

I know in some districts unmarried miners have only a sleeping room, or they sleep in barracks.—On some mines the companies build houses, so they live cheaper than in the town.

So they have a great advantage over the unmarried men. Then the married man has certain other advantages—he has got coal and light—but the unmarried ones get nothing. I know some in England and Germany where the companies try to give the married miners some advantage over the others. In that way something can be done to assist the married miners here?—Yes.

Brochon's
evidence.

MR. EDWARD BROCHON was then sworn, and made the following declaration:—

I have begged for the privilege to be heard by you. My object is certainly not to worry you with figures and statistics which several eminent members of the mining industry have already placed before you; I believe that now you have on these different points of fact all desirable information. On the contrary, I have thought it might be interesting for you to possess certain indications of a more general order, to hear some explanations on the conditions of the gold mining industry of the Rand compared with those of the same industry in other mines; also keeping in mind that I represent here large French financiers, I have also thought that you would be interested in knowing what advice these friends of the Transvaal could give you, had they the privilege of speaking to you on certain points on which they are especially competent. I shall be as brief as possible. The Transvaal gold mines are of a peculiar nature. No mine in the world possesses in the same extent an industrial character. In all the gold mines of the world the production is subject to alternatives of weakness and importance very often considerable, and the average, even when based upon the returns of several years, is often upset by the most unforeseen results. It is that feeling of the unknown, the hope of a rich pocket, which in a few hours' work will return more than a whole year of labour may have given, which often causes the shareholders to be patient by keeping up their courage, and causes them to accept very heavy sacrifices. In the mines of the Rand there is nothing like this; from the moment a mine is developed its average richness is known—it is a 12 dwts. 10 dwts. 7 dwts. mine—and there is no chance for that value to be altered in any marked way; if you take the statistics of the mines from the beginning of their existence up to this date, you will be surprised with the regularity of the yield per ton; the working of a poor reef, such as the Main Reef in the central mines, may cause this average to appear smaller; a more careful sorting of the ore may cause it to increase, but on the whole the ore has not appreciably changed in value. It is this regularity which has made the fortune of the Transvaal, for, if at times capitalists are found who accept to risk their money with a chance of a problematical profit, some are always found who are disposed to open their purse when the business is a matter of certainty. This regularity, I have said, has made the greatness of the Transvaal; it has attracted to this country in a few years a heap of money which no other business had ever obtained on the European financial markets. But it is also this regularity which, excluding all hope of a sudden stroke of fortune, compels us to strict accounts and does not allow us to work our mines if the budget established in advance for the working of them does not leave a margin for profit. It is this regularity which enables the mining industry to come and say to you: Help us to save 2s. per ton, and 50 mines now idle will then work; help us to reduce our expenses and new mines will soon be started. I could mention to you the history of a silver mine in this country. The company working it was almost ruined, at least the capital was exhausted, when one day, by one blast, a lump of precious metal, nearly half a ton

