

THE MINING INDUSTRY.

EVIDENCE AND REPORT

OF THE

INDUSTRIAL COMMISSION OF ENQUIRY,

WITH AN APPENDIX

CONTAINING

THE LETTER OF THE CHAMBER OF MINES TO THE COMMISSION,
THE PRINCIPAL LAWS OF THE REPUBLIC AFFECTING THE MINING INDUSTRY,
AND OTHER DOCUMENTS OF INTEREST APPERTAINING TO THE
EVIDENCE GIVEN AT THE ENQUIRY.

Compiled and Published by

THE WITWATERSRAND CHAMBER OF MINES, JOHANNESBURG, S.A.R.

Johannesburg:

TIMES PRINTING AND PUBLISHING WORKS.

1897.

P R E F A C E .

SINCE its formation in 1889 the Chamber has been mainly engaged in endeavouring to secure the mines relief from the heavy burdens imposed on them. The cost of living, and hence the rate of wages of the white employees, has been rendered unduly high by the duties on the necessaries of life and on all articles of ordinary requirement, while heavy railway tariffs and the dynamite monopoly, and the difficulty of obtaining an adequate supply of native labour at reasonable pay, have militated against the profitable working and development of the industry as a whole. As is shown in the letter of the Chamber to the Industrial Commission all these matters have again and again been brought to the notice of the Government and the Legislature, but on the most important questions redress has not been obtained.

At the annual meeting of the Rand Mines, Ltd., in March last, especial stress was laid by the Chairman on the manner in which the development of the industry was being retarded by the excessive rates for transport of coal and other articles of prime necessity for mining, by the extortionate price charged for explosives, by the high cost of white labour, due to the duties on foodstuffs, and of native labour, consequent on the inefficient administration of the Pass and Liquor Laws and the scant assistance afforded by the Government in connection with procuring a sufficient supply at moderate wages. Subsequently at meetings of other companies similar complaints were made, and it was pointed out that unless relief were obtained many mines which were barely paying expenses would be forced to shut down, while others, which under favourable conditions could and would be profitably worked, would continue inactive.

Meanwhile the disastrous effects of rinderpest on the farmers and of bad trade on the urban population were becoming evident in a constantly widening area of acute distress.

Among the Executive Council minutes presented to the Volksraad is one which records, that, on the 24th March the Executive Council considered a complaint regarding the excessive tariffs charged in the South African Republic and other States of South Africa, and deeming it desirable to institute an enquiry into the state of affairs generally of the mining industry of the Witwatersrand, resolved to appoint a commission for that purpose. Accordingly on the 14th April the following notice appeared in the *Government Gazette* :—

“It is hereby made known for general information that the Executive Council has seen fit to institute an enquiry with reference to the present alleged state of affairs in connection with the mining industry of the Witwatersrand diggings in general, and to furnish the Executive Council with a report regarding all matters that may have stood in the way, or have hindered, and still may hinder the development of the mining industry, and further, so soon as possible, to make such recommendations as may tend to the improvement and amendment of such matters.”

“The Commission, charged with this enquiry, consists of the following gentlemen :—S. W. BURGER, member of Executive Council; J. S. SMIT, Commissioner of Railways; C. J. JOUBERT, Minister of Mines; G. SCHMITZ-DUMONT, Acting State Mining Engineer; and J. F. DE BEER, First Special Judicial Commissioner, Johannesburg, as ordinary members, with Mr. THOMAS HUGO, as financial expert; Messrs. E. BROCHON, J. PIERCE, and A. BRAKHAN shall either jointly as a Commission, or severally, support the permanent members of the Commission with their advice, whenever requested. In order to make the work of the Commission as wide as possible they are authorised to take evidence on all those matters that can forward the aim of the Commission.”

“The Government desires to bring under the notice of all persons concerned that the willing tendering of evidence and information by each and every one, no matter from whom required, will greatly assist the above described aim.

(Signed) C. VAN BOESCHOTEN,

Acting State Secretary.

