

Do you think that gold thefts could be prevented by a better staff of detectives?—^{Gold} Probably by a greater number of detectives, provided they are honest. If you get honest detectives, then I believe that the illicit traffic could be stopped to a very great extent.

You think that the detectives would be able to find it out after the occurrence, but as a preventive measure, the managers should try to stop the thefts themselves. You know you cannot expect the Government to place detectives on the mines to watch them. These precautions should be taken on the mines?—They are to a great extent. We do all we can, in the first place, by getting the best men we can. We get men of fairly good standing, who, we think, would be ashamed to do wrong. I will give you an instance. On the Ferreira, the mill manager is a Colonial Dutchman. I suppose one-third of the men are Colonials, whose families are of good standing at the Cape. We have one or two Americans, one or two Englishmen, one or two Irishmen, and one or two Scotchmen. We mix them up as much as we can to prevent, as far as possible, any collusion between them.

By whom are those thefts committed—by men on the mines or by outsiders?—I think it is done, when it is done, by the amalgamators, because the amalgamators are the only ones who could handle the amalgam.

Mr. Hugo.

I understand you to say that dynamite costs £5 7s. 6d. per case?—Gelatine (we ^{Cost of} don't use dynamite), plus 2s. carriage, costs £5 9s. 6d.

You suggest that it should be reduced by 50s. per case?—I don't make it as a suggestion. I thought the suggestion had already been made. I simply take the 50s. as a basis for calculation.

Still, you seem to arrive at 50s. as a reasonable reduction?—Without being able to give you the details of the cost, I think, judging by prices in other countries, it could be delivered to us at that price.

Then you say that if this reduction were effected, the Government would still make a greater profit than they do now?—Yes, if, as I understand, the Government only gets 5s. per case now.

How do you arrive at this estimate that there would be so much profit to the Government? At what price could gelatine be delivered here? I suppose you refer to the imported stuff?—Certainly. I don't think that anyone would argue that it could be made here as cheaply as it could be imported. Blasting gelatine now costs £5 7s. 6d. per case. If this could be reduced by 50s. per case, and another 10s. be taken off for the Government, this would reduce the amount to 47s. 6d. per case, or 10s. more than the price for which it has been stated dynamite can be delivered here, and I think we would be able to get gelatine at that price.

MR. JOSEPH BENJAMIN ROBINSON was the next witness called, and said he had ^{Mr. J. B.} been in Johannesburg ever since it was of any account. ^{son's evi}

He then made the following statement:—I wish to say that the gold industry may well be congratulated on the fact that the Government have appointed a Commission for the purpose of investigating matters connected with both the mining ^{Industrial} and commercial enterprises which have done so much to build up the prosperity of ^{mission} the State. It is also a matter for congratulation that the Commission has gone so ^{quity.} fully into the various questions brought to their notice, and is exercising such patience in their enquiries into all those reforms which are so necessary to advance the interests of the South African Republic. I am sure the Commission will realise that whilst the

present misunderstanding exists on the gold industry, there will always be more or less a severe tension in the financial position of the State; and the Commission will also no doubt consider well the circumstance that, whilst the Government and the industry are not acting in conjunction, the prosperity of the State must be retarded, and every individual inhabitant of the country must, to a certain extent, suffer from this want of harmony. I am, therefore, very pleased to see that the Commission has shown so keen an insight into the important matters to which their attention has been directed, and have, in a calm, impartial and judicial manner enquired into the wants of the community. May I add that everyone who is carefully following these proceedings from day to day feels gratified that there is evidently a determination on the part of the Commission to do their utmost to bring about a better state of feeling, and a strong and permanent unity of the various interests concerned in the prosperity of this Republic. The questions which are now before the Commission have been fully enquired into, and a great deal of evidence has been given to show where the pressure comes from which is so seriously interfering with the proper working of the mines, and is exercising such a baneful influence not only upon the community of the goldfields, but throughout the whole State. The first matter to which I wish to refer is the railway. On this subject the Commission has elicited evidence which proves conclusively that the tariff is far too high, and that this high tariff is really injuring the welfare of the State. Figures have been adduced by different witnesses to show that the existing tariff is abnormally high, and that the oppressive rates which are being paid upon all goods imported into this country, as well as the excessive coal rate, constitute a great injury to the gold industry. What we seriously want to arrive at is the exact amount to which we can reduce the working cost per ton of ore taken from this or that mine. I have gone into figures, and I consider that if we can reduce the cost of each ton of ore by 5s., that will place the whole industry on a sound basis, and will remove the disabilities under which the poorer mines labour at the present moment. I may mention that we are crushing in the aggregate at the rate of about five million tons of ore per annum. If, therefore, a reduction in working cost of 5s. could be effected, it would leave a profit of £1,250,000 over and above the results which are now obtained in milling the above quantity of ore.

Excessive Railway rates.

Shillings per ton reduction in working costs required.

Reduction of railway rates on coal.

It is, in my opinion, absolutely necessary that the coal tariff should be reduced so that the companies would be able to effect a saving of 1s. on every ton of ore crushed at the present time. The mileage is 3d. per ton, the company is put to a further expense of 3s. a ton for bagging, and Langlaagte Estate, over and above these items, has to pay 3s. per ton for cartage from Johannesburg Station to its works. We have repeatedly applied for a siding, but have not succeeded in getting one. The railway trucks stop at a platform, but only allow twenty minutes to off-load from 100 to 150 tons of coal. For this purpose we require 150 natives, and they have been kept waiting on some occasions for a period of four hours, through the irregular arrival of coal trains. This entails a very serious loss on the company, which is now compelled to cart the coal from Johannesburg Station at 3s. per ton to ensure regular delivery. The south railway line, now under contemplation, would do away with the additional expense, but the coal tariff would have to be reduced to meet the requirements of cheaper mining.