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weight, was discovered. That lump was worth, I believe, £3,000. This gave a new courage to the shareholders; they reconstituted a new working capital which, in fact, was just as rapidly exhausted. Here, a similar instance is not possible—a mine produces 24s. worth of gold to the ton, there is no hope for a change, and if the directors cannot establish the working cost below that figure they are compelled to close the mine down. There is no getting out of it. You will forgive, gentlemen, the frankness with which I speak to you; I trust you will also forgive the details with which I am worrying you. I do it because I believe that you wish to see things as they are, and because I think that, when a question is being argued, it is necessary to put it clearly and avoid misunderstandings. Then, gentlemen, circumstances are such that a number of mines on the Rand can only work at a higher cost than their returns, or, in some cases, with an infinitesimal profit; the consequence is either the working cost must be lessened or these mines must close down. If they close, the sources of revenue of the State would be lessened—its finances jeopardised. I have no need to insist on this to let you see, as well as I see it myself, the fearful consequences which will be bound to follow. Allow me, in passing, to say that the time no longer exists when burghers of the South African Republic can say: "Let the mines perish, and let us go back to our former poverty." The South African Republic has taken some engagements towards capitalists, who have opened their credit to the needs of its treasury, to its railway companies. Numbers of officials have linked their lives to the prosperity of the State. The Transvaal has contracted heavy engagements; it must fulfil them; the honour, even the religion of its burghers, make it a sacred duty. It must not be said that the mines, into which the Creator has put gold in sufficient quantity, are put in jeopardy through the fault of men. In order to render working possible the cost must be reduced. This object can only be attained by two means: 1st, reduction of taxes; 2nd, economy in the work. Several gentlemen who have preceded me on this seat have told you of the reduction of taxes which the mining industry expects from your justice and your clear-sightedness. I am willing to admit that to use the expression "taxation" with regard to the 56s. which the industry pays on dynamite, over and above the cost price may seem cruel if we think that the Government only receives 5s. out of these 56s.; but still, as it remains with the Government to do away with these 56s. in the interests of the country, the Government has the right to reduce this charge to whatever proportion it chooses, the expression "taxation" is sufficiently justified. Be it as it may, the Government has in hand the possibility to reduce the working cost of the mines by 2s. per ton; that is the excess of expenses represented to-day by the exaggerated price of dynamite, and transport of coal, and other merchandise and material necessary for our work. Now, gentlemen, you have been told that 2s. means life for many mines. It is only 8 per cent. on the working expenses, but, as in many instances the working costs of a year reach and even exceed the nominal capital of a company, it may be 8 per cent. on that very capital; in cases where there was nothing to give to the shareholders, it means a dividend of 8 per cent., justifying the par quotation of their shares. Where there was a small loss, it means salvation instead of bankruptcy. Probably you will argue that the reduction in the cost of dynamite would not constitute a loss to the State finances, but that such is not the case when we deal with the railways, of which the State is a large shareholder, receiving 85 per cent. of the profits. Your objection, gentlemen, would not be right, and, as I have just explained to you, unless a prompt remedy is applied to the situation of the mines it means jeopardy for these, and, as a consequence, for the finances of the State. On the contrary, if you give life back to many enterprises which to-day are stopped or dragging towards bankruptcy, you will see very soon an increase in all the branches

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of revenue of the State; not only these enterprises, so sickly to-day, will be able to pay their share of public expenditure, but new ones will be created and therefore contribute to it. The State would therefore find on the whole of the revenue an increase far superior to the amount of which it may be short in its receipts from railways, but I may even tell you that this loss on the railways will promptly disappear; reduce the tariffs and you will see an increase in the transport. Coal, timber, general goods, which to-day cannot reach the Rand, prevented as they are by the exaggerated expenses, will come to it, creating a wholesome competition, and thus contributing to better the conditions of existence of the mines; and the railway receipts will benefit by this transport which to-day being impossible, does not exist. Examples of similar facts which have taken place in Europe prove the absolute correctness of this law of political economy. Reduce the tariffs of a public service—such as transport, by rail or water, postal or telegraphic service—very soon you get an increase in the quantity carried sufficient to compensate the reduction in charges, and even to make the receipts larger than they were under the old tariff. I do not hesitate in stating that should the Government grant us the reduction asked for concerning transport, an immediate effect would be felt in the different sources of revenue, and before six months elapse the same receipts of the railways will equal those before the reduction of tariffs. I have stated that the second way to lower the cost of production in the mines was the economies which these must introduce in their work. At first sight it would seem that the State has nothing to do with this question, and that the mines alone should see to the reduction of their expenses. In fact, this is not correct; and if it is true to say that the managing boards of the different mines should act with energy by themselves, it is not less true that their efforts would be useless unless a moral and material action on the part of the Government comes to help and support them. The first moral action on the part of the Government must be to reduce the excessive price of things over which it has a control. What right would the Government have to advise moderation and economy if it allows the Dynamite Company to take a profit of over 50s. per case without any way justifying such exaggeration; and if it allows the Netherlands Railway Company to apply tariffs, so high that, up to the time when rinderpest made transport by ox-wagon impossible, it was to that last means of transport that merchants in Johannesburg had recourse, as being more advantageous to bring their goods from Vereeniging. Let the Government give the example by suppressing these two abuses, then we shall see, under pressure of public opinion in the whole world, the managements of the different mines find their way to economise. Prodigality is one of the most contagious diseases in the world. If you find yourself amidst prodigal people you will soon lose the notion of the value of money; the pound sterling, which in ordinary life you think twice before spending, will slip between your fingers without your noticing it. With regard to this, gold mining districts have always been the seat of ideas and training ever to be regretted, and the Transvaal, like other auriferous districts has not escaped that disease. Let the Government be the first to react against this tendency, let it set the example wherever it is possible to do so, and little by little we shall attain the object in view. I have just explained that the Government should give the example by the suppression of two abuses; its work should not be limited to that, and I believe that a great deal can be done by the introduction of regulations in many of the branches of the administration, chiefly that of the railways. It is with great reason that you have been told here that the first condition to reduce the salaries of white employees is to render their condition of existence more economical. Well, gentlemen, it is not only the reduction of tariffs which should bring about cheapness of provisions on the Rand; it is also the