Government Office, Pretoria,
14th April, 1897.”

Messrs. H. Bosch and E. Levy were appointed Secretaries, and with the consent of the Government, Messrs. James Hay (President of the Chamber of Mines) and George Albu (Chairman of the Association of Mines) were later added to the Commission as advisory members.

From the minute of the Executive Council of the 30th March it is clear that the duties of the financial expert and of the advisory members were intended to be of a very limited character. Mr. Hugo was not to be an ordinary member of the Commission, but was to sit merely as financial expert and as such to have the right of voting on financial matters; the advisory members were appointed as members to assist the Commission, whenever desired so to do, with information, explanation and advice.

But when the Commission started work it became evident that the advisory members by their knowledge of the questions under consideration were able to render indispensable service in eliciting evidence and examining and cross-examining witnesses, and they assumed and were accorded in all respects the same rights as those exercised by the ordinary members, eventually taking part in the drafting of the report and attaching their signatures to it.

The Commission opened their sittings, for the taking of evidence, on the 20th April and closed them on the 4th June: the actual time devoted to the hearing of witnesses having been twenty days. Their report was signed and presented to Government on the 27th July, and was laid before the Volksraad by the Government on the 9th August, with a request that that body would appoint a committee to act in conjunction with the Government in considering the various points contained therein, and make such recommendations as they might deem reasonable and desirable: and to refer to the Second Volksraad all such subjects as would properly come under the cognizance of that House.

After a protracted debate the proposal of the Government was adopted on the 10th August and the following committee, with instructions to submit its recommendations during the current session, was appointed, viz: Messrs. F. H. G. Wolmarans, A. D. W. Wolmarans, B. J. Vorster, C. J. Tosen, and L. Botha.

The mining industry responded willingly to the request of the

Government to give evidence before the Commission, and a mass of valuable statistical data in connection with the working of the mines, and the way in which the low grade properties were kept idle by the various burdens and administrative shortcomings which artificially raise working costs, was submitted.

With the object of preserving this important evidence and rendering it available for the mining companies for purposes of reference, the Chamber determined upon publishing it in book form. It was also deemed advisable to embody in the volume the different laws of the State bearing directly on the mining industry and the agreements entered into by the Government in connection with the railway concession and the dynamite monopoly, which formed the subject of frequent reference by many of the witnesses; while population and other statistics have been added as being of interest in relation to the questions dealt with by the Commission.

For the convenience of the reader the evidence of those witnesses, whose examination did not proceed continuously, has been brought together; marginal notes have been furnished throughout, and the index has been arranged to facilitate reference to the various subjects covered by the enquiry.

It had been hoped that the report of the Volksraad Commission would have been published in time to have been included in this volume, but that expectation has not been realised. The report has still to be presented, and it remains to be seen to what extent the Legislature will then approve and give effect to the recommendations of the Commission. These recommendations, though not proceeding so far as the Chamber would have desired, are generally regarded by the industry as liberal and statesmanlike; and it is clear that if adopted they will do much towards permitting that expansion of mining operations which would result from the working of the poorer mines of the Witwatersrand.

By their condemnation of monopolies and concessions, by their recommendations for the lightening of the duties on foodstuffs and of the railway rates on coal and other articles, in their plea for the better and more effective administration and enforcement of the Pass Law, the

Liquor Law, and the Gold Thefts clauses of the Gold Law, the Commissioners appointed by the Government to enquire into the state of affairs of the gold mining industry of the Witwatersrand have testified in the fullest possible way to the reality of the grievances which are bearing so heavily on the mines and to the justice of the demands for redress, which unfailingly, year by year, the Chamber has laid before the Government and the Legislature of the Republic.

Chamber of Mines,

20th September, 1897.

