occupation of a miner is quite as dangerous now as when the fund was first created?—Personally I cannot understand why he should get more when he is hurt than a man employed in any other occupation. A broken arm is no more painful when it happens in a coal-mine than outside. Bush-workers are in a more dangerous occupation.

28. *The Chairman.*] The insurance rate is four times as much in bush-work?—Yes. I interviewed the manager of our insurance company in Christchurch on Tuesday, and he told me distinctly that his company could not look at our mine risk next year at the same premium, and the company has only paid for one fatal accident since we have been insured.

29. *Hon. Mr. R. McKenzie.*] What percentage do you pay the insurance company on your wages?—I do not know, but I suppose it is the same as other people. The manager meant that the mining rates would have to be increased all round.

30. Unless this money is paid to the miners, what do you propose to do with it?—I propose to strike it off altogether. If a man is hurt at mining he is no worse off than any other man occupied at anything else.

31. He is worse off for this reason: that there is more risk of accidents and his family is more likely to suffer?—If a man insures to the same extent as his employers do he will get full pay. My contention is that a man should take half the risk as well as the company. That, I think, would decrease the accidents themselves, because the men would be more careful in a way.

32. It would lead to a great deal more malingering. They would get an enormous salary then?—It would, I suppose, to a certain extent. The men in friendly societies insure themselves to some extent.

George Geith Townsend examined. (No. 3.)

The Chairman: You wish to give evidence on the Coal-mines Amendment Bill?

Witness: Yes. I am manager of the Paparoa Coal-mining Company. I would first like to emphasize the fact that an injured worker in a coal-mine is entitled to and receives exactly the same rate of compensation as in any other industry. The only difference is the method of payment. Under the present system part of his contribution comes from the Sick and Accident Fund, portion of which is paid by the coal-mine owner. The Coal-miners' Relief Fund was established before the Workers' Compensation Act was put on the statute-book, and I submit that the passing of that Act really rendered the Sick and Accident Fund unnecessary. I think it is a mistake to characterize the amount paid from these funds as a deduction. What really happens is that the compensation is paid partly from the Coal-miners' Relief Fund, which, it should be borne in mind, is provided solely by the mine-owners, and partly by direct contribution from the coal-mine owner.

Thus the coal-mine owner himself provides all the compensation. This amendment, if passed, will inflict a great injustice on the coal-mining industry, in that the coal-mine owners will have to pay part compensation twice over. In five mines, I think, on the West Coast, the amount to the credit of the fund has accumulated to £10,000.

The Chairman: More than that?

Witness: Possibly more than that. My figures are taken from the Mines Report for 1908. At any rate, it shows that the coal-mine owners have been deprived of the use of that money. The amount paid in on the 31st December, 1909, amounted, roughly, to £3,000, and represents interest on £80,000 at 4 per cent., a pretty considerable sum.

1. *Hon. Mr. R. McKenzie.*] Do you propose to abolish this fund altogether, Mr. Townsend?—Not altogether. I should not abolish it, but I certainly think the coal-mine owner is entitled to the benefit of it.

2. If it were abolished, would he not get the benefit?—It does not alter his position.

3. There would be nothing to pay?—There would be in case of accident—50 per cent.

4. That is a different matter. Your idea is that the fund should be abolished altogether?—My opinion is that the Workers' Compensation Act rendered the Sick and Accident Fund unnecessary. But I would not go so far as to say I advocate the abolition of it altogether, but if it is to be retained I think the coal-mine owners, who provide it, should have the benefit of it. The owner should not be made to pay 12s. 6d. into the fund and then be made to pay by direct contribution.

5. How do you prove that the coal-mine owner pays the halfpenny per ton into the fund?—We have to pay it quarterly.

6. Is it not a fact that your own mine, or the Blackball Mine, has to pay a royalty, or, if you have not taken out sufficient coal, you have to pay rent?—Yes.

7. Then this is part of the royalty?—It is not stated as such.

8. When you took up your lease you knew you had to pay this, so you do not suffer any disability. That is the condition under which you took up your lease?—That is so.

9. Then, why take it away from the men?—It is not taken away from the men. They still get the 50 per cent.

10. When you took up your lease you knew you had to pay this halfpenny per ton?—Yes, that is so.

11. You might just as well come and ask me to forego your royalty. No matter what became of this fund you would have to pay the halfpenny per ton?—Yes, that is so.

11A. *Mr. Colvin.*] When the Paparoa Company took up their lease they knew they would have to pay the halfpenny per ton?—Yes.

12. They had to pay the halfpenny per ton before the passing of the Workers' Compensation Act?—Not in our case.

13. You are just paying the same amount now as any other industry since the Workers' Compensation Act came into force, because previously the coal-mine owners had to pay the halfpenny per ton?—Yes.

14. Therefore you are in no worse position than those in any other industry, no matter where it is. Is it not a fact that there are more married men with families engaged in coal-mining than in bushfelling or in any occupation like that, and that it is necessary for these unfortunate families in cases of accident to be compensated?—Most distinctly they should be compensated, but I do not see why the coal-miner should get more than men in other occupations.