I am now only dealing with the railways as belonging to a public company, which, of course, the Government of the country holds a certain interest. But I should at the same time, prefer to view this matter in a far more comprehensive manner, and to state exactly the opinion as to the railways if owned by the Government of the South African Republic. There is no doubt that the railway, if expropriated, would

Expropriation of railway.

become an asset of enormous value to the State; it would be the means of relieving not only the industry, but also all other interests surrounding that industry; it would also be the means of relieving the burdens now pressing so heavily upon the welfare of the country, and would bring back that prosperous condition of affairs which was enjoyed by this State for a considerable period. In the hands of the Government the railway would be an important factor. In some countries railways are built and maintained for the purpose of opening up these territories. They are run for hundreds and thousands of miles, and people as a rule follow the railway. They purchase and occupy land, and thus the territory traversed by the railway becomes productive, and eventually yields a large revenue. The railways of the South African Republic, however, are not run upon those lines. The tariff is fixed at a very high rate, and the outcome of that high tariff means a most disastrous hindrance to the proper development of the country. Whilst the railway is in the hands of a purely commercial company, it stands to reason that their sole aim and object is to regard it in the light of a dividend-yielding enterprise which could be turned to the best possible advantage to shareholders. In the hands of the Government far higher and greater considerations would be the lever which should guide the Government in regulating the tariff so as to make the railway a benefit to the whole State. It is a mistaken policy to keep the tariff at a rate which not only prevents the mines working at a profit, but also injures the whole trade of the country. By means of a cheap railway tariff we could bring about an expansion of trade, and whatever revenue might be lost in the first instance by reducing the tariff, would be more than compensated for by the facilities granted to every branch of enterprise, and the increase of trade which would follow the reduction in the railway rate.

I notice that a question was put to some of the witnesses as to whether there would be any difficulty in the Government being able to borrow the money required for the expropriation of the railways at a low rate of interest. I may mention that some eight months ago, when it was clearly foreseen that there would be difficulties to follow a high tariff, a cable was despatched from London by a syndicate to the Government offering the requisite sum for the expropriation of the railways.

This offer on the part of the syndicate was made because they fully realised the importance of the Government acquiring the railway, and I feel certain that if the hon. the Volksraad decide during this session to take over the various lines, it would give great satisfaction not only to the people of this country but to every person in Europe having an interest in the Republic. I can also assure the Commission that, under these circumstances, the money would be forthcoming at a very low rate of interest. I need hardly say that the effect of so wise a measure would be such that it would place the financial position of the Republic on a most solid and favourable footing. It would be the means of restoring confidence in this country throughout the whole world. It would have a most marvellous effect upon the trade of the country, as well as upon the mining industry. It would bring about a revulsion of feeling in favour of this Republic which would be far-reaching in its effects, not only commercially and industrially, but politically as well. I know, of course, that the Government will have to give one year's notice, in accordance with the terms of the railway concession, but as long as that notice is given it would be sufficient to make the public understand that the Government really intended to expropriate, and we would, of course, expect that the Government would exercise its power to afford relief by the substantial reduction of the general tariff during the year's notice.

I now come to the question of dynamite. I think, gentlemen, you must be aware that the Dynamite Concession has proved a great irritant from the very day it was granted by the Government. I do not myself believe that the Government fully

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realised the danger connected with the granting of such a concession, or the disadvantages it was calculated to impose upon the profitable working of the mines. When the concession was first granted I publicly addressed the mining industry on the subject, and I distinctly remember pointing out the evils that would follow a concession of such a nature. What I then said has been fulfilled to the very letter, and so long as this concession remains it will continue to be a cause of dissatisfaction to the mining community. To all business men it is incomprehensible that a burden of this nature should be placed upon the mines; that a company should have the right to send dynamite to this country at a fixed price; that we should be forced to take it at that price when dynamite is offered to us at a far lower rate; and when it has become absolutely necessary that every nerve should be strained to make the industry profitable, and to keep the mines in working order. The concessionaires have not fulfilled their conditions; they have not built a factory, and although they have had 2½ years extended to them, still that factory will not be built. We are, therefore, forced to pay £2 5s. per case more for dynamite than what we could purchase it for from other sources. What makes the matter more unintelligible is the fact that out of this heavy pecuniary burden which we have to endure, the Government only derive a profit of 5s. a case, and the rest goes into the pockets of the concessionaires, which they complacently appropriate, whilst we are slaving to overcome the formidable difficulties which present themselves in all our mining operations. Dynamite, as you are aware, is one of the most requisite, as well as one of the most expensive items in mining. The figures which have been submitted to you show that its proportion of the cost of working the mines is 2s. 11d. per ton. You will fully understand, therefore, that if we could have our dynamite at 45s. a case we would save 1s. 4d. per ton. This amount, in addition to the 1s. per ton on coal, comes to 2s. 4d. per ton of ore crushed. There should also be a general reduction of the railway tariff, so as to enable all mining material, merchandise, and stores to be brought to Johannesburg at less cost, and thus bring down the cost of living.

cessive cost of
dynamite.

General reduction
of railway
tariff required.

Reduction of
taxation.

I think you must be convinced by this time that every effort should be made by the Legislature of the country to reduce taxation in every direction for the purpose of keeping the mines in full operation. The mining industry, as you are aware, is the backbone of the whole financial fabric of the South African Republic. In discussing this matter with certain interested parties at Pretoria, I reminded them that the taxation of this country was like a horizontal weight representing five millions sterling of revenue which the Government were receiving by taxation of the mining industry and commercial undertakings, as well as all surrounding interests. I demonstrated that that weight of five millions was held up by a certain number of pillars, each of these pillars being a gold mine. Many of these pillars were giving way, the mines were shutting down, and the whole superstructure was weakening. I pointed out that the remaining pillars would not be strong enough to carry that weight of five millions, and the result would be that the whole fabric would topple over, with a terrible financial disaster to the entire State.

Mines must all
be kept work-
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I cannot too strongly impress upon you how imperative it is that we should endeavour to keep all the mines at work. By doing so we shall retain in this country a large population, whose wants must be satisfied. Trade developments must inevitably follow, and thus there will be brought into circulation enormous sums of money. The revenue of the country will thereby be augmented, and every burgher of the State will participate in the advantages which will accrue from the increased circulation of cash. From the calculation which I have made, I consider that if we succeed in reducing the cost of working by 5s. per ton, there will be very few mines indeed which will not resume operations, and although some of them may still be

only a slight profit under this reduction, yet there is no mine that would shut down so long as a profit was made. It is only when the revenue falls below the expenditure that mines are compelled by force of circumstances to stop operations. But you must remember that even those mines working at a cost of from £6,000 to £10,000 per month spend the greater portion of that sum in wages, which is again circulated throughout the country. Another large proportion is expended in stores and other requisites for mining, which are supplied by the commercial element in the State. Therefore the expenditure of money leads to a further inflow of capital, all of which tends to promote other industries and enterprises, which acts in promoting the welfare of the country, and the Government itself derives therefrom a very large revenue.

Now, in connection with the railways, I have shown that a reduction in the railway tariff should be made on coal. Therefore, if the general reduction were made, then the tariff for machinery and stores would also cost the companies less, and this would add a further reduction to the cost per ton. I have shown you what I think is fair to the mining industry, and what we consider we can reasonably ask the Legislature to do for us; but I may mention now that, while I consider it absolutely necessary to secure the reduction of 5s. per ton, which I have referred to, yet the mining community themselves should co-operate in bringing down the costs in working by reducing expenditure.