LIST OF WITNESSES.

| | | | | | | | 1897. |
|-----|---------------------|-----|-----|-----|-----|-----|----------------------|
| Mr. | J. HAY | ... | ... | ... | ... | ... | April 20. |
| " | G. ALBU | ... | ... | ... | ... | ... | April 21, 22. |
| " | E. J. WAY | .. | ... | ... | ... | ... | April 22. |
| " | S. JENNINGS | ... | ... | ... | ... | ... | April 22. |
| " | J. P. FITZPATRICK | ... | ... | ... | ... | ... | ... April 27, 28. |
| " | W. L. HAMILTON | ... | ... | ... | ... | ... | April 28. |
| " | F. RALEIGH | ... | ... | ... | ... | ... | April 29. |
| " | R. M. CATLIN | ... | ... | ... | ... | ... | April 29. |
| " | W. DALRYMPLE | ... | ... | ... | ... | ... | May 5. |
| " | C. S. GOLDMANN | ... | ... | ... | ... | ... | May 5, 6. |
| " | MARTIN LUBECK | ... | ... | ... | ... | ... | May 6. |
| " | L. I. SEYMOUR | ... | ... | ... | ... | ... | May 6. |
| " | R. BARROW | ... | ... | ... | ... | ... | May 7. |
| " | E. BROCHON | ... | ... | ... | ... | ... | May 7. |
| " | A. BRAKHAN | ... | ... | ... | ... | ... | May 12. |
| " | H. JENNINGS | ... | ... | ... | ... | ... | { May 12. June 1. |
| " | T. H. LEGGETT | ... | ... | ... | ... | ... | May 12. |
| " | J. H. JOHNS | ... | ... | ... | ... | ... | May 12, 13. |
| " | J. B. ROBINSON | ... | ... | ... | ... | ... | May 13. |
| " | H. F. E. PISTORIUS | ... | ... | ... | ... | ... | May 14. |
| " | A. A. NOBLE | ... | ... | ... | ... | ... | May 14. |
| " | K. ROOD | ... | ... | ... | ... | ... | May 19. |
| " | F. KOCK | ... | ... | ... | ... | ... | May 19. |
| " | A. B. FYFFE | ... | ... | ... | ... | ... | May 19. |
| " | G. A. A. MIDDELBERG | ... | ... | ... | ... | ... | ... May 20, 21. |
| " | W. C. THOMSON | ... | ... | ... | ... | ... | May 21. |
| " | S. FOOTE | ... | ... | ... | ... | ... | { May 21. June 2. |
| " | W. R. BROWN | ... | ... | ... | ... | ... | May 26. |
| " | W. SHANKS | ... | ... | ... | ... | ... | May 26. |
| " | G. A. DENNY | ... | ... | ... | ... | ... | May 26. |
| " | A. PHILLIP | ... | ... | ... | ... | ... | June 2, 3. |
| " | W. HALL | ... | ... | ... | ... | ... | June 3. |
| " | W. HOSKEN | ... | ... | ... | ... | ... | June 3, 4. |

