

The working expenses varied from 149s. 2d. per ton, which was the average for the first 13 years, to the minimum of 39s. 9d. in 1891, the total average being 53s. 8d. for the whole period.

The total gross yield from this mine is shown at £5,457,432, while the dividends declared have only amounted to £1,940,478, in spite of the phenomenal richness of the ore. This, with the exception of the Mount Morgan mine, can be considered to have been at one time the richest gold mine in the world.

The success of this mine induced capital to be invested freely in other lodes, which, however, were not of the same richness, though in many cases of as high a grade as that ruling on these fields, and 31 companies were started, which erected 758 stamps. At the present time the industry is almost dead; there are only ten stamps running on these fields, and these are working without a profit, and the celebrated El Callao mine has just closed down in debt to the extent of 150,000 dollars. Let us now enquire into the above high costs and final languishing of the fields. In the early history the discoverers worked on a very small scale with very little experience, and their immense costs are not to be wondered at considering the general political and climatic conditions. The Callao mine is situated about 150 miles south of the Orinoco River, in a latitude of about 7 degrees north of the equator, without railway communication, and with very bad roads, and in its early history was considered most unhealthy, so that high wages had to be offered to induce skilled men to come to the property.

In 1884 a new regime was started, and high grade machinery with increased stamping power, and high grade men put to work, the Company giving them a free hand and every encouragement to do their best, and expenses were lowered in eight years from £6 2s. 3d. to £1 19s. 9d. per ton. The cardinal feature in this reduction was the improvement in machinery and mining methods, but another was the encouragement of negro labour obtained from the West Indian Islands. At first this class of labour was considered hopelessly incompetent, but by patient training and judicious graduation of wages in proportion to work done, it was finally possible to run the mine with 11½ per cent. of the white men originally required, and the blacks were better able to stand the climate. The Government of Venezuela, which was not in sympathy with the alien mining population, believed in high and onerous tariffs, monopolies and concessions, and did very little to foster the industry, in fact tried in every way to extort as much as possible out of it. The present unfortunate condition of the mining industry there, is I think, in no small measure due to the attitude of the Government. The ruling rates of wages during late years, when good work has been done, are:—

White, average per month	...	...	...	...	£35
(This does not include the Superintendent).					
Blacks, per day	...	...	...	...	6s. 6d.

I would state in this connection that Mr. H. C. Perkins, late general manager of the Rand Mines, initiated in 1884 the better working and equipment of this mine. I succeeded him as superintendent in the latter part of 1887, and remained until the middle of of 1889. Mr. Webber, now general manager of the Rand Mines, succeeded me, and remained until he came here in 1891, and he in turn was succeeded by Mr. Searle, now manager of the Crown Deep, who remained until 1896. Mr. Searle, the most recent arrival from El Callao, will be best able to give you further details regarding the working of the mines and the Government of the country, should you desire them. Although now out of date as a treatise on the comparison of working costs, I wish to put in evidence an interesting little pamphlet published in 1886 by Mr. Hamilton Smith, who deals with the relative costs in the United States and Venezuela gold fields, and gives the relative conditions under which work is accomplished.

The table herewith which I incorporate in my statement, gives the substance of the comparisons, and is as follows:—

MINE.	Period.	Average No. of Stamps.	Tons crushed in one year.	Average No. of Tons crushed by each stamp per month.	Costs of milling per ton in dollars.	Total costs per ton in dollars.	Costs of milling per ton in shillings.	Total cost per ton in shillings.
Sierra Buttes ...	1885	76½	54,493	59	·56	5·83	2·33	24·25
Plumas Eureka...	1885	60	55,973	78	·61	5·57	2·54	23·17
Homestake ...	1882-3	200	170,074	75	1·17	4·03	4·87	16·76
" ...	1883-4	200	191,505	80	1·21	4·19	5·03	17·43
" ...	1884-5	200	213,190	89	1·01	3·25	4·20	13·52
Father De Smet	1883	100	104,100	85	—	2·49	—	10·36
" "	1885	100	106,855	89	—	2·12	—	8·82
Caledonia ...	1885-6	—	48,848	—	·88	2·95	3·66	12·27
El Callao ...	1882	60	22,405	31	11·19	45·34	46·55	188·61
" ...	1883	60	24,750	34	—	44·33	—	184·41
" ...	1884	60	30,936	43	7·25	35·17	30·16	146·31
" ...	1885	80	47,223	49	4·98	21·96	20·72	91·35
" new mill {	May, 1886	40	—	83	ab't 3	{ ab't 15 }	12·50	62·50
New Potosi {	11 m'ths 1884	25½	7,456	27	—	46·96	—	195·35

I regret that I cannot put in more details of the working costs in other countries compared with the elaborate details given by me for these fields, although I have gone to considerable trouble to obtain further figures, but this is in accordance with the statement already made by me that information is more generously given here than in any other mining district in the world.

Mining costs on hand.

From the figures, however, that I have given it is evident that our average cost of 3s. 8d. for milling (some companies running under 3s.) compares most favourably with the milling costs of other mines in the world, working under similar conditions and speaks eloquently for the excellence of our machinery and mill organisation.

when the high price of labour and supplies is taken into consideration, and when we have to conserve and pump our mill water. These milling costs can still further be reduced, but only in items of labour and supplies. To show the improvement in milling on the Rand since 1890, I would state that I had cause to examine a mill of 100 stamps in that year, at which the milling costs were 10s. 2½d. per ton, not including cost of shoes and dies, the number of white men employed being 29, and the number of black 188.

The number of men employed to-day at the Geldenhuis Deep mill (155 stamps) is about 20 white and about 20 black, including engine-men.

Cyanide costs of these fields are not comparable with any others at my disposal, ^{Cya}_R but may safely be assumed to be the lowest in the world. The main costs are seen to be in mining, including mine development, the average amounting for the 29 ^{De}_{cc} companies to 17s. 7½d. per ton. This is abnormally high, and is the department in which our principal future reduction is to be made. This department has little to expect from improved machinery, and the main hope of reduction lies in increasing the efficiency of labour or decreasing its wage, or both, and also in decreasing the cost of all supplies, especially dynamite and coal.

Before leaving this subject I wish to state that a mere reduction in working costs ^{Sorti} is not the only thing to be aimed at, as I believe there is still considerable scope for raising the yield by extending and improving the system of sorting in vogue at some of the mines, and mining underground a minimum amount of waste. In this way an apparently higher cost per ton on the basis of the tonnage milled might be shown while actually cheaper work was being done, but larger profits would result. Mr. Johns, who is the pioneer of this system on these fields, can give you better information than I, though I also have been, and am introducing it at all the mines with which I am connected. I roughly estimate that now, for the 29 principal mines, not over 8 per cent. of the ore is sorted, and I think in time this figure will be more than doubled. The only further improvement I see possible from an engineering point of view, is the introduction of slimes treatment throughout the mines.

This will be an expensive matter with the freight rates, etc., ruling here, and will probably cost for plant approximately between £120 and £200 per stamp, according to the size of the mill. The increase of yield and profit will depend on the grade of the slimes leaving the mill, which varies in the case of every mine, and in some cases may not warrant the expenditure of erecting such a plant.

I have included in this portion of my statement an immense amount of figures which have been compiled with great care, but owing to the short space of time which I have had at my disposal in drawing this up, it is possible that a few small errors may have occurred, and if so I hope I shall be informed of the fact by the gentlemen on the Commission, as I do not wish a few possible clerical errors to vitiate any of the arguments I am advancing.

I have already explained that the engineer is about at the end of his tether as regards further improvements under present conditions.

From the analysis of working costs on labour and supply basis, it is evident that labour is the most vital point of all, and the point towards which our chief attention must be directed.

The summary of my statement for six companies shows that labour figures on a ^{Cost of la} basis of total costs per ton as follows:—

White labour	...	...	8s. 7.78d. per ton.	30.18 per cent.
Black	"	...	6s. 9.62d. "	23.73 "
Kaffir food	...	...	1s. 2.24d. "	4.14 "
			<hr/>	<hr/>
			16s. 7.64d. per ton.	58.05 per cent.

dur in The State Mining Engineer for the year 1895 gives

White labour at	...	...	...	34.3 per cent.
Black	„	...	...	28.6 „

62.9 per cent.

Labour of our working cost appearing under the item of labour.

Now, what have we to face in our labour problem? It is, first, that our labour is accomplished in the proportion of, roughly, 1 white man to 8 or 10 black. Some of the white labour is the best that money can command, and is culled from all over the world. It is very highly paid when compared to labour in old-established countries where climatic and general conditions are favourable, but when compared to new fields, to which men only go for high wages, it is not excessive, as shown by the statement made by Mr. Seymour with regard to the price of labour in Nevada, Montana, and British Columbia, and also by the figures I have myself already given of wages in other districts.