Now, gentlemen, with regard to the liquor question. The law which the Volksraad passed during the last session is as nearly as possible perfect, but I have to complain greatly of the manner in which the law is administered. Many of my companies have suffered greatly through the illicit and unrestrained supply of strong drink to natives, and I hold in my hand correspondence which has passed between myself and the Government on this matter. I have also here copies of affidavits made by my managers showing conclusively the drawbacks we have to encounter in consequence of the manner in which the Liquor Law is set at defiance. The beneficial effects of the law, as it was first promulgated, cannot be overrated, but, as the administration becomes lax, the sale of liquor increases, and the evil effects are immediately felt by the industry. This is a matter of most serious moment, and the documents which I now submit will enable you to realise the loss which the companies must sustain under the circumstances.

The Pass Law is another subject which I consider it my duty to bring before your notice, as requiring immediate attention. The provisions of this law are not observed, and in many instances the companies have been placed in very difficult circumstances on account of the faulty administration of this law. I may mention an instance that occurred the other day on the Langlaagte Estate. No less than 270 natives packed up their goods and chattels one morning and said they were leaving for home. The compound manager told them that their period of service had not expired, and they could not leave. However, they went off, and they were followed. Some police were met by the officials of the company, but they were too few to take so large a gang of natives in charge; but the boys were persuaded to go to the Charge Office, when a charge of desertion was lodged against them. While this was being done, the compound manager states that one of the pass officers said the boys could not be charged, and it would cost the companies £5 a head for having taken such measures. The result was that we lost three days' work of these boys, as well as the services of the company's officials for the same period, owing to their having to wait about the court to give their evidence. The case was decided in favour of the Langlaagte Company, but at the same time a serious loss was sustained, especially as it must be borne in mind, that mining and milling operations should be carried on with regularity and without stoppages. It is such occurrences as these which cause not only annoyance but heavy loss to the industry. It is therefore a matter for the consideration of

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this Commission, as to whether prompt steps should not be taken to place the administration of the Pass Law on a proper footing. I may mention also that, out of the boys engaged at the Langlaagte Estate since the Pass Law has been in operation, a large number of desertions have taken place, of which large number not one boy has been recovered. It has cost the Langlaagte Company, since the law was promulgated, £11,839, boys costing 55s. to 65s. each, out of which the company had to recover £1 from each boy for railway fare, but on account of the numerous desertions, only £517 has been recovered, instead of about £4,000, leaving an absolute loss of about £3,500 on the railway fare alone to bring these boys here. You will thus realise the enormous amount of money all the companies must expend in bringing labour to the mines; and you will further realise what a serious loss it is to the companies when boys can desert with impunity, after their employers have expended such enormous sums to bring them from great distances to work here.

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The gold thefts' question is also one of great importance, and should certainly be dealt with by the Legislature during the present session. I would suggest that a Protection Board be appointed, consisting of five members, some of whom should be Government nominees, and the others members of the mining industry. This board would adopt somewhat the same system as is adopted by the Diamond Protection Board in Griqualand West. From its members the detective department would receive every assistance and advice in carrying on their work; and the mining companies would also be in a position to engage directly with the Board on any matter connected with gold thefts or suspicious characters. If this Board were properly constituted, it would be of great assistance in tracing stolen amalgam, and in suggesting methods to the detective department for carrying out a proper system of prevention and detection of theft. I feel sure if this board were established we should be able to put a stop to a great deal of the stealing of amalgam and gold.

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In considering the reduction of the railway tariff, and also the extreme advisability of dealing with the dynamite concession, I would like to mention that it is also necessary to consider the whole incidence of taxation. Customs duties should, therefore, receive close attention, and abatements made without delay. What should be urgently remembered at the present moment is that the cost of living should be reduced as much as possible. A very large amount of money is absorbed in the payment of wages, which is one of the largest items that has to be met by companies. I need not enlarge upon this matter, because I feel sure that the intelligence of the Commission will enable the members clearly to see the bearing it has on the work of the mines, and I am equally convinced that they will do their utmost to cheapen the cost of living, so as to secure the objects to which I have referred.

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In conclusion, I would like to say that, as the Commission has been appointed to enquire into the grievances of the Witwatersrand community, and also to make suggestions as to how reforms can best be brought about, I would take the liberty of referring to what I consider a very essential element in the establishment of a better state of feeling, and in relieving the unrest which is doing so much harm not only to this Republic but throughout the whole of South Africa. I venture to touch on this subject because I know that during the four months I have been here it has been the most important factor in keeping that unrest alive, and in stirring up the objectionable racial feeling which is working so much evil in our midst. It is my earnest desire to enlist the sympathy and gain the assistance of the Commission in carrying out the views which I beg to lay before you. What I wish to impress upon the Commission is that we should do something to bring the Government, the Legislature, and the people of this country into closer and more harmonious contact. I may mention that I have already expressed a desire to His Honour the President, that he, as well

members of the Executive, should visit Johannesburg with the object of meeting the people and establishing a more friendly feeling between the different races. The community of the Witwatersrand numbers about 120,000 people, who, therefore, form a very important element in the population of this country, and it is my heartfelt desire that the Commission should use its influence with His Honour the President, members of the Executive and the Legislature to visit the goldfields, so that the mining community may have an opportunity of illustrating to the Government the actual position of affairs. I feel confident that unless we destroy the barriers which have more or less separated the people from the Government, a feeling of unrest and discontent will continue, and will keep alive an undesirable agitation, not only in the Republic, but in the whole of South Africa as well as in Europe. I may say that Witwatersrand is the defective spot, and from this spot all the discontent radiates, gathers in strength, and brings about those strained relations which are retarding the progress of the the whole country. Apart, therefore, from the practical good results which we expect to obtain from the investigations now being made by the Commission, we anticipate that their power and good services could not be utilised in a nobler work than the bringing about a feeling of friendship and unity between the Government and those that are governed. I am sure that the people on the Rand would be glad to meet His Honour and the Executive, and members of the Legislature, and so establish a bond with the object of working together in harmony for the good of the State; the feeling of disquietude would die away, and we should find every section of the population striving their utmost to advance the prosperity of the country. The good effect would not be confined to the Transvaal, but would extend throughout South Africa. It would indeed be a most pleasing result to investors in Europe if confidence could again be restored, and there could be brought back to this country a permanent peace, with all its attendant blessings. I may refer to the monster petition which has only quite recently been brought out, but which has already been very numerously signed. The signatories are most sincere in their desire to create unity and work hand in hand with the Government, the great aim and object of all right-thinking men being to foster and develop the great resources of the South African Republic.