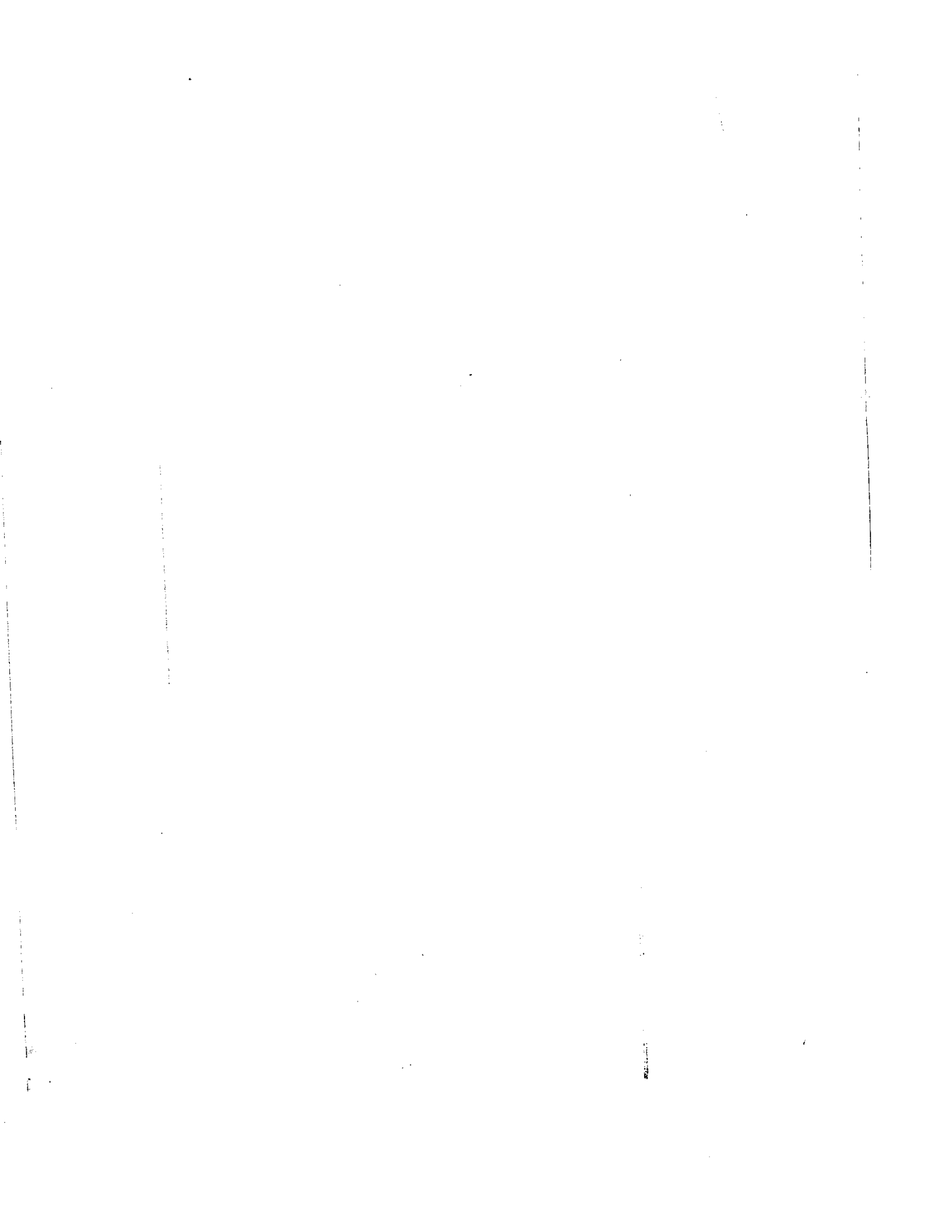


TABLE OF CONTENTS.

PART I.

EVIDENCE GIVEN BEFORE THE INDUSTRIAL COMMISSION OF ENQUIRY AND THE REPORT OF THE COMMISSIONERS.

PART II.

APPENDIX.

PART I.

EVIDENCE GIVEN BEFORE THE INDUSTRIAL COMMISSION OF ENQUIRY AND THE REPORT OF THE COMMISSIONERS.

| | Page. |
|-------------------------------------|-------|
| Address of the Chairman | 1 |
| Evidence of Mr. J. Hay | 3 |
| " " G. Albu | 9 |
| " " E. J. Way | 38 |
| " " S. Jennings | 44 |
| " " J. P. Fitzpatrick | 47 |
| " " W. L. Hamilton | 74 |
| " " F. Raleigh | 86 |
| " " R. M. Catlin | 91 |
| " " W. Dalrymple | 95 |
| " " C. S. Goldmann | 104 |
| " " M. Lübeck | 141 |
| " " L. I. Seymour | 148 |
| " " R. Barrow | 172 |
| " " E. Brochon | 178 |
| " " A. Brakhan | 182 |
| " " H. Jennings | 194 |
| " " T. H. Leggett | 240 |
| " " J. H. Johns | 255 |
| " " J. B. Robinson | 263 |
| " " H. F. E. Pistorius | 282 |
| " " A. A. Noble | 291 |

