

I don't quite understand it. You charge 7s. 7d.?—No.

That is what we pay; who gets it?—The Netherlands get it from the Cape.

If you get it from the Cape, who pays the Cape?—You pay 10s., and out of that the Netherlands gets its share. The charge on timber from Port Elizabeth to Johannesburg is 5s. 3d., and out of that we get 20d. May I say one word with regard to that? 20d. from Mid-Vaal to Johannesburg looks extreme, but it is really a fighting tariff. We get the lion's share, but you must not forget that the expense of hauling a train from Mid-Vaal River to Johannesburg is not higher than the expense in Johannesburg for the station, kazerne, and delivery. I did not like to put it in my declaration, because I might have given the impression it was the tariff I wanted to defend. That is not the tariff, it is our share of the total tariff from the port to Johannesburg.

Who gets the lion's share; I have got the statement of 1896, and it shows an enormous income. I have also got a table of the Cape Government Railway, and it shows an enormous income; it is generally stated you are the stumbling block of the whole of South Africa.—There is a lot of calumny scattered about it.

Income of Netherlands Cape rail

Is it not a fact that at a conference at Maritzburg you and Mr. Hunter, of the Natal Railways, proposed that galvanised iron and flour should be removed from a lower to a higher class, and that the Cape Government, as represented by Mr. Elliott, opposed it?—No; it was an indiscretion on the part of Sir James Sivewright to assert that, and he is plainly answered by Mr. Murray of Natal and Mr. Brounger of the Free State. The question was raised casually at Pietermaritzburg whether it was not possible to do away with that special class, but they thought it better to ignore it, as if the goods in that class were put into a higher class it would make a bad impression. The matter was not even mentioned in the minute.

Railway conference at Maritzburg. Railway rates galvan iron and

There was no definite proposal made?—No.

Then you absolutely deny that you have been the cause of the railway rates not being reduced right through South Africa?—Of course, I absolutely deny it. The Cape has never made a single proposal for the reduction of the tariff. It is only since this Commission has been appointed that Sir James Sivewright, in an unofficial manner moved for a commission to look into railway matters. I have not yet received an invitation to attend such a commission, nor has the Government.

Netherlands Railway not prevent reduction South African railway rates

In other words, there is a good deal of protestation and assumed fighting going on, but there is no earnest desire to see in what way the rates could be reduced?—I don't want to say that. Now that matters have taken this course, conferences will be held to seriously consider the question.

Railway conferences to be held.

The mining industry is in this position. We find that under present circumstances it is impossible to work the majority of our mines at a profit. We have got these burdens—high railway rates, dynamite, and minor legislative measures. We approached the Netherlands Railway and the dynamite people to help us by lessening these burdens. Our feeling is that where a surplus has been obtained during one year of over £1,000,000 in the railway department, a further £2,000,000 have been obtained from us in the Cape Colony, the dynamite people made a profit of £500,000 for more out of us, it is natural we should think these are the spots which we can touch. These various industries can help the big mining industry, which, after all, supports everything. If the Netherlands Railway Company could not be expropriated by the Government, then they would be quite right to make as much as they could, but the Government has the right to expropriate, and has not the Government the right to dictate the tariff to you?—I have never found that in the concession. We have the right to fix the tariffs, and the State has the right of expropriation.

Netherlands Railway has sole right fixing railway rates.

I have always thought if the mining industry and the various other industries in

this country could come more often together and discuss matters, we would be able to settle this difficulty. In the first instance, you take the tariff four or five years ago, when you started your railway, it was based on a very small traffic?—Are you discussing local or otherwise?

When I am speaking about five or six years ago it must be local; but although the traffic has increased enormously you have not seen fit to reduce the tariffs to the same extent at all?—You got a reduction in coal. You call it a small reduction; I don't. It was a reduction of at least 20 per cent.

It was a small reduction, the traffic was very limited in the early days. In your supposition in your declaration about the carriage of coal, would it not be better to reduce the tariff to an average of 18s. 6d. Is it not a fact that you dictate this 7-7d. to the Cape? If the Cape were to reduce their rates would you not immediately raise your rates so that the Cape would not be a competitor of Delagoa Bay and Natal?—I do not know what I would do.

But you have done it?—No.

Sir James Sivewright said in his speech the other day that whatever the Cape reduced their rates by, the mining industry would not benefit by it?—Sir James Sivewright spoke as a prophet and not as a man who quotes facts.

But have you not done it before?—No; there is a Green Book for 1895 which contains the whole of the correspondence on the subject, and since that time there has been no further correspondence on the subject.

Now your line from Komati Poort to Johannesburg in conjunction with the Delagoa Bay line can act, if you so wish it, as a lever upon the Natal and Cape Government lines. What prevents you from reducing these rates considerably in order to make the Cape reduce its rates?—Because our policy is not to exercise leverage, but to act in conjunction with the railways of the Colony and the neighbouring States.

Your sentiments are to bring our goods as cheap as possible?—Why not?

Your actions have not proved it?—Because our motives are higher.

Are these motives higher dividends?—No, they are to keep pace with the railways in South Africa. You must not forget these tariffs have been fixed years before by the Government, when nobody knew of the surplus, such as we had last year or this year.