I now give a tabulated statement showing the average daily wages paid to the employees in the older mining districts of various countries:—

Country.	Mines.	Average, Surface.	Average, Underground.	Reference.
Belgium,	Coal	2s. 3.8d. to	2s. 11.7d.	Engg., v. 20., 1888-9-90
Bilbao, Spain,	Iron	1s. 6d. to 2s. 6d.	2s. 6d. to 3s. 4d.	Engg., v. 44, p. 271
Durham, Eng.	Coal	2s. 6d.	3s. 8d.	Engg., v. 53, p. 413
France,	Coal	2s. 4d. to 2s. 10½d.	3s. 1½d. to 3s. 11d.	Engg., v. 53, p. 413
Germany,	Coal	2s. 2d. to 3s. 0d.	2s. 4d. to 3s. 3d.	Engg., v. 53, p. 413
Hungary,	Coal	0s. 10d. to 1s. 2d.	2s. 0d. to 2s. 6d.	Engg., v. 54, p. 179
United States:				
California,	Gold	4s. 0d. to 8s. 0d.	10s. 0d. to 12s. 0d.	Approximation.
Georgia,	Coal	3s. 10d. to 4s. 0d.	6s. 0d.	Engg., v. 52, p. 582
Pennsylvania,	Coal	4s. 9d.	5s. 0d.	Engg., v. 53, p. 413

NOTE.—In Hungary and Spain the number of hours per week is, in summer, as high as 72; while in the other named countries the hours vary from 54 to 66. In the American coal mines, the average number of days worked in 1894 was only 210, but wages are based on the actual weekly payments, divided by six.

Mr. Goldmann's statement regarding 3,620 miners on the fifty-three companies at Witwatersrand goldfields, is food for serious reflection, showing that 54 per cent. of the men are single, 33 per cent. are married, with their families in other countries, and the small balance of only 13 per cent. consists of married men with their families here.

What does this mean?—It means that the majority of the men have come out here simply attracted by the high wages, and have not deemed it advisable owing to the condition of the country to make it their home. Other witnesses have shown how wise they were in so doing owing to the great cost of living prevailing here.

What would it mean if we materially reduced these men's wages? Would it not be that the best men for the industry and the Republic, and those whom we are most anxious to keep, would leave, and we would be left with the improvident, and those who could not command work in their own country?

Now, regarding the native labour, which comprises in numbers by far the greater proportion of labour we are using. What has been the keynote of our trouble? Lack of supply in proportion to the demand, and inefficiency and ignorance of the class of labour which is not trained to the intricate work demanded of it. Far more

skill is required of the kaffir on the Witwatersrand than is the case for the most part ^{Inef}
 on the diamond fields, or in any agricultural pursuit in South Africa. The boys ^{ns}
 come here raw, some very young, often with weak physique, and are all comprised
 in the same classification. They are accustomed to their own simple ways, and desire
 to return to them as soon as possible. They come, in fact, only in order to make
 enough money to return to their kraals with sufficient means to enable them to marry
 and live in indolence. There is much latent possibility in them for learning, but
 they leave us often as soon as they become really useful, and by the various com-
 panies vieing with each other to obtain their services, they have become masters of
 the labour situation. If they had facilities for making their homes in this country, ^{Possib}
 and if they could be induced to remain with us, I am satisfied that their efficiency ^{ity}
 could be increased two-fold, and they could even be trained to do much higher grade ^{lab}
 work than they are now employed at. This fact is illustrated in these fields by the
 boys who have worked long periods being able to finish their task in half the time
 that raw boys require, and this illustration is further strengthened by the well-known
 evolution of the negro in America since the abolition of slavery, and also by my own
 experience in dealing with the West Indian negro in Venezuela.

The Pass Law and Liquor Law have been modified and strengthened, on the ^{Pass}
 petitions of the industry, to give more control to the mining companies in dealing ^{law}
 with this class of labour.

These laws, though not perfect, are good and useful if well administered.

But what is the testimony already brought before you in this regard?

Witness after witness has testified to the unsatisfactory manner in which they ^{Mal}
 have been carried out, and the elaborate tabulated statement, brought in evidence of ^{admi}
 the seventy-four companies, is eloquent on the subject of the Liquor Law, whose ^{nistr}
 maladministration is a great source of loss to the companies, danger of life to the ^{and}
 natives, and discredit to the Republic. ^{law}

If you should desire further evidence on this subject, I would ask you to call
 Mr. A. Grant, manager of the Nigel Mine, who can give, I believe, even stronger
 testimony than any before you.

Regarding the Pass Law, there has been, as far as I am aware, no witness yet
 before the Commission who has stated that this law, as administered, had benefited
 his company, and Mr. Goldmann has informed you that out of thirty-three companies
 employing 19,000 boys monthly, 14,000 have deserted since the new Pass Law
 came into operation, without one single one of these deserters having been brought
 back to the mines and justice. In my opinion, the Pass Law, though good as a
 temporary expedient, is only the kindergarten of the native question, and before these
 fields can ever reach their maximum possibilities, the whole question of native labour
 must be dealt with on broader and more liberal lines, and modifications and sugges-
 tions in regard to it must be constantly expected by the Government.

The medium and lower grades of white labour here have to a great extent been ^{Ineffi-}
 demoralised by the black labour; and although there are exceptionally energetic and ^{infer-}
 earnest white workers here, there is a lot of indolence and incapacity shown by many. ^{labou}
 The majority, although they may have skill in doing work themselves, lack the
 faculty or interest in getting the best work out of the black labourer.

What we require from both black and white labour is greater efficiency, which, if ^{Bonus}
 really obtained, renders rate of wages a secondary consideration, as shewn by the
 bonus system in sinking deep level shafts. Of course, we desire to get the unit of
 wage as low as is consistent with the contentment of the labourer.

What the management of the mines must aim at is to encourage in every way the
 efficient man, and give him every preference and advantage over the inefficient man, and

to elevate the quality of native labour, which at the same time will justify a greater rate of wages being paid to the whites. Contracts, piece work, bonus systems, and uniformity in accounts should be encouraged, and the companies should not strive to make statistical records of low wage rates, but rather accomplish cheap results judged by work actually done.

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The Government on its part should endeavour to lessen the good workers' living expenses, and make them interested in the welfare of this country, so that they will be satisfied to remain here, and be contented with a lower wage.

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our.
The Government should also do everything to bring about an abundant supply of black labour, and give the mines reasonable control of it through the proper administration of the Pass Law and all other laws connected with the native question, and should encourage this labour to the utmost extent, realising its vast importance to the prosperity of these Fields and to this Republic.

a costs.
The next item figuring on our expenditure sheet is dynamite, 2s. 103d. per ton, and 9.92 per cent of the total cost. So much evidence has been already brought up by various witnesses on this subject that there is very little further to be said as regards the price at which dynamite can be landed here free of duty. I, however, am in a position to state that in February last I had an offer from reliable people in America of dynamite (70 per cent. nitro-glycerine) to be delivered to any port in South Africa at 17 cents per lb., or 35s. 6d. per case of 50 lbs., in large quantities. With landing charges, agents' fees, railage, colonial duty, etc., the price would be raised to 42s. 7d. per case, delivered in Johannesburg free of Transvaal duty. This price would practically save 50 per cent. on the present price of dynamite No. 1, or 1s. 5d. per ton on the basis of the tonnage milled. There is, however, a great deal more to be said on the subject of the Dynamite Concession than mere £ s. d., and I believe I am the first witness that has dealt with the subject from this standpoint; and, after all, it is the main standpoint, as this concession, yea, and the principle of concessions, is one of the fundamental causes which have brought about the estrangement between the original population of this country and the uitlanders.

sions.

Take the Government Volksraad Dynamite Commission's report on the subject of dynamite, and it is there stated that the main articles required for dynamite manufacture are not found in this country, and that the concessionaires have not adhered to the terms of their contract. What justification is there then in fostering such a manufactory, especially in the early struggling stages of the mines, which are the main source of revenue to the whole country, and the essence of its prosperity? Take the concessions as a whole, what justification, intrinsically, is there for them at all? What nations are the most prosperous, and which of them have concessions?

I speak feelingly and knowingly, as an American. Although we have protective tariffs to foster industries, we have the most complete internal system of free trade. There is no such thing known as a trade concession in the United States of America.

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ons.

What is there vitally wrong about a concession? It seems to me the crux of the whole thing is that it places the production of an article of necessity in the hands of a few, who are given opportunity to profit by the necessities of the many. The man rebel against this principle, and the Government reaps inadequately, and derives little benefit from the burden it imposes on its people. Vexations crop up on all sides, excuses from managers and directors as regards working costs; excuses from directors to shareholders, and general ill-feeling and destruction of confidence; these are the results of concessions.

In order to keep their concessions, concessionaires are tempted to use every specious device of argument to the Government to continue their profits. It gives opportunity to unscrupulous persons to play upon the best and worst motives

your people, and it is wrong in principle and in practice. This general line of argument can be applied to all the concessions in your country.