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organisation of a rapid and regular transport of these provisions. For instance, in the present state of things would it ever come to a farmer's mind to send milk from Middelburg or Standerton to Johannesburg? Certainly not, for he knows that the milk would only reach its destination after several days, and consequently be spoilt, and still there is but one night's journey between these two points and the great Johannesburg market. But it is known that the railway company, six times out of ten, would take several days to bring this produce to its destination. Do you know, gentlemen, that if the railways of Europe showed the same diligence to carry perishable provisions, large agglomerations of people, such as are in London and Paris, whose populations are respectively five millions and three millions, would die of starvation; a bottle of milk, which is sold there for 3d., would reach a fabulous price. Instead of this, each night special and rapid trains run from all parts of the country towards the capital. The milk obtained at night arrives there at daylight; the same thing takes place for vegetables, fruit, eggs, and all perishable provisions. Farmers get rich through it, and inhabitants of cities find therein the security of a wholesome and cheap alimentation. Why does not a similar system exist here? Why does the negligence, the incapacity of the Netherlands Company, deprive your farmers of this source of revenue and remuneration for their labour? Why should we be forced by it to pay here fancy prices for provisions only when the sluggishness of the service has caused them to lose all their freshness? Is not this a state of things all the more iniquitous, all the more deplorable, that it is the result of the dilatory ways of a defective administration destroying the resources of producers, whose present misfortunes, however, should deserve the greatest consideration? But, gentlemen, it is not only in the administration of the Netherlands Railways that regulations and order should be introduced. You have been told here about the budget of the State. Enormous figures have been put before you, and certainly if we take into consideration the actual state of the different sources of revenue, that is to say, the mining industry, it must be acknowledged that the amount is exaggerated. Permit a friend to tell you that here an error exists on the part of the Government of the Republic. In my opinion the error is not to have spent £900,000 in public works; no, that is a useful expenditure of which the whole country—industry in the first line—feels the benefit. The error is to have charged one special budget with this enormous amount. Why does not the Government take advantage of its credit to borrow money, which could easily be found at 3½ per cent.; let another 2 per cent. be added to it as a sinking fund for a comparatively short period, and instead of crushing us with £900,000 of expenditure in one year, about £50,000 per annum would be all that would be required from us. This system applied to the £9,000,000, which at the present day the railways would cost, would constitute a lighter charge than is at the present moment the service of its debentures, and in a period comparatively short in the life of a nation, the railways themselves would become the entire and free property of the State. This powerful instrument of fortune and civilisation would require no other expense beyond that concerning immediately its maintenance and traffic expenses; I shall draw your attention to the fact that the necessary period is in itself very inferior to that of the life of deep level mines—that is to say, the great mines of the future. I certainly do not pretend, gentlemen, to supply you in a few lines with a financial plan, my object has been to call your attention to the ways opened to your Government. At the beginning of this note I expressed my intention to inform you of the ideas of great financiers of my country; I have now placed them before you. As you may see, they are dictated by an absolute confidence in the stability of your institutions, in the future of your country; therefore, they deserve your consideration. There is no doubt that the