Just so; that brings me down to the question I put before. These tariffs were fixed some years ago, when the extent of the gold mining industry in the Transvaal was not certain, but for the last two or three years the traffic has increased enormously, and so far we have not seen that you have paid any consideration to this and reduced the rates?—Why should the railway company take the initiative? We always heard, until a short time ago, of the enormous profits of the mining industry and the poorer mines have only been discovered quite recently. Why did not the initiative come from the side of the industry?

I can answer that by saying that the mining industry, or rather the leaders of the mining industry, had found out that the industry—and you must not take one or two mines—was not as rich as we anticipated, and we have also become convinced that our working expenses, compared with those in other countries, are abnormally high, owing to the concessions given by the Government.—If the mining industry discovered that lately, how could you expect the railway company to have found it out?

Past representations of mining industry against Netherlands Rail-way rates.

It is not lately that we have discovered it. We have urged upon the Government, the dynamite people, and the railway, the necessity of reducing tariffs.—Was there was a question about the reduction in coal tariff—a reduction which I consid-

important—was made, do not forget that the reduction in the coal tariff was the result of a conference at which the member for the First Raad for Johannesburg was present, and the coal mining industry was represented, and they were quite satisfied.

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When did this reduction in the coal tariff take place?—1st July, 1896, and it was temporary at the request of the industry.

Since then you have opened your Charlestown and Delagoa Bay lines; of course first we had to see how these lines would work, but when they had a large margin of profit we expected you would reduce your rates.—We do not go on the question of sentiment, but on business.

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I have no sentiment in the matter. As I have told you, if the Netherlands Railway Company were a private company with a concession, they would be perfectly right to make as much profit as possible, but the industry looks to the Government for protection, and if the Railway Company is stubborn, and says we won't reduce the rates, then we are perfectly justified in requesting the Government to nationalise the railway, in order that we should get cheaper rates.—I don't dispute your right to ask it.

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I am not bringing sentiment into the question. I simply appeal to the Government, and say that the Netherlands Company are making this enormous profit, and won't reduce their rates; and the mining industry finds this burden too heavy. There have been many deep levels which have stopped work for want of funds, and from the fact that capitalists say they will not put another 6d. until the conditions on the fields are such as to make our work profitable, we do not want to work for the railway or the dynamite people. It is a matter of dire necessity that something must be done. The mining industry has to do its portion, and everybody else has to do their portion. I am surprised in your very able statement to find you draw a comparison between the Beira Railway and the Netherlands Railway in the matter of tariffs. Do you not think this railway will reduce its rates 50 and 75 per cent. when the traffic justifies it?—I do not indulge in prophecies.

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I will make a bet they will reduce them 60 per cent.

Witness said that when an industry was in its infancy, imposing killing tariffs was not the way to foster the industry.

It is a matter of opinion, Mr. Middleberg. If I had the administration of this country, I would run cheap railways to develop the country. It might be useful to show you a few comparisons between actual rates in the Transvaal and the maximum rates in Holland, also in England. From Vereeniging to Johannesburg we know it is 52 miles, from Volksrust it is 178 miles, and from Komaati Poort 341 miles. In the Transvaal, for mining machinery, it costs from the port 104s. to bring to Johannesburg; in Holland the maximum rate over the same distance, and on the same kind of goods, the cost is 11s. 3d. In England it is 31s. 8d. On iron and steel in South Africa it is 72s. 2d.; in Holland 11s., thus showing the great discrepancy between the railway rates in England, Holland, and South Africa.—If you will only go one step further, and apply the tariff of Holland and England to our tariff, not only will surplus interest disappear, but the State would have to pay a large sum into the railway.

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I am only showing you the difference. I don't say it can be done.—What leads you to your conclusion?

I will give you the results of the earnings of certain railways. The revenue of the Transvaal is £4,775 per mile.—I cannot contradict it, because I have not the figures.

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I am checking these figures by Mr. Gregson's book.—As regards the railway, that book has incorrect figures as a rule, and has to be taken with the greatest care. If you take our report you can depend upon it.

revenue in the Transvaal, India, and the United Kingdom, £4,775; in Natal, £2,825; in the Cape, £1,810; in India, £685; and in the United Kingdom, £3,844.—Everything is very cheap in Holland, and the circumstances are altogether different.

We must make an allowance for these things. I want to show you the enormously high rate charged here. Do you think it is necessary for the Commission to point that out to you—that your rates are very high?—I don't want to show the percentage. I want to show the surplus of profit, and that is the only sum which can be taken into account in a reduction of tariffs.

You say the Government gets 85 per cent. of the profits.—The Government and the Company together get a certain amount of surplus, and that is the basis on which you must go if you want to reduce the tariff.

That is quite so. But the Government get 85 per cent. You say the railway company shows a comparatively small income.—I refer to the amount of surplus that is available for the reduction of rates.

But if the Government expropriate the railway?—They would have the same surplus as now.

Supposing the Government expropriate the railway, and paid you out?—Then the Government, unless wages are reduced, and they find material cheaper, cannot earn more than we are earning.