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Mr. de Beer.

You have mentioned that in the beginning of this year a syndicate approached the Government for the purpose of advancing the necessary money for expropriating the railway?—Yes.

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At what rate of interest?—It was about eight months ago, and I cannot for the moment give you the exact rate of interest which was intimated to the Government. I think the chairman of the Commission will bear me out in my statement, because it was submitted to the Executive.

You say it is not likely that the dynamite factory will be built. What reason have you for saying so?—I mean it will not be built within the time.

Dynamite
tory.

When you refer to dynamite here, what class do you refer to—the usual No. 1 standard?—Yes, of the same character and strength as is in use now.

Dynamite.

Is that number the standard?—Yes; equal in strength to what we get now.

Are you of opinion that if the working costs are reduced by 5s. per ton most of the mines would start working again?—Yes.

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With a profit?—Yes, with a profit.

Do you know any other open reefs that have not been worked which could be worked if working costs were reduced by 5s. per ton?—You mean reef that has not been touched. I cannot remember for the moment if there is any such ground, but mines which are now shut down would be re-opened.

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ing costs.

We have been told by a previous witness that the labour question has been very much improved within the last few years. Mr. Johns, the chairman of the Association of Mine Managers, and who is a man of great experience in the gold-fields here, has declared that his working expenses in the mine are now 46 per cent. less than in 1892?—I am not quite sure about that.

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In any case you will admit that the conditions are now better and more favourable than formerly for working expenses?—Yes, as far as machinery is concerned; but our labour is still a very serious item indeed.

Here we have got the evidence of a practical miner, who says that the labour of four years ago has now reached a higher degree of efficiency, and that they can work so much cheaper now than then?—In what respect?

That is what I wish to elicit from you?—We may have more skilled labour. But in what respect is the question put? Does it refer to skilled labour or expenditure. If it is to skilled labour it is better.

Can you not admit that the condition under which the work is now done is better than within the last two years?—Well, I can't say that so far as my companies are concerned.

For instance, machinery has reached a higher degree of perfection, and is more efficient?—Yes, there have been improvements in machinery.

Labour of all kinds is very easily procurable?—Yes.

Now that labour forms about 50 per cent. of the average working expenses of the mines, and that machinery has reduced the cost of labour, and also that companies have taken to sorting ore, don't you think, taking all these circumstances into consideration, that the conditions are better than they were three years ago?—With some mines, yes. Sorting is a good principle on some mines, but on the Langlaagte it is not so.

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it depression

To what do you ascribe the alleged depression?—Do you mean as regards shutting down?

No. To what do you ascribe the present depression?—To the cost of working and, unless we can reduce the expenditure, many of these mines that have shut down will remain shut down, but others will shut down. That is why I have said in the statement before you, that we must reduce the costs of working by 5s. per ton. Still the companies must also do their share to bring down the costs of working to 5s. per ton. If we can get that, many of the companies that are working now, and perhaps just keeping a balance with regard to revenue and expenditure, will be able to make a slight profit. If these companies continue their operations, others that have been shut down will, when the working cost is reduced by 5s. per ton, come into operation again.

Those same conditions prevailed three years ago, yet there was no depression. You must remember that mining is deeper now, and of course the cost of working increases as you go down. Our labour question was not such a serious one in those days, and I think labour is much higher than three years ago.

Is it not really the cause of the closing down of some mines that they have come to the end of their tether, so far as money is concerned, that they have got no further capital?—Of course, many mines have been re-constructed. Unless we reduce the cost of working, some more mines will shut down.

Mr. Smit.

There are no other reasons for the expropriation than those already stated to you?—The general burden of expenditure.

How many companies have you floated here on the gold fields?—Langlaagte Estate, that is the only one of the companies that I floated myself. When I speak of the Langlaagte, I mean Robinson and Langlaagte, in conjunction with the Randfontein Estate.

Do any companies which you floated not pay, or have they been shut down?—The Langlaagte mine will by no means be shut down, and I am making myself great efforts to reduce expenditure. I am talking of Randfontein and also Block B at present.

Of your companies none have been shut down?—No, none have been shut down, with the exception of one company on Randfontein. On account of the drinking of kaffirs we have been obliged to shut down. It will be re-opened.

Are there any grounds you originally floated into a syndicate or company not developed yet—lying unprospected?—No. There are some grounds prospected and ready for flotation.

The Robinson mine has a capital of 2½ millions?—3½ millions.

The property of the Robinson Company simply consists of mining claims?—I have no further interest in the Robinson Company.

You are aware that some mines have closed down on the Rand on account of the depression?—Yes.

How do you account for it that some of the mines have closed down and expenses are exorbitant, and still the output for the last two months has been fairly progressive—better than ever before?—The mines that are productive, and in active working, have, in some instances, increased their machinery, and some new mines have also been opened.

Mr. Joubert.

Mr. Joubert remarked that Mr. Robinson had given important evidence in regard to a great number of points, and he would like to have an opportunity of considering the evidence and asking questions afterwards.

Mr. Hugo.

Do you think if the reductions now asked for are brought about, the influx of capital will come again, which is checked now for the present?—Yes, certainly.

If there is 5s. per ton reduction?—It will restore confidence over the whole world, and will make a marvellous change in this country.

You say Government can borrow money at a low rate of interest to expropriate the railway. What do you think it could be borrowed at now?—That is a question one cannot very well answer here; but I am sure, more especially if it is known that the Government wanted to take over the railway, they could get it at a very low rate of interest.

You think this reduction of 5s. per ton will enable low-grade mines to be worked payably?—The majority, I don't say all, would be able to work. A great many would work with 5s. reduction per ton of ore. To give you an instance. Langlaagte costs 17s. 3d. per ton. That includes milling, mining, and all office expenditure.

Is it working at that now?—It is working at that now. If we get 5s. per ton reduction it would make it 12s. per ton.

But that would be exceptional?—Well, Block B Langlaagte works at 20s. per ton all told. If we could bring it down by 5s., to 15s., it would be a very valuable property. That applies to other companies on the Rand. I reckon, if the Government give 3s. out of the 5s., the companies ought to find the other 2s.

Other witnesses have stated they would be satisfied if the Government could only bring about a reduction of about 2s. per ton?—Yes; of course one must accept the statements made. I have gone into calculations very carefully, and if we could get coal and dynamite brought down 3s., and the companies also reduced the expenses 2s.—they might reduce 2s. 3d.—there is no doubt that between both the companies and the Government a reduction of 5s. could be made. I adhere to my statement that that reduction would bring about a marvellous change in this country, confidence would come back in great force, there would be a great inflow of capital, and all the depression we now see would be swept away. I consider greater prosperity would come back to the State than ever we had before.