The Chairman's patriotic suggestion to manufacture machinery, etc., in this country, and thus to give employment to a far greater number of people, is, I think, a most dangerous one, though made with the best intention. It might be taken advantage of, and new burdens in the shape of concessions would then be imposed upon us. There is no doubt that if our population were such that we were ripe for the manufacture of machinery, it would be an excellent thing, but to produce at enormous cost the raw materials, and to manufacture all the complex machinery now required, would take almost a larger number of white men than is now actually employed at the mines, and the initial stages of such an industry could only be rendered a sufficient inducement to capital by heavy protective duties, and consequently immense further taxation of the mines. Let us first get our full growth before such a thing is earnestly considered, and then also allow every form of healthy competition.

Referring to the table of analysis which we have already dealt with, we find that we have dealt with about 68 per cent. of the mines' total costs. General charges figure at 5.22 per cent., which cannot well be further detailed, so that we have then 26.81 per cent made up of supplies, exclusive of dynamite remaining.

It is then in this item of 26.81 per cent. of our total costs, as well as on the 4.14 per cent. for kaffir food, already included under the heading of labour, that the railway charges have the most direct bearing. Previous witnesses have gone into great detail with regard to this railway question, giving all manner of comparative figures and suggestions, besides dealing with capitalisation, profits, etc. Mr. Fitzpatrick has shown you that if the English rates of 1/4d. per ton per mile for coal had prevailed on the Netherlands line, 5s. 8 1/2d. per ton. of coal, or about a 1s. of our total costs per ton of ore milled, would have been saved; while Mr. Seymour has shown that by reducing the present rates per ton per mile to 1 1/4d. without terminal charges—which rate would still be five times higher than in America, and by employing side discharge trucks, and so doing away with bagging—a yearly saving to the industry of £407,500 would be effected. I would emphasise that this saving would be on coal alone; and if the rate per ton per mile for all other goods were reduced to the basis of other countries, and the Government used its influence with the other South African railroads to effect a similar general reduction, our supplies (notably timber) could be obtained at an enormously cheaper rate, the reduction varying as shown by Mr. Albu and other witnesses from 20 per cent. to 40 per cent.

I see no new facts that I can bring before the Commission in this matter, and I will now simply touch upon it from the standpoint of an engineer, and take the general rates of transport per mile as given by Mr. Seymour, selecting machinery for the purposes of comparison, which is the most favourable for the Netherlands Railway. This shows:—

COST OF TRANSPORT BY RAIL IN PENCE.

Machinery—	American	0.51 pence per ton per mile	...	1.000	Comp railw form
"	Cape Railways	...	...	2.34	"	4.565
"	O. F. S. Railway	...	...	2.34	"	4.565
"	Natal Railways	...	...	3.04	"	5.931
"	Portuguese	...	...	4.07	"	7.940
"	Netherlands (Cape)	...	...	7.69	"	15.000
"	Netherlands (Natal)	...	...	5.06	"	9.871
"	Netherlands (Delagoa)	...	...	4.27	"	8.330
"	English Railways	...	...	1.12	"	2.190

Mr. H. Jennings' Evidence.

I find from Mr. Dawsey's "Comparison of English and American Railways," and the Chamber of Mines Report, the following information, which I tabulate :—

COST TO BUILD RAILWAYS (OPEN FOR TRAFFIC).

ative Railway tion.	1883—England	...	Cost per mile, £41,846	0	0	Standard gauge.	
	1883—America	...	Do.	12,756	0	0	Do.
	1895—Cape ...	...	Do.	9,056	9	1	Narrow gauge.
	1895—Natal ...	...	Do.	15,254	17	9	Do.
	1895—Netherlands	...	Do.	15,359	6	10	Do.
	1896—Cape ...	...	Do.	9,406	15	0	Do.
	1897—Orange Free State	...	Do.	7,479	4	6	Do.

From this it will be seen that the Netherlands Railway on their portion of the Cape Line charge fifteen times as much per ton per mile as the American railroads, while their cost of equipment is only in the ratio of £15,359 per mile to £12,756 in America, or a ratio of 1 in America to 1.247 on the Netherlands Line. I grant, as I have shown for our operating costs in mines, that it is more expensive to work in this country than in America, but nothing like in the ratio of 15 to 1. Why then is it permitted to keep up this ratio ?

If the Government has no control of the detailed working of the railway while the Netherlands Company has the management, by all means let it exercise its right to take the railway out of the company's hands, and run it more in accordance with the rates in other civilised countries. After all, a fair interest on the road-bed basis open for traffic, after deducting working costs, is, in a case like this, the right standard for fixing its tariff. The cost of transport by rail ought to be moderate in the Transvaal in view of the absence of heavy gradients, which would cause extra expenditure for tunnels, fills, etc., and of the lines having been laid to follow the natural levels and contour of the country, so that the length of railroads between two stations is often considerably greater than the direct distance between them in a straight line. These high rates are not only bad for the mining industry, but also for agriculture. The railroads in this country should form a potent factor in its development, by enabling the farmer to sell his produce in the market in competition with goods from other parts of South Africa, and if railroads and agriculture were both on a sound basis here, we should no longer see such an anomaly as we now witness—America, 10,000 miles away, supplying Johannesburg and the mines with mealies; Australia, Sweden and Switzerland sending butter and tinned milk, and even California supplying a portion of the preserved fruit !

In this connection, I beg to put in evidence a table taken from the *Statistician and Economist*, 1893-94, showing the relative value in 1892 of the different products of the State of California, where, as you know, gold mining which started in 1849 was the pioneer industry :—

tive value of California products.	Products.		Value in Dollars.		£
	1.	Wheat	...	26,626,584	5,325,317
2.	Gold	...	9,361,486	1,872,297	
3.	Wool	...	7,260,000	1,652,000	
4.	Grapes	...	4,844,331	968,866	
5.	Mealies	...	1,208,213	241,643	
6.	Oats	...	794,956	158,991	

operation of
Government
required to
prevent gold
belts.

There is no doubt that the mines are suffering very serious loss in this direction and that it is the imperative duty of the Government to aid in putting a stop to it.

The Gold Theft Laws should be amended so that there is no possibility of escaping justice through a mere technical quibble, and the police and detective department should be made more efficient; for it is certainly most discouraging that the Company which went to such expense and trouble in attempting to bring the insidious tempters of their tried and trusted men to justice should only reap as a fruit of its efforts the better advertisement of the business of illicit gold amalgam buying, illustrated by the escape of Hart, the lenient sentence of Hildebrandt, and the sympathy of a certain class said by the newspapers to be circulating a petition for Hildebrandt's release.

Several witnesses have most ably gone into this matter, and shown the peril of the Government and mining industry in this connection. It is a recognised fact that the mining industry is the chief source of wealth of the country, and through its development has made great demands upon the Government for facilities to work to the best advantage. It is therefore the duty of the industry to take upon itself the burden of taxation in proportion to the demands it makes upon the Government, and if there are a large number of mines working, this burden will be felt less than if only a few are kept running. I have endeavoured to show the vast natural resources of these goldfields, and how they differ from others in the world.

A great impetus has been given to mining here, through the success of some companies, and in their wake have followed all manner of new mining enterprises; money has been forthcoming on the supposition that this was a permanent industry which would be encouraged and fostered, and that, with time, a continually lower grade of ore would be payable. I believe that, although the limit for further mechanical and metallurgical improvements is very narrow, there is still immense scope for the management of the mines and for the Government to reduce working costs through the medium of labour and supplies, and if the mining community and the Government work energetically and harmoniously together, I see no reason why in course of time the present costs should not be reduced by one-third, or about 10s. on the average basis of 29s. per ton. But this cannot be accomplished at once. It will take time and earnest efforts on both sides. If we show that we are effecting this reduction, and that the Government is earnestly helping us, capital will again flow into the country, new mines will be opened up and old ones re-started, and the revenue of the Government maintained and increased by renewed prosperity. But, if nothing is done by the Government, the comparatively few present working mines must directly or indirectly pay the whole or nearly the whole taxation of this country. The direct taxation is certainly small, but the indirect is extremely heavy; and it is obvious that these few mines are utterly unable to meet the enormous strain of supplying the Government with the necessary funds for its yearly expenditure, which in 1896 reached, according to the budget returns, the huge total of £4,500,000. The obvious result of this condition of affairs will be a deficit in the Government budget, and the strangulation of the mines. The evil day may be averted by loans, which the Government can only finance upon the assumed prosperity of the industry; and if the life is crushed out of the industry by oppressive direct or indirect taxation, it will be harder and harder for the Government to continue raising loans. If the industry has made mistakes in being over confident and launching out in a greater measure than was intrinsically justifiable, the Government has profited indirectly by this wrong and is party to it.

Now, this line of argument brings me to the main problem we both have to face, i.e., lack of confidence. You may wish to call this a sentimental grievance, but it is to my mind the most vital with which we have to deal. It would appear to a great many who have read the statements in the press, memorials of grievances and their

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method of acceptance and treatment, that you do not believe in us, that we don't believe in you or each other, and I fear the world will soon not believe in any of us, if the existing state of affairs continues. It is no use for the industry and the Government to incriminate each other; this will only make matters worse.