If the Government were to expropriate and issue debentures at 6 per cent., this would mean £435,000 interest on the working expenses for 1896, which were £1,237,000.—That is not correct.

In 1895, the total expense on the revenue was 43 per cent.; in 1894 it was 48 per cent. Is that correct?—I don't know for 1894, but for 1895 it is correct.

Very well, then, your revenue has increased, but your expenditure does not increase in proportion, so we can take 40 per cent.—From the figures here, I cannot say the exact amount of working expenses; but you have got the sum of £890,000 as surplus.

You see, it is somewhat difficult for me, as you have one set of figures and I have another. I base my figures on the expropriation of the railway by seeing how much the profit would be for last year. You have not got your figures, which is an unfortunate thing. With regard to the collection of customs at Delagoa Bay; does this amount go into the railway revenue? I understand that, according to the concession you have got the right to charge 5 per cent. commission for collecting, and that the whole amount you collect goes as income to the railway?—Yes.

Eighty-five per cent. goes to the Government. You take out your reserve fund and you pay your shareholders a proportionate profit. It is not in the concession, or arrangement with the Government, that you should collect customs dues at Komati and then charge 5 per cent. for collection fees. You simply take this as railway revenue?—I will read you the article in the concession.

Yes, please.—This is the portion of article 17: "Import, export, and transit duties on the Portuguese boundary, due for all goods transported by railway, including coal, are collected by and on behalf of the concessionaire, according to rules and regulations to be fixed in conjunction with the Railway Commissioner, or on instructions from the Government."

What instructions were given?—They are exactly the same instructions as are given to other collectors of customs at Komati Poort.

You have an income of £20,000 per month from this source alone?—The first concession was exactly the same as that between the Cape Colony and the Free State. The original concession between the Netherlands and the Government was that of the net profits, 50 per cent., having to go to the Government, and 50 per cent. to the company. When, in 1886, it became necessary, for financial reasons, to have better

security than the Netherlands guaranteed the State, which at that time was not rich, that the interest should be increased from 50 per cent. to 85 per cent. At that time the collecting of import duty cost about 10 per cent.

You say that you know the cost per ton per mile on the Cape Railway is 1½d. or 2d. May I ask you when that was?—You will find it in the Cape Blue Book for 1892. It was in consequence of the tariff charged by the Cape Colony Government on rails and sleepers. I wanted 1½d. per ton, and the Commissioner told me the cost was 1·07d. Afterwards there was a Parliamentary Committee, and the cost was based by the Committee as 1·07d. as the net cost.

It would have been cheaper to-day.—I have made the statement, and the cost in Cape Colony is not far from 1½d.

Do you make concessions with regard to your railway tariffs to merchants here in the shape of bonuses?—No; at the last conference in Pietermaritzburg we agreed that none of the railway companies should give any privileges for large consignments. The Cape Colony did for the transport of coal up to a short time ago, but it is now abolished. There is no privilege of any kind on our company.

You did not give Lingham privileges, for instance?—In the year 1894 we made a contract with Lingham, and I have often explained the circumstances. We were then about opening the Delagoa Bay line without knowing the attitude of the other railways, and without knowing whether we should get any traffic. Then we assisted Mr. Lingham in the transport of really very large wood consignments for Delagoa Bay. We attained our object, and in March, 1896, that contract lapsed.

Since then he has paid the same rate as anybody else?—There was a lot of privilege to Davies, whose wood the railway companies agreed to take at 40 lbs. the cubic feet instead of 52 lbs. Since then it has been increased to the usual rate. With regard to the Lingham contract, it has been said that the Netherlands Company have paid £60,000 to make the contract null and void. There is not a word of truth in that statement. The bonus got by Mr. Lingham according to contract did not by any means reach that figure, and no sum has been paid in order to cancel the contract. We, in conjunction with the English firm, have found a re-arrangement which has satisfied both parties.

Is it true that the Netherlands Company forces the Cape to keep up transit dues on certain articles?—No; I would not know how to do it. In the Green Book you will find an interchange of telegrams at the beginning of 1894. During negotiations, transit duties were lowered by the Minister of Finance without any communication being made to me, upon which I asked information by telegraph whether such was true. But he must have made a mistake if he was under the impression that I should make any observation on the subject, and so far we have never used any pressure.

You cannot tell us what was the approximate profit on your coal traffic?—I have stated to Mr. de Beer that I cannot give the exact revenue per ton per mile.

Is there any objection to the coal companies having their own trucks?—Under certain cases you might have special wagons, if these are used between two fixed points. I know in England it is not customary to allow special wagons unless between fixed points.

Chairman.

Must I understand, if we agree with the company to make a reduction in the existing tariff, that it would not be desirable to make such reductions until you have had a conference with the other States and Colonies?—If the Government should wish that we should break the amicable relations with the other States, I certainly would not take up politics myself.

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I think it desirable that a conference should be held on that point.—That is my personal conviction.

Mr. Brakhan.