| | | | | | | |
|---------------------------------|-----|---------------------|-----|-----|-----|-----|
| Evidence of Mr. K. Rood | ... | ... | ... | ... | ... | 293 |
| ” | ” | F. W. Kock | ... | ... | ... | 294 |
| ” | ” | A. B. Fyffe | ... | ... | ... | 299 |
| ” | ” | G. A. A. Middelberg | ... | ... | ... | 310 |
| ” | ” | W. C. Thomson | ... | ... | ... | 342 |
| ” | ” | S. Foote | ... | ... | ... | 348 |
| ” | ” | W. R. Brown | ... | ... | ... | 362 |
| ” | ” | W. Shanks | ... | ... | ... | 365 |
| ” | ” | G. A. Denny | ... | ... | ... | 369 |
| ” | ” | A. Phillip | ... | ... | ... | 381 |
| ” | ” | W. Hall | ... | ... | ... | 412 |
| ” | ” | W. Hosken | ... | ... | ... | 430 |
| Closing remarks of the Chairman | ... | ... | ... | ... | ... | 443 |
| Report of the Commission | ... | ... | ... | ... | ... | 445 |

PART II.

APPENDIX.

| | | | |
|-------|---|--------|-----|
| I. | Letter of the Witwatersrand Chamber of Mines to the Commission | ... | 459 |
| II. | Memorials of the Witwatersrand Chamber of Mines to the Volksraad | ... | 484 |
| III. | Report of the Witwatersrand Chamber of Mines Committee on Railways | ... | 493 |
| | <i>Annexures.</i> —(1) Report of the Netherlands South African Railway Company for 1895 ; (2) General Regulations of the Netherlands South African Railway Company ; and (3) Natal-Netherlands Agreement. | | |
| IV. | Mr. Dougall's letter on the Netherlands Railway Company | .. | 540 |
| V. | Netherlands Railway Concession | ... .. | 546 |
| VI. | Report of the Volksraad Dynamite Commission | ... .. | 556 |
| VII. | Balance Sheet of the South African Explosives Company | ... .. | 563 |
| VIII. | The State Dynamite Monopoly. Contract between the Government and the Agent | | 565 |
| IX. | Budget Statements of the South African Republic. Receipts and Expenditure from 1882 to 1896 inclusive | ... .. | 569 |
| X. | List of Electors of the South African Republic | ... .. | 573 |
| XI. | Statistics of the white population of the South African Republic | ... .. | 574 |
| XII. | Statistics and Census of the native population of the South African Republic | | 575 |
| XIII. | The Pass Law | ... .. | 576 |
| XIV. | Schedule of native wages, Witwatersrand | ... .. | 581 |
| XV. | The Liquor Law | ... .. | 582 |
| XVI. | The Gold Law (S. H. Barber's edition) | ... .. | 596 |
| XVII. | Extracts from the Netherlands Railway Company's Report for 1896 | ... .. | 677 |
| | Index | ... .. | 689 |

THE INDUSTRIAL COMMISSION OF ENQUIRY.

The Members of the Commission, Messrs. SCHALK W. BURGER, Member Executive Council (Chairman); J. S. SMIT, Government Railway Commissioner; CHRISTIAAN JOUBERT, Minister of Mines; SCHMITZ-DUMONT, Acting State Mining Engineer; J. F. DE BEER, First Special Judicial Commissioner, Johannesburg; THOS. HUGO, General Manager National Bank (financial advisor); E. BROCHON, A. PIERCE, Manager Natal Bank, Johannesburg; A. BRAKHAN, (advisory members,) opened the enquiry at Johannesburg on the 20th April, 1897. On the 27th of the month Mr. JAS. HAY, President of the Chamber of Mines, and Mr. G. ALBU, Chairman of the Association of Mines, were added to the Commission as advisory members.