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scula- Granted, on the one hand that there has been over speculation on these fields, surely on the other hand the Government has been a partner to it by receiving emoluments through fictitious values. It has made boom budgets if we have made boom estimates; but I do not think there is any necessity to grant this to the world.

Gov- What I think the Government should do is to justify the policy of its Republic and its main industry to the world, to show to the world that we have intrinsic merits here; that we have the greatest gold fields in the world here; that there are most earnest workers here; that the world has been given most exhaustive and accurate statements by the State department and by the industry; that a great deal of the troubles that we are subject to is made by the world, which has taken our good work as a basis for unjustifiable speculation, and made gambling tables of our mines. This argument we can bring to the world only in one way, and that is by being united ourselves. How can we be united?

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to can-
namite
railway
ions. Let the Government commence by abolishing the dynamite concession, taking over the railroads and reducing their rates. This must, however, only be considered as an initial measure and an earnest of the Government's desire to conduct the government of this Republic on true, broad Republican principles.

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U S E R Y
ary. What have I shown to be the main factor for us to deal with? Is it not the labour question, involving all the vital principles of Republican government? We have not complained so much against the laws of this country as against their administration. The Government must take us into its confidence. It must allow our trained ability to bear upon the serious problems before us. We must be made partly responsible for the administration of this Government, and to be made responsible we must have representation. I would be a coward not to face this issue with my bias towards you and Republicanism. I see no other way out of it.

relief
rel. If we are only granted the reliefs prayed for now, we will come back for others shortly, and there will be ill-feeling and heart-burning as of yore. Face the difficulty fairly and squarely. This country has now an opportunity in its history of showing its true greatness, by giving freely what could not be forced from it. I have not been mealy-mouthed, and I leave it to the Government to devise how it can most safely grant us a voice in its affairs. I think the workers on these fields care nothing for the shaping of the foreign policy or the general government of this Republic. They do not wish to deal with problems in districts in which they do not work or are not interested. What they want is representation and a voice in things which concern the economic problems that they have to deal with. How to do this I will not be so presumptuous as to suggest; all I ask is that the present burghers admit their own limitations, lack of experience and training for these problems, and ask the best and wisest of all countries to aid them. Let them first believe in their hearts the necessity and right of this demand, and the way will be made clear.

This statement is made by me as an individual, and one in sympathy with Republican principles, and not as one representing any body of men or corporation of this place.

MR. HENNEN JENNINGS on coming up for examination, expressed his wish to first substantiate the statement he had made as to dynamite. He proceeded:

of imported
dynamite.

In my statement I say that dynamite can be obtained from America for 17 cents a pound, at any South African port. I wish to put in evidence copies of cables sent to

America, and the answer to the same, which show that, in large quantities, dynamite (70 per cent. nitro-glycerine), can be delivered on the coast at 35s. 6d. per case of 50 lbs. The cable I sent in February of this year, which was to a gentleman I knew in California, who has been connected, to my knowledge, with the dynamite business for something like 20 years, was as follows:—"Referring your letter, 23rd July, 1892, quote present price afloat, South African port, dynamite, 70 per cent. nitro-glycerine, large quantities, cases 50 lbs. Cable reply immediately. Wanting a comparison local prices." The answer received was—"17 cents." This cable I will put in evidence, and would state that this tender was secured without even a reasonable prospect of business being done, and without a guarantee of Government support in any way. You will see I also made a statement that the landing charges, agents' fees, &c., would raise it to 42s. 7d. per case, delivered in Johannesburg, free of Transvaal duties. You have the evidence of other witnesses showing that landing charges are 6d. a case, agency 6d. a case, Colonial duty 2s. 1d., and railage 4s.; in addition to which, by taking the 17 cents a pound, and bringing it into English money, makes 35s. 6d. This offer means that we can get dynamite here for 42s. 7d. per case, or just about half the present price, and I can guarantee the reliability of the parties in America making this offer, as I have had long acquaintance with the gentleman who cabled the offer, and know that he can and will carry out what he agrees to do. I would also state that Mr. Pichoir, the gentleman who has made the offer, has written to say that the three established dynamite companies in California, by jointly contributing, could agree between them to increase their plant so as to furnish 16,000 cases monthly, within two or three months after receiving a fixed order. Of course they would require a definite contract to increase their factories to this extent, but arrangements could be made with them to guarantee this supply. I don't know the minimum length of contract they would demand, but I don't think it would be unreasonable. In this connection, I would also state that I have received information from London to the effect that, since this Commission of Enquiry commenced its sittings, Nobel's Trust have used every influence and device to prevent other European manufacturers from making offers, but, in spite of this, a certain firm in Europe makes an offer to Wernher, Beit & Co., by which dynamite can be delivered here, including all usual charges, to Johannesburg, excluding Transvaal duty, for not more than 40s. per case, and blasting gelatine for 56s. This offer is from one small manufacturer, and would only partially meet our consumption, but is very valuable in this respect, that, in making the offer, the manufacturer states that he has been approached by a person describing himself as the agent of the Transvaal Government, ostensibly to ascertain at what price supplies of dynamite can be bought, but suggesting that the selling price in the Transvaal is 85s., and that the manufacturer should frame his offer accordingly. I have brought this matter to the notice of the Commission, not in the belief that the Government has anything to do with the so-called agent, but to put them on their guard against the ingenious devices of the dynamite monopolists, so thoroughly in accord with their past tactics. I take it the Government has appointed this Commission in order to get the truth, and they will be judged before all the world by what they do. It is our desire to assist them by all means in our power, and to protect the interests of ourselves and the Government, which are identical; and, if it is the Government's intention to actually get cheap offers of dynamite, and break up the present monopoly, I would suggest that they should throw the tenders open to the whole world, giving *bona fide* competitors ample opportunity to make bids, by giving them reasonable time to extend their works and meet the demands of this industry; and, in this way, I am satisfied that even lower figures than those I have quoted would be obtained. A bid obtained through the agency of the monopolist, and at short notice, would be wholly misleading, and would be an advertisement of bad

Free t
dynam

faith on the part of the Government. Another point I wish to make; It is noticed of that the quotation is for 70 per cent. nitro-glycerine. They claim in California, however, that this 70 per cent. nitro-glycerine dynamite is equal to 75 per cent. manufactured from kieselguhr and nitro-glycerine. They claim also that, by using a different absorbent, they obtained the same strength as obtained by using guhr alone with nitro-glycerine; and they also claim, and state that, by test, through a mortar throwing a projectile, they have obtained the same distance as in the test for the 75 per cent; I believe it is even a slightly greater distance. I think that is all.

Mr. *Albu*.

What absorbent do you use in America instead of kieselguhr?—There are various absorbents used by the different factories in California. I don't know them all, but that in use at the factory I have just now quoted, is partially kieselguhr, nitrate of soda, and wood pulp.

You know the article principally used on these fields is gelatine, and the absorbent collodion cotton. They make the same in America don't they?—They make it, but their theory is somewhat different to ours. They don't believe in using such intensely powerful explosives as we do. They regulate their dynamite in accordance with the work, using a lower strength on softer ore; and they consider it more economical to use a lower grade of explosives than we do.

What is the proportion of strength of dynamite No. 1 and blasting gelatine?—I believe that blasting gelatine has nitro glycerine something like 93 per cent.

Yes, but I mean the proportionate strength.—I believe the strength is about proportionate to the amount of nitro-glycerine used.

in prices
of
dynamite.

Are you aware that, in Cornwall for instance, dynamite is sold—containing 93 per cent. of nitro-glycerine—at 30s. per case?—The only knowledge I have is obtained through the evidence of other witnesses.

In the Cape Colony the duty is 12s. 6d. per case, is it not? I mean the dynamite imported into the Colony, not transhipped—I am not prepared to state that.

trade in
dynamite.

You don't think there would be any difficulty in getting dynamite if we had free trade?—None, with proper notice to the manufacturers. I have shown from Mr. Pichoir's statement that the dynamite works can be increased in two or three months to increase their supply.

Would you advocate free trade in dynamite?—Most assuredly.

Government
control of
manufacture
of dynamite.

In other countries, is the manufacture and sale of dynamite carried on under the supervision of the Government?—In the United States anyone can manufacture but in Venezuela it is under Government control.

Are there any particular reasons why it should be carried on in Venezuela under Government supervision. Was it not in order to procure an income to the Government?—Yes, and there I think it was particularly unfortunate, because the Nobel people had the same kind of contract as here. They put up two factories simply put cartridges together, as at first done here, and, it being a very hot climate, they had two or three explosions at their works. The dynamite was very much worse than here, and it was very dangerous to the lives of the workmen. We had no control in any way, and had to use what they gave, and the price was even higher than here.

Nobel's
monopoly.