Chairman.

I see you urge the expropriation of the railway, but it is quite possible to get the company to make the necessary reductions without expropriation, and then you could have nothing to complain of—would not that be equally beneficial?—If you will just follow me I will explain why I suggest expropriation. I consider the company in the hands of the Government would be a very valuable asset; not only a valuable asset, but it would give a marvellous standing to the whole position of the State.

Supposing the Government expropriated, would the mere fact of expropriation, without going into the question of reducing the rates, materially influence matters as regards the outside world?—Certainly, of course, one would naturally expect if the railway were in the hands of the Government, the Government would then have the power to regulate the traffic to meet the requirements of the industry.

Of course the tariff would have to be regulated according to revenue and expenditure, and taking also into consideration the prime cost to the Government?—The railway, of course, in the hands of the Government, would be a powerful lever to bring about great changes in this country; it would have a very far-reaching effect, and would have a marvellous effect on the prosperity of the country. I look upon the railway as the moving lever to the whole prosperity of the State.

Formerly the Cape Colony had a railway, and that railway could not have made the Cape Colony what it is to-day but for the transit carriage to the Transvaal.—Exactly, and that is why I want the Government to have equal advantages with the adjoining States, and then they could get the reduction on the Cape lines and Natal lines. The enormous dividend which the Cape line has made is mostly on account of the great traffic to this Republic.

Of course the question of expropriation is not a matter that falls within the province of this Commission; that will be dealt with by the Government.—Of course, I am only putting facts before the Commission.

We must simply confine ourselves to the point of the reduction of taxes; that is the point that comes within the province of this Commission; and to see whether the Government can get for the companies such reductions in tariffs as will meet their requirements; and then, if that can be done, and if the Government can agree with the Railway Company to give the gold mining companies such reductions as they require, the expropriation of railways won't matter so much.—I take a more comprehensive view. If you were to expropriate the railway, the Government could obtain such reduction, that it stands to reason that it would be of great advantage to the industry and the whole State.

As regards dynamite—other witnesses have complained about the expense of dynamite, and I will take it for granted that dynamite can be delivered here cheaper, but no proof has been submitted to the Commission to show that, supposing the concession were cancelled to-day, the industry would be enabled to get dynamite landed here

cheaper.—There is proof, Mr. Chairman, that we were offered dynamite at a very much less rate than what we are paying.

That has been stated, but I would like proof positive of it.—Has not that been placed before the Commission?

No.—The question has not been put before us in that form. All we know is that we were offered dynamite at a certain price which is considerably less than what we pay for it.

It would be very important if the Commission could obtain proof on that point before the close of the evidence.—That we would be able to obtain dynamite cheaper in the event of this concession being cancelled?

Not that; that you get a firm offering to deliver dynamite cheaper in Johannesburg. The Commission would like you to submit a proposal for a draft contract, made by some responsible contractor, by which he agrees to deliver to the industry a given quantity at a certain price.—I suppose that can be done.

You say in your evidence that confidence has been shaken, and that it will be more or less restored if the President, and Executive, and Members of the Raad were to pay a visit to Johannesburg. I want to know do you mean that confidence has been shaken on account of his absence?—More or less, since the unfortunate occurrences that took place here. I think myself, if the President and Members of the Raad, now, whilst they are in session, were induced to come over here and meet the people here, and the President was to address them publicly, as the head of the State, and exchange sentiments with them, it would have a very good effect. We want to see the head of the Government here.

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That is not yet proof to me that confidence in the gold fields has been shaken because the President has not been here.—I am not speaking of any proof. I say, if you want to bring about confidence, there must be a certain unanimity. There is a certain feeling which is known throughout the world to exist, and that feeling must be toned down; and if the President was to come here and address the people it would have a marvellous effect in restoring confidence. I suggest that the Commission should use their kindly offices to bring that about.

You will agree with me that after the unfortunate occurrences you refer to, the Government, even more than before, were always ready to meet the industry where possible?—But the world does not know that.

It is quite enough as long as the gold fields know it and find it out.—That could be demonstrated by the action of the President mingling with the people and talking to them.

I know that the President would not be unwilling to come here, but you must agree with me that things have happened here formerly which would keep the President away. I do not know that from this side proof has been given that he might not have the same experience again.—No, I am sure he won't.

You are convinced. You can hardly be sure?—As far as I know, from those I have spoken to, I am sure of it.

Witness said he would like to say that, when that morning he had been asked which of the mines he was connected with were closed down he had mentioned one, but also the Langlaagte Star was closed down for the purposes of development.

Langlaagte
mine.

You stated this morning that if the railway rates are lowered, the price of dynamite lowered, import duties lowered, a general reduction in the cost of everything will take place; you even went so far as to say that you thought expropriation of the railway was necessary, and that then the railway will truly be a benefit to the public. Other witnesses have stated other burdens which are pressing on the mines, and other taxes which might be reduced. How do you propose to remedy the loss in revenue

which will ensue if these reductions should be made?—In the first place, I suggest that the Government, as far as public works are concerned, should raise a loan, and that would relieve the revenue considerably. At the present moment we are paying for all these public works out of the revenue of the country, and I dare say the Commission are well aware that if the Government would take up a loan to deal with public works, the expenditure would be considerably lightened—we would be in a far better position. Apart from that consideration, I maintain that if the mines could be kept in working order, as set forth in the statement which I placed before you this morning, there would be a very great expansion of trade, and you would find that the revenue of the country would increase in proportion.

Admitting that if the Government were to undertake any important public permanent works money should be borrowed, how about general management and administration. I will make it plainer. The main object of getting a reduction in everything is to make payable these mines which at present do not pay or hardly pay; as against that there are mines which, under present conditions, pay handsomely, and yield very large dividends—say the Ferreira, which pays 270 per cent. I want you to make a suggestion by which these richer mines should be taxed in proportion to what the poorer mines would be relieved by taxation. Read this article from *Machinery*:—“To compensate for the remission of taxation on necessaries of life, and loss of revenue from the railway expropriation, we would suggest a duty on all the gold won from the mines, say five shillings an ounce. This would bring in approximately £750,000 per annum, as we estimate the output for 1897, with careful management, will be equal to 3,000,000 ozs. It may be argued that to tax the gold won is taxing the industry more than ever. This may appear so at first sight, but it is a right principle to tax the finished article, not the raw materials: the taxation at the present time is borne by the producers of the gold, in the shape of heavy railway rates and dear labour, etc. In taxing the gold won the consumer will pay the tax, and as the world at large is the consumer in this case, it follows that a great portion of our taxation would be borne by the population diffused over the whole world. Therefore, although the mining companies producing the gold would pay the tax in the first place (while the companies not producing would pay no tax at all), they would recover it by charging 5s. per ounce extra to the consumers, and the consumers could not refuse to pay this extra charge, because they must have the gold.” What is your opinion of that?—Well, I don't agree with the article.