The CHAIRMAN explained that, in accordance with the powers entrusted to it by the Executive Council, Minute B 4,365 of 1897, this Commission took upon it to institute a thorough and searching inquiry into the alleged grievances of the mining industry as set forth by those interested; and the latter, as many of them as should give in their names to the Secretary, would be called upon to inform the Commission personally of their grievances and difficulties. As necessarily consequent upon and connected with the mining industry, the following subjects would be taken into consideration, namely, the labour question, traffic rates, taxation, dynamite, trade, agriculture, and other matters associated with the said industry. To those who were interested opportunity would be given personally and by way of evidence to enlighten the Commission on these points, in order to place it in a position to lay before the Government a true report of affairs, and, where possible, to recommend the desired alterations and improvements. The purpose and tendency of the Commission had already appeared from the notice in the *Staatscourant* and from the resolution already adopted by the Commission. But since the scope of the Commission embraced a great deal, and was of the highest importance for the land in general, and for the gold-fields in particular, and as he understood its results were anticipated with interest, he took the liberty, and deemed it not out of place, at the commencement of its proceedings, to offer a few further remarks on behalf of himself and fellow-members. He had noticed that the press had already indulged in all manner of reflections and predictions regarding the labours of the Commission.

Chairman's Address.

Objects of Commission.

I hope, continued the Chairman, I shall not render myself guilty of anticipating the result of our labours; but I desire to limit myself to the following points, with the object of making our position clear to you, so that we may be able to reckon the more upon your valued assistance and co-operation :

- (a) The *raison d'être* of the Commission.
- (b) Ascertaining the causes of the alleged grievances.
- (c) The bringing to light of the actual state of the mining industry of the Witwatersrand Goldfields in general, and the reason for the same.
- (d) After inquiry into and investigations of affairs, to propose amendments to the Government.

For the rest, the Commission was prepared to deal with the requirements of the mining industry in a sympathetic manner, but it must first appear to the Commission what the actual cause was of the alleged condition of affairs, and if this cause was to be ascribed to the high rate of wages, bad administration, burdensome taxation, excessive rates of transport, foreign influence and policy, or to one or other of the said causes.

The Chairman enumerated the *personnel* of the Commission, and explained that Mr. Thomas Hugo was financial expert, and Messrs. Brochon, Pierce, and Brakhan were advisory members of the Commission.

Wishes of Government.

The Government was keenly alive to the importance of the mining industry, and for that reason was determined to probe the alleged grievances to the bottom. Why he said "alleged" was because neither the Commission nor the Government were certain that any such grievances existed. What the Government and Commissioners wanted was a clear statement of fact, and if there was any blame or culpability to be placed on the side of the Government, such as excessive taxation, etc., and other burdens, the Commission would promptly advise the Government on those points, with the view of having matters remedied. On the other hand, they wanted clear and unreserved and honest statements from the other side as to what was the origin or cause of the present depression. The evidence would have to be given fully and boldly and without reserve, for the Commission wanted to know whether this depression or reaction was due to over-speculation or other causes.

The Industry's Duty.

Over Speculation.

It was by the mining industry and those interested that the grievances would have to be enumerated. The present condition of things was not wholly unexpected by him (the Chairman). Those who had seen the wild and hysterical state of affairs during the boom had expected a reaction. He was of opinion that in some instances more capital had been put into the ground than certain tracts of ground really justified. Capital had been invited from European centres; the thousands who had since flocked into Johannesburg thought that gold was to be picked up in the streets. The present state of affairs was not unknown or unprecedented in other countries; indeed, in South Africa the same thing had occurred in the Diamond Fields. First there was a period of excessive speculation and then the reaction, until conditions were restored to their normal state.

Reasons for Depression.

Mr. J. F. DE BEER read the second portion of the Chairman's speech, which stated that the Commission was keenly desirous of obtaining a true statement of affairs, and to know whether the present depression was ascribable to excessive taxation, dynamite, railway rates, labour question, or other burdens, foreign interference, etc. They expected from the mining industry evidence that would be accompanied by accredited statistics. It seemed to him that half the trouble was due to the matter of white labour, which absorbed 50 per cent. of the total working cost. He also referred to the machinery contracts which were invariably placed in England or America. If this machinery were made here it would create work for many who