Supposing Nobel's, through their influence, were able to form a ring, do you think it would be possible for the mining industry to build their own factory?—The would be absolutely no danger whatever; I speak knowingly from the early history of California. Nobel's, more or less, had a monopoly in California, through patent rights, and they regulated their prices just as they pleased. But another company was formed with a different absorbent, called the Vulcan Company, and it was

factured dynamite which suited the purpose of the mines just as well as theirs. They had a lawsuit on the ground that the Vulcan Company was infringing their rights, but the United States Courts of Law decided against Nobel's, and this company was allowed to manufacture dynamite; and in its train others came, and through the competition the price of dynamite was reduced immensely, and anybody can manufacture dynamite in America in any way they see fit. The only thing is that the established companies have a start, and in building a new factory it requires capital.

Provided the industry procure the amount of capital required, there would be no difficulty in establishing a factory in Germany, England, or America?—No; and it is shown how quickly a factory can be built by the fact that after explosions, where the buildings are swept away, a new factory springs up again very quickly, and continues its trade.

Has sulphur or saltpetre ever been found in this country in large quantities?—I have never heard of it, and I think the Dynamite Commission appointed by the Government made that statement.

Then a local dynamite factory would have to import sulphur, saltpetre, glycerine, and guhr?—Yes, and skilled labourers besides.

If the monopolists claim to manufacture dynamite after importing all the raw materials into the country, would it not be as just for us to claim that we manufacture machinery and engines?—You could certainly not claim that.

With regard to railways, is there any principle in America regulating the building, management, and tariff of railways?—Yes, and in America the system of railroads is the greatest in the world. I think there were 370,000 miles of railroads in the world up to 1890, of which the United States—not the whole of North America—had 163,000 miles, or 44 per cent. of the whole railroads in the world, and nearly 4,000 in excess of the mileage of the combined railroads of Europe, Asia, and Africa. The system of encouraging this immense railroad system in the United States is, in my opinion, one of the features of the development of the United States. In the United States the Government allows—in the settled part of the country—private undertakings to build railroads when they show their financial capacity to do so, and allows them to expropriate private property, the indemnity being fixed by the Courts of Law; but in return for this, reserves the right to control and fix rates—

Equal to the right held by the Board of Trade in England?—I will explain how they control rates. In the United States there is a Federal or Central Government and a States Government. In each State there are Commissioners appointed. A maximum tariff is fixed by law in the States, but the Commissioners have power to fix rates under the maximum tariff declared by law on presenting good reasons for so doing. In addition to the State Commissioners, there are appointed by the Federal Government Inter-State Commissioners, who are appointed with the object of preventing railroad combinations which would be detrimental to the public, and impose local and exceptional impositions. These laws, thus briefly outlined, have wonderfully expanded internal trade. Take Mr. Seymour's testimony, in which he shows the total billions of miles of haulage in the United States and the maximum rates on the main line to be lower than a penny, and the minimum a farthing per ton per mile. You thus see what wonderfully cheap and economical work can be done through competition and judicious Government regulation.

Most of the railroads in America are private enterprises, are they not?—Private enterprises for the most part, but in some of the unpopulated territories, in the early times, the Government gave certain bonuses to the railroads in Government lands, and certain aid; but in giving them this land they reserved to themselves the alternate

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aid sections, and the Government thus shared half and half with the company in the increased value of the land.

There is a maximum rate and a minimum rate, which the Government has got the right to supervise?—Those rates are regulated by two Boards of Commissioners.

of What policy is adopted generally by these railway companies on these lines which states rates dis- lead through new countries which have to be opened up. Will these companies charge maximum rates, or such rates as would induce people to settle and cultivate the land?—They charge, in the sparsely populated districts in the United States, wonderfully low rates for the amount of traffic they have, and in some cases they expect to lose money in the initiation of railroad systems, hoping to get the loss back by opening up the country, and, so to speak, stimulating and producing traffic.

They don't try to make big profits at first, but expect to make it when the country opens up and is prosperous?—Yes, they try to make their main profit when the country has been developed.

ent co- What means, in your opinion, should be adopted by this Government to regulate ation our native supply of labour?—I think I have made a very forcible point in my statement ay to and the native ment about that. In this connection I first state "the Government should do everything to bring about an abundant supply of black labour and give the mines reasonable control of it through the proper administration of the Pass Law and all other laws connected with the native question, and should encourage this labour to the utmost extent, realising its vast importance to the prosperity of these fields and to this Republic." Now I should like to amplify what I have shown in my statement, that the labour is in the ratio of one white man to eight or ten kaffirs. I am thoroughly satisfied that the kaffir is susceptible to training, and becomes far more useful to us after he has been with us for a length of time. My experience in of exper- Venezuela, where we dealt with the negro, shows that, by staying a number of years, d native s. and giving them incentives to stay, a great deal more work, and more complicated work, could be got from the negroes, and we could reduce the number of white employees by their instrumentality. I think what the Government should do here is to aid us in trying to keep in every possible way the natives that show capacity in special departments. I have enquired from compound and mine managers, and it is noticeable that the East Coast kaffirs take better to mining than the higher class native—Zulus and Basutos. The Zulus and Basutos are not willing to work underground to the same extent. Now, these peculiarities of the different tribes of kaffirs should be taken into consideration.

Do you think it would be to the advantage of the labour market if the railway way rates for authorities were to bring down natives from up country at a very low rate, and charge disport of the difference when they go back?—Certainly; I do not think the railway would lose tivas. anything by it.

It would induce natives to come down here, because it would give them an opportunity of reaching this place with very little money?—Another thing strikes me, and I can say it with all candour to the Government—I do not think, considering the drafts we are making on the native labour supply, and considering the number the farmers require for their own use, that there is sufficient native population here. You want natives here for agricultural purposes at as cheap, or even cheaper price, as we do for mining purposes. We require kaffirs with good physique for the mining and take the population of any country, a comparatively small number are fitted for miners. You want the mining and agricultural industries to work hand-in-hand with regard to the natives.

igenous na- tive labour in- sufficient to meet demand.

Chairman.

With regard to the last portion, that the Government ought to encourage kaffir labour, all the witnesses insist on that point, but none of them, up to now, have shown in what way the Government can encourage native labour. The establishment of locations would spoil the natives, and you would get very little service from them. That is my experience, and I have worked with them all my life. One way to encourage them to come to the mines would be to give them facilities for coming here, to make their lives as pleasant as possible, and to pay them as much as possible, even more than at present, and that you don't want to do; while to compel them, everybody acknowledges, is impossible. The Government can use its moral influence with the kaffirs, as far as those who reside in the Republic are concerned, and give them every incentive to go to work on the mines; but, if the kaffir does not feel inclined, and if it does not lie in his nature to go, how can you get him to go? The same difficulty is found here as is found everywhere. The agriculturist feels it apart from the mines. The Volksraad, year after year, is stormed by memorials from the public asking them to devise some means to make the kaffir work. Notwithstanding all the laws that have been made by the Government, we cannot keep them here, and the kaffir from the East Coast will not reside on the Rand or in any part of the Republic. His inclination is that he must reside in the district where he comes from. I think every member of the Commission is trying to solve the native question. I only say this to show that if the Government, on their side, fail in their endeavour, that it is not because they are not inclined to assist, but because it is an insurmountable difficulty.

Witness. I appreciate what the Chairman has said, and there is a great deal of force in his words. I say there are difficulties, but I do not think they are insurmountable.

Chairman.

Will you please say how the difficulties are to be surmounted?—The reduction of the railway fare is a trifle. Suppose the railway brings them for nothing they will come, but to get them to work is another thing. I agree with the Chairman that this native labour question is the main question for the mines and the whole Republic. I have had no experience as the early settlers in this country have had in subjugating the aboriginal race, and I admit I have no right compared with them to speak on this portion of the subject, but I claim having been born in the Southern States of the United States, and having been connected with the working of negro labour in the Venezuela mines, that I have a right to speak on the kaffir labour question. The suggestion with regard to locations was a general one, but let us see how it worked in Venezuela. The aboriginal race was thoroughly unfitted for the mines. The white race, owing to the heat and the climate, could not do all the work, so were driven to get labour from the West Indian Islands. The Government tolerated their importation. They came first without their women and their families. The mines paid immense wages to induce them to come. Little by little they brought their families, and the companies who had ground rates encouraged them to have what they called *canucos* or gardens. They came from different islands, and they had these little locations. There was a certain amount of rivalry between them, their wants increased, and that stimulated their ambition, and they were finally willing to do far more work than at first. They remained long enough, satisfied with having their families in the country, to enable them to become skilled. Now, in suggesting locations, I do not mean simply one great big location around the mines. I should think the farmers would, for their own interest, in the best agricultural parts of the country, try to get natives to come by offering some little inducements, and allowing them certain plots of land. The men

of the strongest physique could go to the mines, but the younger and older men and some of the women could work on the farms. If that is practicable—I know it is difficult—the agricultural population as much as the mining industry would benefit. Something must be tried different to what we are doing at present. Now that I have gone so far, I want to say that, of course, I know the negro of the Southern States is not the same as the kaffir; that from being in contact with the white race for so many years he has developed more; but it shows you the latent possibilities of the black race. What these negroes are capable of doing in the Southern States, I do not mean it is possible to do here right off. In 1863 a proclamation was made by President Lincoln, freeing all the negroes in the States. At that time there were about 4,000,000 negroes in the States, and it was supposed that we would have immense trouble in controlling them, but the natural peacefulness of the race was such that they were, so to speak, absorbed in the American Republic, and were granted full franchise rights. There is a social race distinction in America, as there should be, and in the South they recognise their inferiority, though they have equal political rights, but even so we have no trouble in keeping them in their place. In the Southern States the Government has demanded compulsory education; they have their own schools, their own colleges, training schools, and ministers. I am giving you this as an illustration of what the black race is capable of being brought to. We cannot do this in a day, but I am simply pointing out to you the direction in which to work to develop the latent possibilities of the black race.