So far, the argument seems to me to be confined to the profit which the Netherlands Railway have been able to make out of the rates ruling from the traffic to the coast. Now, what I want to bring forward is this—that not alone the Netherlands Railway Company, but also the adjoining railways have to cut down their rates, and that, therefore, the benefit would, directly or indirectly, come to the mining industry. In connection with this, I would ask you whether, in case the Netherlands Company were to reduce their rates on the Delagoa line, whether in that case the other railway companies, to maintain the traffic, would also not be compelled to reduce their rates?—Certainly.

Therefore, if the Netherlands Railway Company were to call a conference of the railways in South Africa, and would insist on the rates being reduced, then the Natal and the Cape, which principally come into consideration, would also follow suit. I want to bring this out, and particularly to lay stress on it, that it is not alone the coal rates in which a reduction would benefit the mining industry, but principally the coast rates, because, if we don't have a reduction in rates from the coast, it seems to me almost excluded that any amelioration in the cost of living, not alone in Johannesburg, but in the whole of the Transvaal, would follow. As I have already said, an all round reduction on these coast rates, the amount which will be saved directly by the mining industry, and indirectly again by cheaper living, would accrue through the reduction in the revenue of the adjoining railways. Now, if you will allow me to point out the Cape never asked you to get a reduction, may I ask if the Netherlands asked the Cape or Natal for a reduction?—No; I gave a reason for that just now. There was no reason for it.

I express the opinion generally held, and, if I may be allowed to, give my personal opinion. Of course we know that in the coal rates some reductions have been made, but not on the coast rates, which is after all the material thing. You referred to the rates which are ruling on the section from Viljoen's Drift to Johannesburg as "fighting rates." I should like an explanation why you call these "fighting rates."—When the tariff for the Delagoa line was about to be fixed, we had a conference in Capetown, where a difference in Port Elizabeth and East London rates had been made, and to be secured of a certain guarantee of traffic, for the Delagoa line we wished to have a large difference. The Cape Administration wished the difference to be a very small one, in order to retain the bulk of the traffic from the Cape ports. Then I carried, against the wish of the Cape Administration, that the difference of the freight by Delagoa Bay should be about 15s. per ton, whereas the Cape wished for a much greater sum. If we were to place merit, then we might claim we are the people who made Delagoa Bay rates as light as they are. The Cape Administration then threatened to lower the tariff to such an extent, to come so low that under any circumstances they would have secured half of the traffic; the moment had arrived for us to take up our defence, and what the Cape had never thought, that one of the points of defence would be, and what would compel our share of the traffic from Viljoen's Drift, we established these fighting rates. Don't forget one point that you should not lose at all. The time when these tariffs were in existence there was no reason for creating opposition for us, and we then made them so that Delagoa Bay should secure for Delagoa Bay a fair share of the traffic.

That may be so, but at the same time the general trade of the Transvaal was very much smaller than at the present time. Therefore, when the rates were quite

called for at that time, there is quite room for a material reduction which would yet leave the company such a profit on its capital, and a share of the profit to the Government, which would be about on a par with the railway results at that time, say 2½ years ago.—I have put that in my declaration very plainly.

I only wanted to bring out again that there is certainly room for bringing the rates down to a lower level.—Yes.

Then you brought some examples as regards timber. You mentioned that the rate from Cape ports to Viljoen's Drift, for consumption in the Orange Free State, as higher than those rates paid on the timber traffic to Johannesburg. Now, don't you think that this is quite justified, or more than justified, in so far that the timber traffic from the coast to Johannesburg is infinitely larger than that up to Viljoen's Drift.—That also explains the carriage to Kimberley.

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I take it the Kimberley people themselves will look after this, also that the demands in this respect are not to be compared to Johannesburg.—Don't you forget that there is a great deal of wood used for the mines in Kimberley. Still, for the building of houses, why should people in Bloemfontein pay a higher rate than those in Kimberley?

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Then people in Bloemfontein must bring pressure to bear on their Government, and the people in Cape Colony too. The argument hardly holds good in our case. It is a fact that the Rand here is an enormous customer of the railways in South Africa, and on that account they are entitled to consideration. Now, Mr. Middleberg, you have told us you have not the exact figures with you, but I should like to know, by a kind of calculating from the surplus, and by taking the receipts which you have said this morning were about £2,970,000, how to arrive at the various items which make up the difference. In taking the receipts at £2,970,000 we have to make the following reductions: The interest on bonds and redemptions I take to be £335,500. I put it in this way. Of course it is somewhat a smaller item, and some bonds are not redeemed. The guaranteed interest to shareholders is £66,000, that is 6 per cent. on 11,000,000 florins. That would be a total of £698,750. This, deducted from the £2,970,000, leaves £2,271,250. Now, you mention that the interest on the bonds which were issued for the Natal line—or, I ought to put it differently—for the Natal section, would increase the item to £335,000. Can you tell me about how much that would be?—I don't wish to commit myself to figures, which are at present being printed, and I would not speak from memory.

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In other points you give us figures, but do not give us the basis on which you arrive at them. It is possible for us, in discussing the whole matter, to arrive at a certain conclusion?—You can only compare the figures.

Then you cannot give us the basis on which you arrive at the £800,000 surplus?

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—No.

We can only gather from the figures you submit to us, that the shareholders of the company for the year 1896 received 13½ per cent. ?—I cannot say whether the figures are correct, but it is about that.