15. You began to deduct the 12s. 6d. in June: you did not object to it before?—That was unfortunate; we should have saved money if we had.

16. *Mr. Anderson.*] You said the companies paid the insurance twice. I presume you mean the 12s. 6d.?—I said part of the compensation twice.

17. That would be the 12s. 6d.?—Yes. If this amendment comes into force it is practically what it amounts to, because we should have to pay the 50 per cent. under the Workers' Compensation Act, and in addition the men would draw the 12s. 6d. from the Sick and Accident Fund, which is provided by the coal-mine owner.

18. But the 12s. 6d. is paid out of the royalty?—It is paid under an entirely separate clause of the Act, and is quite independent of the royalty. I do not think you can consider it royalty.

19. It is another condition of your lease?—That is so.

20. That does not affect the amount you pay to your insurance company?—I am not in a position to say.

21. How do you maintain that you are paying this sum twice?—Suppose a man is entitled to £2 a week for wages, he would get 12s. 6d. from the employer direct and 12s. 6d. from the Sick and Accident Fund if this amendment comes into force. The coal-mine owner has to pay the £2 himself.

22. Do you think the insurance companies will immediately put up the rate?—I do not know. They do not get the benefit of the 12s. 6d.

23. It has been stated that there is malingering: have you had any experience of it?—No, personally I have not.

WILLIAM A. W. GRENFELL examined. (No. 4.)

1. *The Chairman.*] What are you?—Secretary of the Wellington Employers' Association, acting for Mr. Pryor, secretary of the New Zealand Employers' Federation.

2. You wish to give evidence with regard to the Mines Act Amendment Bill?—Yes. I have received correspondence from several centres. A letter from the Taupiri Coal-mine says, "Section 2: I am not in agreement with this, as there may be a Board of Examiners without any knowledge of coal-mining, with the exception of the Inspecting Engineer. Section 6: We naturally

object to the raising of the levy on account of the Relief Fund to ½d. per ton. Further, we object to any levy at all. Since the advent of the Compensation Act it should have been abolished; no other trade pays a similar levy. The funds are broken down by malingering of employees. The Government Accident Department could prove this by the number of claims for exactly two weeks, which really means a claimant has been hanging off work a few days to enable him to claim on the first week. Our miners now draw, when on accident pay, their half average wage, say £1 5s. per week; Relief Fund, 12s. 6d.; their own Accident Fund, 12s. 6d.; and most of them are in one or two lodges: so you can understand there is very often not much inducement to return to work." That is the argument at the Taupiri Mines with regard to malingering. I have also a copy of a letter forwarded by Mr. Handyside, of the Nightcaps Coal Company, to the Right Hon. the Prime Minister. It is dated 22nd June, 1910, and states, "Twice within the last year or two we have sent to the Hon. the Minister of Mines details of cases showing that colliery employees while laid up by accident actually receive more than full pay, thus opening the door to, or, rather, paying a premium for, malingering in many cases. We know of one at present, and both the mine-manager at Nightcaps and myself feel sure about it. A man has to be off work a fortnight before he can participate in some of the Compensation Acts, and doctor's certificates appear to us far too easily got stating that So-and-so is unable to work until the expiration of that time, &c., &c., thereby qualifying for all the sick-pay available. We suggested to the Minister of Mines that it was high time Parliament should revise the whole sources of compensation, but we have heard nothing more about it."

3. *Hon. Mr. R. McKenzie.*] I pointed out to Mr. Handyside that if any one was malingering he could proceed against him for obtaining money by false pretences?—A mine-owner would hesitate, I should think, before taking action of that sort.

4. That is the remedy?—The letter goes on to say, "Here is another case in point: A coal-miner off work through accident gets from Compensation for Accidents Act, six days at 5s., £1 10s.; Coal-miners' Relief Fund Act, per week, 12s. 6d.; Nightcaps Medical Fund, per week, £1; Odd Fellows' Lodge, per week, £1 2s.: total, £4 4s. 6d. If working full time, say, six days at 10s., £3. Surplus, £1 4s. 6d. If he works on tonnage he may earn more than 10s. per day. Still the fact remains that, allowing for a day off now and again, and while laid up by accident, he earns a good deal more than full pay, which we feel sure was never the intention of the Legislature. Of course, the man contributes to the last two funds out of his pay; still the fact remains that in some cases it is paying a premium for malingering, which is not right and should be amended." Also, in connection with the Bill there is an objection regarding the tax, another farthing, proposed to be put on non-bituminous coal. The objections are that there is no export trade in brown coal, and the risk of working it is not so great. These are the several points I desire to put before you.

5. The Taupiri Coal-mines Company are opposing the increase from ¼d. to ½d. per ton. Do you know anything about the state of the fund at Huntly?—I cannot say I do.