In which way do you differ from that article?—Because I maintain the position would be worse if this principle was carried out. If you impose a tax upon gold it will have a disastrous effect throughout the world. It is a very typical problem that the Chairman has just now propounded. I don't see how you can make any distinction. If richer companies possess rich ground—the Ferreira or Robinson for instance—it is a fortunate circumstance which attended that particular holding belonging to shareholders, and we cannot take away from their profits and handicap them to feed the poorer mines. The same principle applies to rich and poor.

I still think that, supposing this reduction were made, it would benefit the richer mines more than the poorer mines, and that, therefore, to be quite fair and just, in taxation, a tax on the richer mines should be proportionately heavier compared with the tax on the earnings of the poorer mines.—I maintain, Mr. Chairman, that a course of imposing further taxation would have a very disastrous effect. I am quite sure that if such a course is pursued, and you make that suggestion to the Government and it was acted upon, then instead of the work of this Commission being a blessing to the mining industry and the whole of the community, it will have the opposite effect.

I want to try and evenly balance taxation.—I have suggested that if this idea, which no doubt you have thought over, that the dynamite and railway can be arranged and a public works fund provided for them, so that the revenue of the country was not burdened with that serious item, I feel confident, in my own mind, instead of the revenue decreasing, it would increase, and the Government would have no difficulty in balancing its budget.

How is it there are very few complaints from the mercantile community? A merchant, if he sells £1,000 worth of goods, is taxed on that amount; if he sells £10,000 he is taxed on that sum. Now, then, if you produce an ounce of gold, it is proposed that you should be taxed on that, and if 10,000 ounces taxed on that. Comparing the merchant with the gold producer, where is the unfairness of the suggested taxation?—It would be very unsound legislation indeed. If you begin to tax your gold in this country a more suicidal measure it is impossible to conceive.

These questions are only put to elicit your opinions, of course, and due weight will be given at the time the report is drawn up. It is not suggested to make this alteration; the question is put to elicit the fullest information possible. You and several other witnesses have stated that white labour is one of the chief items in the working expenses of the mines. Supposing you can effect a saving in the wages of the whites as well as the blacks, don't you think you will have a falling off in white labour?—No; we must consider the conditions here. In the first instance, they are desirous that the Government should lessen taxation so that living will be cheaper, and of course the reduction of wages follows.

I understand that last week you introduced a reduction of wages on your mines? —On some of them.

How do you reconcile your being able to effect that saving in face of the statement of several witnesses that it would not be possible to reduce the wage of the white miner until reductions have taken place?—I cannot answer what other men are influenced by. It is impossible to say. I have made that reduction on my mines and they are working to-day.

The effect of your having been able to successfully reduce white labour wages seems to speak directly against some of the evidence which has been submitted to the Commission, where they state it would be absolutely impossible under present conditions to reduce white wages. Facts like these speak.—Yes, I have read the statements.

Mr. Joubert.

In the beginning of your statement you say you have got hopes that the labours of the Commission will be fruitful of much good for the industry. Do you think that is the general opinion of the public in Europe and the mining industry?—Yes.

Therefore you attribute the present depression greatly to a misunderstanding?—No, but it is a drawback when there is no confidence in the people.

Do you think the impartial dealings of this Commission will be able to remove such misunderstandings, or can you suggest any other way out of the difficulty?—I think the impartial action of the Commission up to now has inspired great confidence, not only here but in Europe as well. I have cables to that effect.

You think if the Commission continues in the same spirit as it started much of the feeling will be removed?—Yes.

Do you think it will be in the interest, not only of the gold industry, but also the general population of the republic, if the railway be expropriated?—Yes.

Can you adduce any argument in support of your opinion? Of course the decision on that point will remain with the Volksraad. I should like to hear your arguments in favour of expropriation as one of the public at large, also your economic

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reasons as a financier, with a view to showing how it will benefit the public as a whole?—I stated this morning that if the Government expropriated the railway that that would be the groundwork of a very strong financial position of the South African Republic. This railway in the hands of the Government immediately becomes a very valuable asset. I said this morning that the railway is the moving lever of this State's prosperity. If the railway belonged to the Government of this country they would have power to regulate its working and tariff to meet the requirements of the whole country. The advantages would not be confined only to the mining industry, but every inhabitant of the State would derive the advantages which would accrue to the country under these circumstances. That, I think, every person who follows events as they stand at the present moment in this country would grasp without the least difficulty. The very moral effect of it being announced that the railway belonged to the Government would be marvellous throughout the world, the financial position of the State would become much stronger and the confidence in the State would increase. And I mean to say not only that, but it would lead to a further inflow of capital into this country. When capital is brought into the country it is not circulated only among a certain section or body, but every inhabitant of that country participates, more or less, in the circulation of that money. I consider it would be a very wise policy indeed—a policy so far-reaching in its effects that none of us seated at this table to-day can possibly conceive the marvellous results that would follow the expropriation of the railway once it had become a Government asset.

So you are of opinion that the heavy taxes do not only press on the industry alone, but also on the mercantile community, agriculturists, and in fact everybody?—Exactly.

And then you are of opinion that in case the Government could have the entire control of the railways, they would have it in their own hands to remedy this?—Materially.

And that is your reason for saying that you think the Government ought to take it over?—I think so.

In favour of everybody in the republic, not only for the gold industry?—Yes, for the whole country.

But supposing the Government can get the Railway Company to make all the required reductions, would not that meet your purpose just as well?—I am taking, I said this morning, a more comprehensive view. I know what a great effect it would have if the State acquired that railway, as far as the industry is concerned, but I dare say, trade generally, if those reductions were made which we are desirous should be made and the State would also benefit. But I maintain not to that extent as if the State expropriated the railway, and the State owned it as a property.

If the State takes it over, of course it takes it over with all its burdens and responsibilities?—Yes.

Would the mining industry in any way be prepared, do you think, to assist the Government in getting the required capital at a reasonable rate?—Oh, yes.

Now we get to dynamite. Do you not think it is desirable that the Government of the republic should have its own manufactory of dynamite in its own country?—Well, I would certainly have no objection to the Government having it, but then I would like to have dynamite at a certain price and of a certain quality.