I have mentioned it, because I have not had any contradiction so far that the shareholders got 13½ per cent. That means that they got over and above the guaranteed interest of £66,250 another £89,000. The concession provides that one-third surplus which remains after the Government has received its share, shall be divided amongst the employees. That would come to about £44,500. You take then two-thirds for the directors and one-third for the remainder, that is about £15,000 and £30,000. Now I much regret I have not the basis to work, as regards the actual working expenses, because the figures before me, which I submitted to the Commission as evidence, show that if certain reductions took place in the rates, yet the shareholders

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would receive an 8½ per cent. dividend, which anyhow, in my opinion and generally, is considered a very good rate of interest.—If your figures are just and correct, it would be a very agreeable surprise, not alone to us, because that would show me that the figures would be too low and that agreeable surprise would show that the figures would be available to effect reductions, so that I really must express the hope that the figures prove to be correct, though I don't believe they are.

I have since found some inaccuracies so far as the rates in goods and passengers are concerned, as the duty has been included, but taking this into consideration, the figures are improved. But from the figures we now have before us, and which it is to be regretted, are incomplete, it would prove that yet a substantial surplus does exist, and these figures would also prove that the working expenses have not decreased in the ratio of the extension of the traffic, for whilst the proportion of the reduction of the working expenses in 1895 is about 43 per cent., they are most likely more for 1896. Now, as regards the adjoining companies, if, as I hold, the Netherlands Railway calls a railway conference, and declares that they are going to lower their rates on the Delagoa Bay line, in consequence of the matter which has been brought before the Commission and from the Commission to the Government, then the Cape Government as well as the Natal will be compelled to also lower the rates in order to maintain their shares of the traffic. Now is there any agreement between the railway companies which prevents the Netherlands Company taking this step?—There is an agreement with the Natal Government published, and public property; there is an agreement with the Free State Government about an amicable arrangement of the tariff; and further, with the Portuguese Government regulating the shares and the freight; beyond that there is no fixed agreement.

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It would appear that this agreement does not prevent the Netherlands Company from coming forward with these proposals.—A proposal anyone can make, but whether such proposal be accepted is another question. There may be serious and weighty arguments for not accepting the proposal by the other party; I cannot say before the time comes.

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The only reason I can see is that they would want to make an unjustifiable profit out of the traffic to the Rand.—You see the different railway administrations are entirely under the control of the different governments, consequently it is the governments of these different companies and their parliaments to say how far they will co-operate, or what pressure, in the other direction, to this Government they will give.

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It would appear that the Netherlands Railway holds the key in their hands, and if they have the earnest will to help the mining industry here, not alone to maintain a great number of mines which at the present moment everyone knows cannot pay, but also to further the interests of the mining industry—if this desire exists on the part of the Netherlands, the situation can be materially altered. Then I have also read that semi-official declarations have been made in Capetown that, as far as the Cape is concerned, they are anxious to reduce the rates in order not to jeopardise the industry in this part. Therefore, you acknowledge the company could do a great deal in the matter.—If that should be, the Cape Government Railway is a philanthropic institution. There may be another explanation, that they are not satisfied with their share in the traffic. That, reading between the lines, I take to be a threat held out by the Cape Colony in the correspondence which is contained in the agreement, namely, in the declaration by Commissioner Laing.

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That was in 1892.—The end of 1894; a couple of months before the opening of the Delagoa Bay line.

Don't you think the situation has greatly changed since then. At that time it would appear from your remarks that the Cape tried to do everything to stifle the

Netherlands Railway Company on its Delagoa Bay line, but now it has to reckon with it as an accomplished fact.—I would reply to that by a fact that has happened lately. When the Free State Railway was taken over by the Government of the Free State, the Cape seriously threatened to stop the entire traffic to this Republic, to compel the Free State to concede their demands. So that to think that the Cape Government administration would be ready to sacrifice everything for its philanthropical feelings towards this Republic or Johannesburg, is not borne out by the facts of later times.

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I should say the Cape is less stimulated by philanthropic motives than by the reason that they see very well if these high rates are maintained they will be a much greater loser than by reducing the rates. If the traffic were to lose by about one-half of what it is at present, they would—having all their lines opened and having their money invested in them—lose much more than by reducing their rates materially. I think the same argument also holds in regard to the Netherlands.—I don't know what is in the minds of the Cape administration, but I only refer to the fact that a short time ago the Cape administration threatened to stop all traffic sooner than give in to the demands of the Free State. The object was to raise the share of the Cape administration to such an extent that there would be very little chance of traffic with the Transvaal unless the Free State gave in.

Yes, but they would have injured themselves, and I suppose it was only a little bit of bluff. The result has shown that the Free State got its own way.—Yes.

Mr. Pierce.

Are the railways in Holland owned by the State or by private companies?—
One-half of the railways are owned by private companies and one-half are owned by the State, but exploited, or worked, by private companies.

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Were the half now belonging to the State originally State railways, or belonging to private companies?—They were built by the State.

And afterwards leased?—And afterwards leased to the company who worked it.