There is also a portion of South Africa where slaves have been freed, where they have got their full franchise rights, and what has been the consequence? They want to be more bosses than the white men themselves. Experience here teaches that it is just those kaffirs who live in the locations of missionaries that you cannot get to work when you put them on a farm to sow, etc. From that class you won't get one to work on the mines. That would be the consequence of any locations that might be established here.—I don't wish you for a moment to suppose I advocate giving the native races equal rights with the white races at all, but I say you ought to do all that is possible to encourage them to come and not to lose heart by present failures here, but to feel that these races by judicious development are susceptible of immense improvement. You want to give them a stimulus, and you also have to make the lazy ones have the necessity of earning their livelihood by taxation.

They are already taxed higher than the white population, and it would be unreasonable to tax them much more than they are taxed.—There is one point I was reading over in the testimony of other witnesses. It was stated that the little location at Buffelsdoorn is doing very well, and Mr. Way, of the George Goch, spoke favourably of his location.

I will admit that where a mining company has got its own ground, and where the kaffir is given ground to work, the kaffir is entirely dependent upon the company for that ground, and there he does work. But where would you get a place to put all those kaffirs. The Plakkers Wet provides that no more than six families shall occupy a farm, whereas you say there are not enough kaffirs in the Republic to supply the wants of the mines.—I would try to induce them to come from the East Coast here. Come down to one of our main troubles here. It is the sparseness of the population, and the great demand made on the country from the sudden introduction of this great mining industry. The population of the whole world averages about twenty-eight to the square mile. The population of this State in whites is less than two and a half, and with white and black it is not over seven. That was one of the reasons I did not think we were ripe for manufacture. If you take the manufacturing districts of the world, you will find the population very dense.

But not with blacks.—Well, blacks work in some of the Southern factories in America.

In America, but not in other countries.

Mr. Brakham.

With regard to taxing the natives, it is your opinion that this tax can be increased. Seeing that the whites pay, in direct taxation, very little, and yet pay a good deal in indirect taxation—that is to say, in duties on the articles they consume—do you think for that reason the hut tax could be increased?—I would not like to say it could or could not. I say it is a judicious mixture of encouragement and necessity that will make them work. But I beg to differ from the Chairman as regards the kaffir taxes here being greater than that of the whites. It may be so in direct taxation, but indirect taxation has been so much written about and spoken about that I think the Government should really find out what that is. I have seen statements in the paper where some one man figures out that it is £31 per head, and others different sums, but it is certainly very great, and I would advise the Government to put their statisticians to get reliable statistics of all other countries in the world, and compare them with the indirect taxation here.

If these figures given in regard to the indirect taxation of whites are anywhere near the mark, then there is reasonable room for increasing the taxes of the kaffir.—I don't see that connection, because you cannot tax the kaffir beyond what he is capable of paying. They could not pay in proportion to a white tax of £31, or even £10.

This taxing him more heavily would compel him to work—would force him to work.—It would induce him to work, but you have to get him into the country first, and you do not want to discourage him too much. Although I may be alone in the idea, I think we have to graduate the wages of the kaffirs in our mines—that is to say, try to induce the best kaffirs to work on piece or contract system, and pay them according to what they do. It is human nature to do better when encouragement is given. We all want encouragement.

In regard to locating kaffirs on farms. The Plakkers Wet limits the number of families located on one farm to a very small number—six. Don't you think that law would be in the way of bringing them to agricultural districts?—Is that the law? Well, I think that is a small amount.

Chairman.

That does not prevent the Government from creating locations wherever they might think fit. In America, is the railway chiefly owned by the State or by private enterprise?—Private enterprise, under State control.

You say here in your report it would strengthen confidence if the Government were to run the railways themselves.—Yes, that is a point I would like to speak about. Although I believe in the private railroad system of America, I advocate, for the best interests of the Government, that they expropriate these railroads here on the ground that they are neither private enterprises nor a Government enterprise, but a mixture of both, and it is more or less the same principle that I mentioned with regard to dynamite. It is a concession, and the curious part is—I may be mistaken in this, and some gentleman connected with railway matters will perhaps correct me—that, although the Government are such large stockholders in the railroad, they have really no voice in the administration, and, although they guaranteed the whole debt of the company, absolutely the only way they have of regulating the railway is by expropriation. I understand that the Government have not even a director on the

board in Holland, and, although they have a great holding of shares, they have no more voice than a small holder. Mr. Middleberg, in his statement, has practically said that the company had the right to regulate the tariff, and the Government control is only through expropriation. Now, how are you going to get the very best working for the industry and the Government under such a condition? Mr. Middelberg, as the representative of this Corporation, tries to make the biggest dividends he can. He made a very clever statement, practically laughing in both our faces and throwing dust in our eyes. We are reduced to expropriation if we want to control the railway.

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30. If the Government decide to expropriate it is very evident you cannot get an immediate reduction. Thus we get a difficult position, because all the witnesses said it was the duty of the Government to insist on a reduction. Thus we get a difficult position, because all the witnesses said it was the duty of the Government to insist on a reduction, and also that it is the duty of the Government to expropriate the railway. You want both at the same time.—I think it is not in the power of the Government to give us both at the same time, even if they want to. I don't know if I am right or not.

How not? You admit the Government cannot give both at the same time. Why was it given by all the witnesses that they wanted immediate reduction in tariff and expropriation?—According to my argument, that is impossible. Am I not right in my argument that the Government had no power to reduce the tariff without expropriation?

I do not want to answer the question, but in your evidence you insist upon lowering the tariff and expropriation.

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Rail-
s to
cpro- I understand from you that you are asking for two things at the same time—reduction of tariff and expropriation?—What I want to make clear, and I am afraid I did not do so this morning, is that if expropriation takes place, the reduction in tariff will follow. Also, that, although I believe they have no legal right by which the tariff can be reduced before expropriation takes place, there is always the possibility of making arrangements to take over the railway prior to the eighteen months by giving the company satisfactory equivalent. Therefore, it is not impossible that both can take place, although it cannot be done by the exercising of legal rights alone.

oport-
nite. I understand from your evidence that without Transvaal duty, dynamite can be landed here at 40s. per case?—42s. 7d. from America, and 40s. from the small manufacturer I spoke of.

And that dynamite will be equivalent to No. 1 used here?—Yes.

st in-
dyna- Have you any proof to that effect?—Simply from their statement—of tests that have been made showing the number of feet a projectile was thrown; and the calculations were carefully made. In sending dynamite here they would be willing to subject their dynamite to a test, to prove it is of the same quality as they guarantee it.

our. As regards the latter part of your statement, you and many witnesses have said before that white labour should be put on such a footing here that white people should feel at home here, and make their abode here, but that expenses of living kept them back from doing so. I understand that the wages paid here are proportionate to the expenses of living, and that should not be an obstacle. If I were in Europe earning £2, and living on £1 10s., then I would be on the same basis.—There is and un-
d min- logic in that. I tried to point out that these high wages did induce single men to come here, but for married men the inducement is not sufficient to bring them here with the idea of settling. The statement of Mr. Goldmann shows the percentage of miners whose families are left behind; and, after all, the thing to get in a Republic is

the people to cast their lot in with it, and the basis of that is, that the married population and their offspring, in the course of time, would feel most satisfied to live in the country, and be genuinely satisfied with a lower wage.

In the latter part of your evidence, under the heading of "want of confidence,"^L you bring forward matters that are a political contemplation, and are not really a subject for discussion before the Commission, but still there are some remarks with which I differ. This is not the time and place now to discuss the matter, because the charge of the Commission is only to see what is necessary to assist and foster the industry, to take away the present depression as far as possible. There are a couple of sentences which I do not quite understand, and I would like some enlightenment on the subject. You say, "what have I shown to be the main factor for us to deal with? Settling of the labour question involves all the vital principles of republican government." I do not quite understand the meaning of that. Must I understand that it is the duty of the Government and Republic to solve the labour question by supplying the employer with workpeople?—That is a question I have endeavoured to touch on in as light a manner as possible. I felt diffidence in doing so at all. If you notice, in the last part of my statement, I said I will not be so presumptuous as to suggest anything. I feel, with the Chairman, that the time and place is not propitious for a free discussion upon it, but, in considering the labour problem of the country, it is almost impossible to go down to the vital elements without touching on politics, and, if the Chairman gives me the invitation, with all sincerity, to discuss this matter, I am perfectly willing to do so, but I do not care to do it unless he feels it is advisable for me to do so. I have a good many arguments to bring up, and, if I attempted it at all, I should have to speak just as I feel—in a perfectly frank way, and it might give offence, but I would do it with all kindness of purpose. Now do you think it would be wise for me to do it?