Is it possible that, with the co-operation of the industry, the Government can devise means by which dynamite can be manufactured in this country, so as to be delivered here as cheaply as that exported. Is it feasible?—Well, I am in doubt about that.

What would be the objection. Why could you not make dynamite to deliver here to the mines as cheaply as to import it?—I don't think you could make it as cheaply here.

You will agree, of course, that every man, and every company, and every State, wishes to be as independent as possible from importation from outside. If a factory could be started here which can produce dynamite as cheaply, or nearly as cheap, as you can import it, it would be a desirable thing?—Certainly.

And don't you think it would be the duty of the industry to assist the Government as much as possible towards attaining that object?—I am certain the mining industry would not hesitate for one moment.

Is there no possibility of establishing a dynamite factory in this country which could manufacture dynamite at a cost nearly equal, or lower in cost, than imported dynamite?—I am in doubt about it, but still, if a position of that kind is to be considered, I am quite sure the representatives of the mining industry will only be too glad to meet the Government on the subject.

I am not going on the present basis at all. Do away with the present contract; then, could not a scheme be devised in which a dynamite factory can be started in this country, under Government control, and with the assistance of the industry, which will be able to deliver dynamite at about the cost of imported dynamite?—Certainly.

Mr. Hugo.

But do you think there is a chance of establishing such a factory? Is there a possibility of such a factory?—Assuming that dynamite can be manufactured here at something like the price we can import it, I am quite sure there would be no difficulty.

Mr. Joubert.

It is not the intention of the Government in the least to oppress the mines, provided there be co-operation from the side of the mines, and to back up the Government so that they can be as much as possible independent from foreign importation.—Quite right.

Then, of course, you can depend on co-operation in return from the side of the Government.—Certainly.

Is it impossible to have such a factory?—That is the difficulty. I cannot answer that at the moment. If such a thing is feasible there would not be a moment's hesitation.

Within your knowledge, is any dynamite made in this country out of materials found in this country?—Not so far as I am aware.

Have you anything to say against the quality of the dynamite made here?—No, I think it is fair.

Do you know any mines in other countries?—Not intimately.

Have you heard of so many people ever being killed by a mining explosion at one time as happened here the other day?—Yes, often.

Then, I suppose that is not attributable to the quality of the dynamite?—That is impossible to say.

Now we will get on to the Pass Law. Do you suggest any means by which the Pass Law can be improved, so as to prevent the running away of natives?—The only way is to appoint competent officials to undertake the duties.

Do you know of any special faults or mistakes made by any officials of which complaint can be made?—It seems a very difficult matter. For instance, when the native comes to this country, he has what is called a "reis" pass; then he afterwards gets a district pass; then he gets a monthly pass. The district pass is held by the

employer, and the native has in his own possession the monthly pass. Still, under those circumstances the natives disappear, and it seems an extraordinary thing that they cannot be traced, and that there is no power in the country here to intercept those natives, to stop them, or to deal with them in a manner justifiable under the circumstances.

There is no fault in the law; it is in the administration of the law?—The law is an excellent one. It is a first-class law.

Can you suggest any way to administer the law?—I can suggest ways, but I do not think it would be advisable to mention what is in my mind at the moment, as it hinges on the officials who administer the law at present.

The administration is laid down by the law.—Yes, I mean to say it is the carrying out of the law.

An official is the servant of the public, and, if he should not do his duty, there is a way to complain about it; because it is not only natives of this country, there are officials who don't do their duty everywhere.—Quite right.

You cannot blame the Government. There is no real grievance against the Government. It is really the fault of the people who allow such things to continue without lodging a complaint to the Government.—We don't blame the Government. We approach the Government through this Commission.

I only want to point out to you that some neglect is attributable to the management of the mines. If officials do not do their duty, it is incumbent on the mines to complain of such officials. We will turn to the Liquor Law. That is not carried out properly?—No.

What remedy can you suggest to get it better exercised?—I think a body should be constituted to follow up the lines of the law, and I mean to say it is very easily done. I see in the papers lately that the Government have been appointing Commandant Schutte for the getting of detectives for following that matter exclusively. I think if that idea was followed out we should be able to enforce the provisions of that law pretty well.

Supposing there is any connivance from the side of the mine manager in the transgression of the law?—That would be a very serious offence if a mine manager defeated the object of the law.

Is it not possible?—It is possible, but very improbable.

What is your idea?—Do you not think there is a single mine manager who transgresses the law?—I can only speak of my managers that they don't transgress the law. All I can say is, if a mine manager is not worthy of his position he should certainly be cleared out at once.

It is very difficult to find it out. Now the gold thefts. Don't you think the law on gold thefts is stringent enough?—I suggested that a board should be appointed on the same lines as they have at Kimberley with regard to diamond dealing. The members should consist of Government nominees and members of the mining industry, and I believe if that Board was properly constituted it would be a very great assistance in tracing amalgam thefts on the Rand here. They have the mines in communication with the detectives, and it would lead to the discovery of amalgam thefts. The conditions of this were that when any suspicion existed the mine was directly placed in communication with that Board.

What reduction on import duties can you suggest?—I am not prepared to say what reduction on import duties should be made, but the Commission should consider that a great deal hinges on this in this country. Our object is to cheapen things here as much as possible, and the more we cheapen things, provided we keep up the revenue of the country, I am assured that it would be of great benefit to the whole

the State. It is impossible, off-hand, to say what reduction should be made. It is a question to be gone into very carefully, and all the points have to be considered, and a proper scale has to be marked out before you can say what reduction should be made.

Still you think it is highly necessary for the progress of the mining industry that a reduction should be made?—Yes, certainly.

You see, I ask the question because the people pay these import duties too?—I am not speaking for a reduction for the industry alone; it would benefit the whole State.

Now I am coming to the point; there should be a better understanding between the people and the Government. I quite agree with that; there should be more fraternising, more closer union?—I am glad to hear it.

I want to hear first from you, what are the people here prepared to do, and what do they expect from the Government, the Executive, and the Volksraad in order to bring about that fraternising?—All I want is the Commission to use its influence with the President, the Executive, and the Volksraad, that they should come over to Johannesburg and that we should shake hands all round, and that the President should address the people here, and that the people should have the opportunity of exchanging ideas with the President and the Executive. The moral effect of this upon the world would be simply marvellous. It would show that all our differences had been dropped and that we had come together again as a united people to work hand in hand for the welfare of the State.

That cannot come from the State to the Government?—No. I only throw out that suggestion to the Commission, and if the Commission would see that the President, the Executive, and the Volksraad members would come here we would make the necessary arrangements to receive them.