Are the railways generally on the continent owned by the State?—I cannot say the greater portion, but a considerable portion; the French only a small proportion, the German a greater proportion, and the Austrian a small proportion.

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Do the railways play an important part in those countries?—Like in this country, of course.

They are very useful in developing the country?—As you see here.

And the country and people are entitled to the railway for assistance?—As they always get.

We have been told that certain railways in Germany carry coal at rates which barely cover expenses. Is that in order to encourage mining in certain districts through which the railway passes?—The reason is more to be able to compete with foreign coal. In Hamburg and North Germany they only get a very low tariff for coal, in order to exclude English coal.

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Can you tell us if goods are carried in Holland at special rates in order to foster industries?—Only small rates to ports, in order to get the through transport from ports.

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Still they do carry goods at very low rates in order to assist?—They carry at a rate which pays expenses and a certain interest. The great element in all railway tariffs is how much the population can carry.

It is not the object to get as much out of the industry as they can?—Well, in

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England it is that way. The only object is high dividends. That they do not succeed in making high dividends is not their fault.

Do you know that in England complaints have been made from time to time about the high rates of railways, and those rates have formed the subject of enquiry by the Board of Trade, with the result that the railway has been compelled to reduce them?—I don't know whether they were obliged to do so. I know about the passenger rates on the so-called Parliamentary trains, but that was a rate granted in their concessions by the companies to the Government. I don't know that the Government have compelled the railway companies to lower the rates on goods, or whether they are allowed by law to do so.

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Well, it is a fact that they have done so. Do you consider the Netherlands Railway a private company?—It is a quarrel about the name. You know the concession, and you know the articles of association.

Can you give any other instance of a so-called private company in which the Government is the largest shareholder, and whose debentures are guaranteed by the Government?—I cannot recall one just at the moment.

The position is a rather anomalous one. It is an unusual one, is it not?—No, I don't think the Italian railways differ very much from our system. Take the railways in the Netherlands, where the railway is the property of the State. The company who work the railway have a very small capital and consequently a very small risk.

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They are the lessees of the railways, not the owners. Do you consider the Netherlands Railway has, through its rates an important influence on the development of the trade or industries of this country generally, agriculture as well as mining?—That is very probable, although I have not got an absolute certainty of that in my mind. I have noticed on repeated occasions that when taxes or railway rates have been reduced, no reduction takes place in the price of foodstuffs or goods in the retail trade. It has repeatedly occurred that the lowering of taxes or tariffs simply puts more profit into the pockets of the middlemen, without a profit to the consumer.

That has not been the experience in other countries. From some instances given of the railways in other parts of the world, it appears that the rates charged in Holland are very low.—We have already discussed that this morning.

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Do you consider low rates or high rates best calculated to assist the industry?—That question is not capable of a direct reply at once. I can imagine that a certain tariff existing gives a certain development to an industry, but the lowering of the railway tariff would not assist in any material way to foster such an industry as agriculture, because the only reason of the development is certainly not to be sought alone in railway rates.

Still it helps it. If the lowering of rates does not assist an industry, why is it that manufacturers and others are so anxious to get low rates?—I don't think in order to foster the industry, but for their own benefit.

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You say in your statement, in speaking of the tariff war, that this would have been greatly to the detriment of the whole of South Africa and its Government. Would you give us an explanation of that. How would the Government suffer?—For instance, the mining industry is in a flourishing condition, as it has been up till the last six months—as it appears to have been up till the last six months.

Now, is it possible that, with a lower tariff, a great surplus might be paid out in the shape of dividends and bonuses, and a great deal might be sent to England?—The higher railway tariff gives the Cape Colony, Free State, Natal, and

this Republic the means to develop the country by the building of railways, the assisting of railways which do not pay, improving harbours, etc., etc. Then certainly the question is what is best for the entire community.

You say you could have induced a tariff war instead of stalling it off? It is evident that if the rates had been lowered, and so brought on a tariff war, somebody must have benefited. It could only have been the people here in this country. Therefore, by not bringing on this tariff war, and so getting reduced rates permanently, you have done the people of this country a very bad turn?—I don't agree with you there. I have never heard that the railway tariff war would have been of any permanent benefit to the people of this country. It would only have been of benefit to a few.

As a matter of fact, where a tariff war has taken place, rates have never returned to their old level?—I would ask, is that a benefit or is it a disadvantage? You only refer to the benefit to one particular industry. I argue from the broad standpoint of what is best for the whole community. I don't admit that the low tariff of railway rates is under every circumstance best for the whole Republic.

Well, many people think differently.—But I believe that many people are wrong.

Has the Netherlands Railway approached Natal and Cape Colony with a view to reducing rates?—No.

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If the Netherlands Railway were agreeable to reduce their rates from Vereeniging to Johannesburg—You see, I don't admit that the rate of 7·7d. is the tariff from Vereeniging to here. That was fully discussed this morning.

It might not be the tariff, but it is not denied that the Netherlands Railway receive it.—That has been already discussed this morning.

You do get it. There is no doubt about that.—I don't say yes or no. I simply refer to the discussion this morning.