6. Are you aware that two men were killed there lately?—I have a faint remembrance of an accident there.

7. The position is that the fund is bankrupt, and they cannot pay the compensation—that is, with the ¼d. per ton?—The company has still its ordinary liability under the Workers' Compensation Act.

8. Yes, but these widows were entitled to £50 under the Relief Fund, and there is a deficiency of £400. That is the reason why it was increased from ¼d. to ½d. per ton. Was there any concerted action taken in regard to this malingering?—As far as I am aware, there has been no concerted action on the part of the employers, and I do not believe there has been.

9. I got a case from no one but Mr. Handyside, and I distinctly pointed out that he had the remedy in his own hands?—The Government Accident Insurance Department will have the statistics of the cases.

10. But what surprises me is the unanimity of the Taupiri, Nightcaps, Blackball, and Westport Coal Companies with regard to malingering. Such unanimity suggests concerted action?—There has been none so far as I am aware.

11. If an unscrupulous man should attempt to live on a fund like this, is it not reasonable that an example should be made of him?—It would be a very difficult matter to prove such a case, and would mean toil and annoyance to the employers. It would not pay them to do so, their time is too valuable. They are not disposed to fight, and, on principle, they would sooner pay than bother about matters like that. They invariably pay; that is the common experience.

12. I should say this is either maligning the men, or the men should be punished?—It looks as if there was some collusion between the doctor and the workmen in such a case.

13. *Mr. E. H. Taylor.*] Do you consider there is less risk in the working of brown coal, where they pay ¼d. per ton, than there is in other mines?—I am acquainted with mining, but my experience has been in connection with gold-mines. I express no opinion.

14. You can give no reason why this extra ¼d. per ton should not be added? The other mine-owners pay ½d. per ton: why should not the brown-coal owners pay the same?—On the face of it I should say the risk was equal in both cases, but I could not say what the opinion of the Federation or the experience of owners is.

15. I notice in your evidence there has been a suggestion from some of these gentlemen regarding benefit societies, and adding that the men get so much from them: now, do you think that those who are contributing to benefit societies, thereby saving money, are the class of men who would be likely to malinger?—No; but it seems to me the temptation is there. The opportunity of profit to be made out of malingering is given by this 12s. 6d.

16. Because a man is getting more money, that is no reason why he should be a malingerer?—It is a very great temptation, when he can get £4 a week, for him to say, "I will be ill a little longer."

17. Do you think the medical profession is such a discreditable profession that doctors would consent to give certificates that were not genuine?—No; but I do not think it would be difficult to get a certificate from a doctor to say that a man would be considerably better for a few days' spell. A doctor would compromise in that way.

18. The mere fact that you say he would compromise is a reflection on his honesty?—He would take the line of least resistance.

19. Still, the evidence of these letters reflects on the friendly societies, reflects on the doctors, and reflects on the miners as a part of the community. I think you ought to see that the miners are just as honest as other workers and just as free from malingering; in my opinion they are more so. I have not had my experience among miners without seeing that they are just as honest as their employers are?—I do not think any of the employers are referring to the average workmen employed in mines; but there are exceptions in our community—there are ne'er-do-wells who will take advantage wherever they can. With regard to the reflection on lodges or friendly societies, I am satisfied that the employers are all of the same opinion as myself, that it is to the men's credit that they are providing for themselves in that way, and no employer would say that a man should be taxed because he is thrifty.

20. Why should the writers of these letters raise the objection, and insinuate that these men are obtaining more compensation when it is actually their own savings?—It is not exactly their own savings.

21. The compensation from benefit societies is?—Yes.

22. Then you should eliminate all reference to the benefit societies?—It shows that the amount the men can obtain by being sick is greater than if they were working. If the 12s. 6d. were not payable and the 50 per cent. were payable, it seems to me that the men by reasonable thrift would be well compensated.

23. *The Chairman.*] Your contention on behalf of the employers is that the 12s. 6d. should be taken away?—Yes.

24. It would abolish malingering and every other evil?—Yes, when that margin above wages is considered.

25. *Mr. Anderson.*] You spoke about brown coal: is it on account of the value of the coal that the extra money was charged, and not the question of the more or less danger in working bituminous coal?—I could not definitely answer that question.

26. Lignite coal is worth very little as compared with other coal?—Yes; that might have been the reason why the difference was made.

27. *Hon. Mr. R. McKenzie.*] Do you know the Taupiri Mines?—No, I have not been in them.

28. Do you think they are as liable to accidents there as, say, the Denniston, Paparoa, or Blackball Mines?—History indicates the extent of the liability.

29. From their liability to accident, do you imagine they should pay as much as the bituminous-coal mines?—Unless other arguments should be advanced I see no reason why there should be any differentiation.

30. Taking the Kaitangata, Hikurangi, or Taupiri Mines, their coals would be as valuable when you add the charges incurred by the Westport mines—the real value of the coal would be about the same?—I suppose it would.

Approximate Cost of Paper.—Preparation, not given; printing (1,500 copies), £3 17s. 6d.

Price 6d.

By Authority: John Mackay, Government Printer, Wellington.—1910.