I only want that one sentence explained. I do not consider that a political question. All I want to know from you is what you mean by that sentence: That it is the duty of the Government, as a Republican Government, to provide the necessary labour?—It says that in so many words. I believe it is the duty of the Government to encourage all classes of labour in every way, to make men satisfied. It is also so as regards all these questions of Liquor Law, Pass Law, gold thefts, etc., because it resolves itself into this; the only argument I can bring into such a case is that the people most vitally interested in the carrying out of that law must have the power in the selection of an overseer in the work of the people, and therefore it is necessary to bring in a certain amount of politics in speaking of local government. I do not want to go into high politics. I merely want to state this: I am a mining engineer, and have never engaged in politics in this country or any other country, and I do not understand them very well, but I understand mine management, and I would bring this illustration forward. Take a general corporation as a simple illustration of a Republic; take the shareholders as the public at large; take the board of directors as the main central Government; and take the mine manager as the local government. If the board of directors say to the mine manager, we are sending you a man we know is very good as mine or mill foreman, and we know he is so good that you shall have no power to see he does his work, and the only thing you can do is to complain to us—what is the result? Perfect chaos in the management of the mine. The board of directors must have confidence in their local government, so to speak, that is in their manager, otherwise he has not got the control of his employees, and the thing won't work. That is as far as I care to go into politics; I think you can draw your own conclusions.

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Still that is not a reply to my question, which is simply this—whether it is the duty of the Government to regulate the supply of workers for the employers?—Not absolutely directly, but indirectly, yes.

On that point I should like to have some information, in order to give us some guide.—The Government could make the cost of living low, to make the labourer satisfied, and give him political rights.

“Political rights” is out of the question. Of course the natives could not get political rights.—I am talking about white labour.

I am talking about black labour. In what way will it make the white labourer more contented to give him political privileges?—In possession of these privileges he feels he has power to regulate his living expenses; also that he has the control of educational advantages for his children, and can gratify his ambition in political life. I think these are three main reasons.

You say now if they got political rights, it would encourage them to live here, whereas in your statement you express it somewhat differently?—I see there is something rather like a contradiction. What I want to impress on you is that a man should have rights in local government and not necessarily in the central government. I have been educated in the United States, where the keynote of the whole system is local rights. In the territories they have no voice in the central government, but they have perfect local rights to arrange things among themselves. Now in the territories I think it would be an interesting point for you to know that the central government appoint a governor and certain other officials with him. But the people have a right to their legislators in a similar manner as in States where they have the full franchise, and they regulate their own little circle of affairs without interference from the central government. They are not obliged to take the oath of allegiance to the central government, and they need only live three months in the place in the district in order to obtain a vote for their own affairs. Those are territorial rights, and I wish you not to confuse them with State rights. And, after all, that is the keynote of American republicanism. There is another instance, in my native State of Kentucky, where there is no general prohibition of the sale of liquor—to show you the extent of local rights—any town can have its own liquor laws and prevent the sale of liquor within its own district.

You are going away from the subject. There is another point in your statement. What do you mean when you say “If we are only granted the reliefs prayed for now, there will be other questions shortly, and there will be as much heart-burning and ill-feeling as of yore?”—I mean this. If we are granted advisory boards, and have no control over the *personnel* of the people who minister to our local wants, we shall find things won't work, and we still feel—rightly or wrongly, it may be our own fault—but we think it is the Government. Whereas if we have our rights in our own local affairs, and we make mistakes, and even make a mess of it, we are happy in having “a finger in the pie.”

That is not the question put to the Commission or Government, to erect your own local board, which can tax the public according to its own ideas. The real question put to the Government was to give certain relief, and that is the only relief which Government can give, even if you have a local board, because the local board cannot lower the railway tariff throughout the whole State, nor go into the dynamite concession or other questions you have quoted here.—Perhaps I have not gone even far enough; I feel that there wants to be a touch between this community and the central Government, and I feel that all things which are not thoroughly done will be heard of later on, and if we simply go into the question in a patch-work fashion without getting at the fundamental cause, we don't cure the evil. What I mean to say is that I would

besech the Government to take everything into consideration, and to take the point I have made into consideration, and, without giving us full rights, to see that it is to the greatest good of this Republic to bring us into touch with each other, and to give us the greatest possible rights at once.

You are now entering upon a point which is not open for discussion, and what you want to discuss is not what you have put down on your statement. What you ask for really is the lessening of import duties, railway tariff, the cheapening of living, and for cheaper dynamite. These are the reliefs asked from the Government. Now you say, even if you got all that, that within a short time you will still come up again, and that the same feeling of unfriendliness will remain, and other questions will have to be discussed. Now if they cause "unfriendly feelings and hatred," how can I assume that if you get all these and come back with others, and they are granted, the same feeling will not remain?—We feel we have in this Commission an exceptional chance—the most exceptional I have known for seven years. We have the ear of the Government and the kindly consideration of the Chairman. Are these Commissions to be of all time? We want to feel that if we have now asked something that we may hereafter find inadequate when there is no Commission, we will still have the ear of the Government.

But you say that if these reliefs are granted it will only foster unfriendly feelings and hatred?—No; I do not say that. We will be satisfied now, but we may come back with other requests we don't know of now.

There was no unfriendly feeling or hatred?—I don't say that at all. If I have worded the passage at all to give the Chairman that impression, it was not my intention. After all, I mean to say, commencing as well as we have, we should have a certain political status by which we have a right to come to the Government. Now, I don't think we have, and we appreciate the Government for appointing this Commission.

We will leave this point alone. I only want you to understand that it would have been better left out of your report.—I regret if it has given any offence.

There is another sentence reflecting on the lack of experience of the Government to deal with these problems. I do not want to discuss this point, but as a burgher of the State I feel aggrieved at the sentence, and it makes a bad impression on the Government.—I am not at liberty to discuss that question.

Coming back to the question of local boards. Is the Sanitary Board a success here—it is a Local Board?—I have not recommended Advisory Boards.

Do you think the Sanitary Board a success?—That is a difficult question. It is a success in some ways and not in others. I do not, however, know the internal workings, and I am not in a position to discuss it.

I only put the question because it is a board established for the well-being of Johannesburg. It is a local board, established by the inhabitants of Johannesburg—at least under their government—and lately I have heard several complaints to the effect that a heavy burden is imposed on the inhabitants of Johannesburg.—I am not prepared to discuss that; I don't know anything about it.

Mr. Joubert.

Is it not possible for a mining company to put a proposal through the Minister of Mines and the Superintendent of Native Affairs by which native labour could be regulated? On the basis of civilised government, of course?—Well, I am not very hopeful about making suggestions, unless we have some control in carrying them out. You say in your statement, in regard to the laws, that you have nothing to complain about.—It is the administration we complain about.

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But if the law is not properly carried out there is always somebody to whom you can attribute the maladministration?—I think we must come back to my original contention that we must have some power over the *personnel* of the administration.

Then the law would not be good if there were not proper control established?—It is easy to make good laws, and it is a different matter altogether controlling them.

But if the law is not properly carried out there is somebody to whom you can attribute that non-carrying out?—I have been brought up in a different country, so that I cannot discuss this in a way that Mr. Joubert would like. We don't consider in America that we can have the laws carried out unless in each district the inhabitants of that district have some control over the officials of the district.

That is also the case here.—Well, I am not aware of it.

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I say so. I want you to go back now to the question of want of confidence. I want to ask you, as a civilised man, if a stranger comes and lives on my farm, and I give him every chance to make profit for himself, on whom does the first duty rest to create confidence—on the owner of the farm, or on the stranger who comes on the farm? Who takes the first step towards creating confidence?—Confidence has to be mutual.

Who has got the first duty in that respect to create confidence?—Well, I would like to see the exact illustration you mean.

Supposing you have got a farm and a stranger comes; you give him every facility to live there, and to do well for himself. You want to create confidence. From which side should it come, from the stranger or the owner of the farm?—From the side of the owner of the farm.

But he has given every confidence by giving all these privileges?—But he demands work from the stranger in return.

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Supposing somebody comes on my farm—a poor man. I give him every chance. I say: "There is my farm; you can make every profit you can." He has got his chance, and he makes every profit he can, but after having made his profit he comes to me and says "You don't regulate your own house properly. I want to instruct you how to put your house in order." Does that create confidence from his side?—I think Mr. Joubert is giving a very extraordinary case. He is practically giving something and exacting nothing. I don't see the bearing on our case here at all.