Well, we will take it as a fact that they do get it. If the Netherlands were willing to reduce the rates to assist the industry, would it be open to them to reduce that charge?—That is only a matter of arrangement between the Cape Colonial Government and the Netherlands Railway. You can only mention the question of the reduction of tariff.

Yes, but I want to mention the tariff received by the Netherlands Company.—The only question you have to do with is the tariff you have to pay for carrying your goods. What the division is you have nothing to do with.

Well, as we have to pay for it, I think it does matter.—You don't pay it.

You don't deny that you get the proportion of that charge for through rates?—No, I don't deny that. That you will find in any tariff book.

If the Netherlands Company were willing to help the industry, could they not give up a portion of that?—I don't see why you should always come back to that point. I am prepared, as I said this morning, to co-operate towards a reduction.

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Well, that is satisfactory at any rate. You have heard that the Cape Government resolved to make a reduction of 6s. 8d. in the carriage of cement, and that the Netherlands Company induced them to withdraw the reduction by threatening to put on the difference at this end. Is there any truth in that?—I have been trying to get at the truth of that assertion. I have even asked Mr. Goldmann by letter, to put me on the trace of that rumour, but he has refused to give me the name of the informer. But I know I cannot trace a particle of truth in that statement. I know nothing of it.

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Is the rate charged on goods the same to all towns or points in the Transvaal; I have heard that the rate charged on goods to Heidelberg is the same as the rate charged to Johannesburg?—No, that is not a fact.

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It is also stated that in certain cases where goods are carried to places beyond the actual destination, the consignees are charged an overcharge. The Jumpers and Heriot had to pay carriage on goods to Johannesburg and back?—That might be true, because, perhaps, these goods had to be cleared for Customs in Johannesburg. But it is just as easy to consign the goods to Elandsfontein, and send them from there to the Jumpers. It might, too, be the fault of the agent at the port, who simply consigns to Johannesburg.

It is the fault of the consignors then?—In very many cases it would be.

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What justification is there for charging the same rate for large tanks and boilers, which occupy much cubic space, as for rails and girders, which occupy a small space?—That remark is very just. We have got in our tariffs an increased rate for bulky goods, but we have had to waive that because the other administrations have not got a similar charge. It ought to be done, but it is never done. We, for a long time, persisted in following a similar calculation for furniture, which is very light, but bulky, but have had to abandon it because the other administrations have not got a similar charge.

Has an effort been made to try and reduce them?—Discussion has taken place, but never a serious effort. The fear to introduce any novelty in the existing tariffs has kept them back.

Is it true that in Holland the rates for truck loads are very much smaller than the rates for lots?—There are cases where it happens.

What could the mining companies do to assist the railway to reduce expenses and make it possible to carry goods at lower rates?—I believe very little. I think in that way the railway has to look after itself.

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What do you mean by fighting rates?—A fighting rate is, for instance, a rate that is far below the real cost, and also the rate to places where competition exists. For instance, from Johannesburg to the Free State or Cape Colony.

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There is no railway competition in the Transvaal?—No, but the tariff here is lower than to Bloemfontein, Kimberley, etc.

The fact that the rate to Kimberley is higher than the rate to here has been explained in another way.—And Bloemfontein?

I don't know about Bloemfontein. That concerns the Free State. It is a small community in Bloemfontein.—There is no reason to charge burghers more in a small place than in a big one.

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You refer to the saving that would be effected. Do you consider, if the railway rates were lowered, that is all the benefit the mining industry would get?—That is all the State and the railway company would get.

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Yes, but that is not all the mining industry expects to get. That is a very heavy sum itself, but, if the railway rates were reduced all round, including the Colonial rates, the mining industry would benefit to the extent of about three times that sum. Evidence has been given of the average pay of white miners. Can you tell me the average pay of European employees on the railway?—I cannot give you the average. The lower officials are paid about the same as in the mining industry. I also take into consideration that the railway has a surer income, and enjoys greater advantages than the mining industry.

You think, then, the rate of pay to the railway employees is just about the same as paid to the mining industry?—Yes.

About what pay would these men get in Holland?—A man who gets £20 a month here would get in Holland from £100 to £125 per annum at the outside.

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In reference to a question as to the rates to a place with a small population being higher than to a large town, witness said the question of population was no reason

why living should cost more in a small place. So far as he knew, that was not done in England. That was against every principle of a railway as a public institution. Every ratepayer would protest most earnestly to his representatives in Parliament against any privileges being granted in that manner to any large centres.

In other countries it generally happens there is competition in railways, but we have none here?—In some countries it is so, and in some it is not. In France and Germany there is no competition. They are all State railways, or big groups, which do not compete with one another.

The fact that there is no competition in some countries, Germany for instance, was one of the reasons the Government took over the railway?—I don't think that is one of the reasons.

It may not have been the sole reason, but it was one of them.—That is quite new to me.

Mr. Albu.

You say fighting rates are those which leave a very small margin to those running the railways?—I don't say that is in all circumstances a decided definition of fighting rates.

The Netherlands Railway is employing fighting rates at the present moment?—We are.

And when I look at the balance sheet, and find that you have got a million and a half revenue over your expenditure or working expenses, I think your fighting rates are very stiff.—And still leaves the opposition very healthy.