Before the Commission can undertake to put any such suggestion to the President and the Government, it is their duty to inform the mining industry what the Commission considers to be their duty, and the first duty of the mining industry and the new population is to make friends with the true people of the Republic, and to show that there is no feeling of enmity against them; that they are really in earnest in trying to co-operate with the old population in furthering the interests of the country. Then the people of the country will see that the Government will do their duty by the mining industry. I will be very pleased when the day will break when the new population will join hands with the old one in order to further the common interests of our rich country, and in order to develop our rich gold mines; so that even there will be a living for the poorest man, because the country is good enough. If it is not our fault. If the population will only join hands together, I repeat the country is good enough, and I hope that everything that has passed will be left behind, that from this day co-operation will exist, and that the new population will support the Government, and they will see that the Government are prepared to take their interests to heart, and I feel that I am only expressing the feeling of all members of this Commission, and on that basis we will make our recommendations to the Government. There is another question that occurs in your declaration. What is your idea of the effect of the development of the deep levels? Do you think the deep levels are of such a value that their development will be good for the mining industry? It stands to reason the longer the mines last the greater benefit it will be for the State. Have you got any idea about the payable capacity of the deep levels?—They will be like the outcrop mines.

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What do you think of the Gold Law; as it exists at present does it meet the requirements of the situation?—I think it is a good law.

Gold Law.

Mr. Brakhan.

I see in your statement that you say you consider many of your companies have suffered greatly through the illicit and unrestrained supply of strong drink to natives. Where principally are these canteens situated which have done this harm to the industry?—At Randfontein.

Are some of these canteens situated on mining areas?—Some are situated on stands on claims, and I think all the claims adjoin the mijnpacht.

The law as it was promulgated some time ago provided that no canteen licences shall be permitted on mining areas?—Mr. Langermann, my representative at that time, brought on action before the Court with regard to the decision arrived at by the Licensing Court. The Court gave judgment the other way reversing the decision of the Licensing Board. To show how matters are complicated, there is a licensing case pending the decision of the Court, and the Licensing Board granted these men a licence.

Then you hold that it would be a good thing for the natives that no licences should be issued on mining areas?—Certainly, it would be good for them. Of course, if the industry is unhampered with such drawbacks as the sale of liquor to natives, it stands to reason that the whole State must benefit by it. I certainly say that no licences should be granted on mining areas.

Then you hold that these canteens on mining areas, although they are now only permitted to sell to white people, yet there is a great deal of likelihood that they will also sell liquor to natives?—Oh, yes. The natives are seen carrying any number of bottles of brandy.

You think the argument of the Licensed Victuallers' Association, that these people can only sell to white people, does not hold good?—Certainly. I am sure it does not hold good.

You have given your opinion with regard to the article which appeared in *Machinery*. Now I take it that this article will lead people to believe that the gold produced is really the last product of the company. Now, don't you hold that the last product of a company is the dividend which it pays?—Yes.

Don't you think that if this suggestion would be followed upon, that these poor mines would be very much handicapped in comparison to the rich ones?—In what way?

Because I take it, the poor mines would have to pay the same amount of the production, although their profit is minimum?—Certainly. It is a dangerous policy to introduce such a thing. It will have a very injurious effect if you tax gold.

Don't you think it is much more advisable to introduce a tax on dividends?—I object to that also. I don't say that for any personal reason. But I say this: that if instead of reducing taxation the Commission is going to impose further taxation, I foresee that no good will result. That I say in plain English. The forecast I make to-day is right. You don't want further taxation; you ought to lessen it. The balance of the budget will not be disturbed.

We do not anticipate, if these reductions are made, that in the long run the Government will be on the wrong side with the budget. Yet it may be necessary. They won't be on the wrong side. They want to raise a million to-morrow for public works, and then it is off the revenue of the country. It is easily adjusted. There is no danger of the balance getting on the wrong side.

If it came to a question of whether the gold product or dividends should be taxed, would you not prefer that dividends rather than gold be taxed?—I don't prefer anything of the kind, because I think you are starting a dangerous theory. You

no idea what you are doing. If the outcome of the Commission's work is to tax dividends or gold I should be sorry you have been appointed on the Commission, By that tax you are not going to benefit this country. You should wait until circumstances arise before you raise this question. You should not start this question at a moment like this. You should see whether you can reduce taxation, and how to restore confidence and bring back the prosperity of the country; you should not seek an outlet of this nature. Why, you will completely frighten people at home.

It has been started in the papers, and I want to point out the danger. Yet are there not other countries where they have an income tax?—Yes; but I prefer a country where there is no income tax.

But the question is—if the occasion should arise whether there should be a tax on gold or on income, which would you prefer?—I don't admit either. It is suicidal so far as the industry is concerned.

I don't think we can argue that way, as in well established countries an income tax does exist.—In well established countries you have a great many industries. Here we are dependent entirely upon the industry—the mining industry, which is the backbone of the country. If, as in Germany or England, there were all kinds of industries of their own, of course the position would be different, but here the whole position depends upon the profitable working of the mines, upon inspiring people in Europe with confidence so that they will invest in the country and assist us in developing the resources of this country. If you once begin to tax gold or tax dividends, you will certainly do an immense amount of harm. You will stop that good which we all anticipate will follow the action of this Commission.

I personally hold that it would be better for the welfare of the mining industry, that it should get every possible facility from a reduction of railway rates and other sources. In that case the revenue of the State would be curtailed, and ways and means should be devised to balance the budget. But it should not be a tax on the production of gold if other means can be found.—There should not be a tax on gold or dividends. Other ways can be found.

I have previously referred another witness to a certain point in the Gold Law, namely, where the Gold Law provides that in the case of mijnpachts Government have a right to 2½ per cent. on the gold produced. Do you consider that a good or a bad proposition?—It is a very bad one. I have often discussed that with high officials, and they themselves knew that if they imposed that tax it would have a very bad effect.

Now, the Government not having imposed the tax heretofore, is not that a guarantee that Government is not going to impose a tax on production or dividends, which is likely to be injurious to the industry.—I am quite sure the Government won't do such a thing.

Do you consider that the Gold Law in other respects, say, as regards the tax imposed on claim licences, is reasonable, and not oppressive?—I think so, more especially now they have made the alteration with the Mining Commissioner's department, who have got power, according to the Gold Law, to regulate what amount shall be paid as claim licences and what as prospectors' licences.

You think, then, that diggers' licences should only be asked for on claims actually worked?—That is a matter for consideration. It is a point I have not thought of.

Mr. Smit.

You said this morning, in reply to a question, that you would expect a bigger output when more mines were working?—Yes, in those mines with improved machinery and increased steam power.