That has got a relation to mutual confidence.—But the mutual confidence we are speaking of is where we are mutual workers. We don't take and not give. We give as well as take.

And, according to that, the matter has to be regulated?—Yes; but then I say this analogy is not applicable to our case.

I say it is applicable. You say "If you give us everything we want we still will come back with some more questions. These will cause bad feeling and dissatisfaction amongst us." How is it possible you can expect from the Government and the people that, in the first place, everything will be granted, when you already say it will not help you a bit—that you will still have grievances against us? You will still come back with further requests. That stands here in your declaration.—You are pushing me on to what the Chairman did not want me to do—to discuss politics.

That is not politics.—I am not going to take an illustration which is not applicable to our case and give definite answers.

Now, do you think that sentence of yours here is conducive to establishing good feeling between the old population and the new?—If it is taken in the spirit I mean it, I think it should. It was not the intention of the writer to introduce ill-feeling at all. It was simply to show how, with whatever good intention the Government wished to deal with us now, and however they may smooth over the sore with a salve

until we heal that sore we cannot be thoroughly satisfied. It was done with the greatest kindness, to show the Government—and I spoke in the same statement that this was a crisis in their history—that they should give freely and liberally, in order to make that cure permanent; and I feel, from the treatment witnesses have had before this Commission, and the statement of the Chairman, that they wanted the truth from the bottom of my heart, and that they don't want me to trick them into giving temporary advantages, and tell them what I don't believe in my heart would result. And what I mean in this whole thing is that I have been brought up as a republican, and the great fundamental principle of republicanism in my country is equal rights; and, unless the Government is willing to make the uitlander population, which outnumbers the original population, eventually a part and parcel of this republic, it is my candid opinion that, with the very best intentions that you may have, you won't have the maximum peace and prosperity in this country. I may be wrong, and I think that I have taken a departure in this from other witnesses, but I have done it with the best intention and the kindest feeling towards the original population of this country. I want to show them the danger of patchwork, and it is my belief if they want the permanent peace and prosperity of this country they must give trust to the uitlander, not unreasonable trust, but trust. In my own business I find that if I should attempt to run a property by distrusting everybody on it that was not of my little country or place, or whatever it might be, I would not make a success of that business.

I now speak as a burgher, not as a member of the Commission. According to my opinion those words put down there in your statement, in black and white, clearly to be read by the people, are not calculated to inspire that confidence.—I am only sorry that the phraseology was different from my intention.

I quite understand that.

Mr. Smit.

Your declaration as far as concerns its practical side is of the greatest interest, but I am sorry you opened up into politics. On the one page of your statement you say you hope the Government will take the people into their confidence, and on the following you say confidence cannot be established, because you have further requests to make. It is a great pity that should appear at the end of a very able declaration.—I hope I have in some way mitigated that by the explanation I have given. I hope it will in no way interfere with what the Government will do from the testimony of other witnesses. I gave it simply as an American individual, and with the best intentions and on my own responsibility.

Of course I take your declaration as one thing, and your political feeling as another. Your political ideas cannot influence the good the Commission intends doing for the mining industry. On page 34 you say, "There is no use for the industry and the Government to incriminate one another." What do you mean by that?—I mean—I don't say the industry and the Government officially have done so—but I mean that members on each side, more or less, have taken up antagonistic positions.

The complaints of the industry against the Government we have had fully, but what accusations are there on the part of the Government against the industry?—Well, as I say, I don't think there is any official complaint on either side. It is indirectly.

From what indirect complaint?—It is written in newspapers. They get interviews from your officials, who say the whole trouble here is all ours and that sort of thing. I mean to say that a section of the Press say the whole trouble is on the

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Government side, and the other section says it is on the uitlanders' side, and certain prominent people on both sides talk about it. That is what I mean.

I would like to have a direct answer. You should not give an indirect answer. The complaint before us is that the railways are too expensive, dynamite is too expensive, the Government does not carry out the Gold and Pass Laws, and also the Liquor Law. These are accusations directly against the Government. Now, you say the Government has also made accusations. Now I want to know what accusations are made against the industry.—I say, directly and officially as a Government, none, but I say as far as I can learn from newspapers, some high officials of this Government have made statements against the mining industry and how it is carried out. This is a question I don't want to go into detail about.

I did not expect you to take notice of what is put in the newspapers of things of that description?—Well, that is my meaning.

You have mentioned in your declaration "boom budgets" and "boom estimates." I want you to quote a boom budget?—What I mean by a boom budget is a boom amount of receipts and an immense expenditure, and I think that the last budget of that kind, as given in the Chamber of Mines' report, shows that. That is an excessively abnormal budget.

Now, do you mean to say that if the inhabitants of the State make false and excessive flotations, by which means the income of the State itself is inflated and increased, and when the State is ignorant of the over-capitalisation and over-flotation, then the State ought to leave alone public works and public expenditure that may be necessary because there is a mismanagement of finance by their subjects without the State's knowledge?—I am not taking the motives of the Government, I am not taking our own motives when I made that statement. What I mean to say is if there has been an excessive amount of money invested in this country, the Government get a share of it, and make their expenditure accordingly.

How can you say that the Government are accomplices, so to say, to over-flotation, &c., when they did not know there was such a thing?—I say they are partners in it; they share in it; however it is brought about they share in it. How has the revenue been increased except through this industry here? I will tell one of the reasons that I wrote that. It was that at the time of the first evidence brought before the Commission, Mr. Joubert spoke about wanting to get at the wrong flotations, and I did not know how far that policy would extend when I wrote that I wanted to justify the industry. If there has been over-flotation here, the Government get their share of it in import duties, from prospecting licences, from railroads, carriage, and everything in connection with the company. They are partners. They don't want to blame ourselves more than the Government. I am taking both together.

You really mean to say this much, that the Government was a partner, though not necessarily parties to it?—That is what I have said here [*referring to declaration.*] "There has been a partner to it." That is what I say in English.

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railway.

About the expropriation of the railway. Supposing the mines are met as much as possible through the lowering of the rates, off-loading facilities, and all that kind of thing, would you even then still insist upon the expropriation of the railway? Well, there is this about the expropriation of the railway. Neither the Government nor any of us have any control over its workings, and the tables that I gave are very much different from the rates of my own country that I think them abnormal.

That I can see for myself. It is unnecessary to go further into that. I know the Netherlands Company's rates are much more expensive. Of course, you know they cannot be brought down to the level of American railways?—Not at once.

But supposing it was brought to the same basis *pro rata*, taking into consideration the cost of wages there and here?—You have a constant factor which, I think, is detrimental to the population and the Republic in that. If the railroad made a little too much, and it all went to the Government, we should not feel it so much. If the railway company were doing the thing at their own risk, it would be another matter, but the Government have practically financed them, and yet do not have control over the railway. Then, I don't see in what way the Government can have control over these people except in keeping them within the maximum tariff, and the company are not going to make any other arrangements with the Government unless they make money by it.

That we don't know. If the railway was in the hands of any other factor, it would be allowed to exist so long as the tariff was reasonable?—I don't care in whose hands it is. With its present constitution, I don't think it is in a position to give the maximum benefit to the country or to get the lowest possible working expenses.

Would you approve of the constitution if the Government were to expropriate?—If the Government were to expropriate it would bring about a better state of things. It gives all the profit back to the Government. The Government then, if it sees the necessity of the community, has the power of lowering rates, which it has not at present.

The tariffs have already been lowered.—The whole thing comes back to the principle of concessions, and I say you cannot get the same good work out of a concession as you can with free trade. That is my opinion. Concession
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You do not want to answer the question? If the tariff is reduced you still want the railway expropriated, and I make the deduction you only want it expropriated because you do not want to see it in the hands of a company, and because in America the railways are in the hands of the Government, and every railway company has a concession?—No, they have no concession. Construc
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railways.

Can everybody make a railway who likes?—Yes, they can go in competition with other railways.

Supposing you want to construct a railway, have you got to get the consent of the original railway company?—If it is on Government property, of course they would not have the right to run along the section of line already constructed, but they can apply, and run a railway 50 or 100 miles from another point if they thought it would pay.

Now, supposing the railway be constructed on Government ground, as well as on private ground, from whom does the company obtain its right to construct the line?—The company, as I said before, applies to the Government, and they give them the right, provided they show their *bona fides*, and their ability to build the line.

And the Government gets the right to control the line, and regulate its tariff?—Yes, but it does not prevent other people who apply to run a line close by. That is the great difference here; if we were empowered to run a line parallel with the present one, it would be another matter. I believe there is no other company except the Netherlands allowed to build railways in this country. You see the whole principle of American trade and the American railroad system is internal free trade—anybody can build railways. There is no trade monopoly granted in America. If a tariff is put on to protect any industry, any amount of other industries would spring up, and no one manufacturer or company is given preference over another. That is the whole difference; and it is a great difference.

Can anybody build a railroad parallel to an existing railroad?—I do not know exactly the distance they should be apart, but parallel lines in America have been very close to each other.