Yes, unfortunately, there is no opposition here. The unfortunate thing is that the industry pays these fighting rates.—Only within the last few months you have come to the conclusion there is something unhealthy about the industry.

Not for the last few months, but for the last five years. You have not seen that?—No.

The industry is so healthy that 185 companies have invested at par fully 85 millions, but a lot had been subscribed for at a high premium. I think the industry paid last year about a million and a half in dividends. Do you consider it healthy that the Netherlands railway, with a capital of one million, makes a profit of nearly a million. You have said our industry is a healthy one. I am proving it is not, and that yours is much more healthy than ours is.—I cannot say whether the situation is healthy or not. It is in the hands of the Commission.

You have the key of the situation in your hands in Delagoa Bay. What prevents you from reducing the rates to such an extent that the traffic from Natal and Cape Colony would be threatened, and they would be thereby compelled to reduce too. What prevents you from doing that?—I just gave a very plain explanation of that to Mr. Pierce. If there was only one consideration in South Africa, namely, the industry of Johannesburg, then it would be quite easy, but other industries have also a right to be heard in the lowering of the tariffs.

I have lived 21 years in South Africa, and there is only one consideration and one industry in South Africa, and that is the Transvaal gold mines. There is nothing else in the whole of South Africa so far.—Then I suppose Natal and the Cape Colony would also appreciate that fact.

Yes, but so long as you keep the Delagoa Bay rate so high, just a little lower than the others, they won't lower it. Finding you have the key of the position you must reduce the tariff to such an extent that the Cape traffic is endangered and they will at once acquiesce.—Then the consequence will be certainly to your benefit, but to the detriment of whom?

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Nobody.—If there was no agriculture or anything else but the mining industry, then certainly you are right.

Agriculture would profit immensely if the produce could be brought to the market, which is Johannesburg, and no other town. I don't see why you don't force the situation. By doing this you would support the whole industry, the industry of South Africa.—And if we do as we do at present we support the State. The Commission is here to give a reply to that. I have already said the result of that reply will certainly not excite any opposition from me.

As I have the honour to be a member of this Commission, although I may not be asked to be present when the report is handed in, I should like to know what prevents the Netherlands Railway from making use of the key which they have in their power?

Chairman.

You simply all go round the one point, and do not go any further.

Mr. Albu.

Yes, because I don't get a satisfactory answer.

Chairman.

The question is—what is the position of the railway, and what are the profits to-day?

Mr. Albu.

Then I cannot get even what the profits are.

Chairman.

We want to find out in what way the mines are oppressed, and to take all particulars. Then it is for the Commission to come together to discuss the different points and frame their report.

Mr. Albu.

Yes, but I have not been able to find out what the profits are.

Chairman.

Mr. Middelberg has promised us this morning that before the report is made up by the Commission, he will hand in the official report for 1896, which is not yet in his hands.

Witness.] I have given the profits. The only things I cannot supply are those particulars which are not yet fixed.

Mr. Albu.

Thank you very much.

Mr. Hay.

As far as I understand, the position is this: a reduction in the tariff depends upon practically the extension or alteration of the concession which you have.—No, that is not correct.

Do I understand that means an extension of time?—It means that, supposing the Volksraad this session resolved to expropriate the railway, then we could not possibly give a lower tariff.

If the Government agreed to take it over, according to the agreement, they would have to give a year's notice, and the tariff would remain as it is?—Up to the end of next year.

If we go to the Netherlands Railway as a company, and ask them to reduce the tariff, would they want an alteration in their concession?—No, the concession fixes the maximum tariffs.

The question is, here there is a surplus which, Mr. Middelberg says, would be given away by the Government, of £500,000. But if the tariff was reduced—the passengers and goods exactly the same—then the revenue would be reduced, and therefore the profit accruing to the shareholder would be naturally less. Do I understand that Mr. Middelberg would be agreeable, as far as he can speak, to a general reduction?—Yes.

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Then the point put us by the different people who have given evidence is that a small proportion of the mining companies pay dividends, and a large proportion of them pay nothing, and if many of them cannot effect a reduction in the cost of working, then they must close down the mines. If that occurs, then the revenue of the railway would be reduced. Therefore, it is to the interest of the railway to have as many companies at work as possible, and, therefore, if the reduction of the tariff would ensure the working of the whole of the mines and the opening of mines which are not at work, it might probably make up the profit which they gave away by the reduction of tariff.—That is a thing which theoretically seems to be quite correct, but to which we are not accustomed yet in South Africa. Here there has always been an increase, even in this last month of so-called depression. We have always had an increase in the receipts, so the subject for me—that is, during the last year—has never been what I had to do supposing traffic should diminish, but always what I had to do to cope with the increase. So I never trouble very much about the dark future or the thought that in case it were realised there would be a great retrocession of business.

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The evidence we have had is that a large number of mines must close down unless they can work at a profit.—I cannot see the result of that yet within my narrow horizon.

But Mr. Middelberg must see that it must come about.—It is quite possible.

The gold produced last year is only worth seven millions, and the profits of the Netherlands, the Cape, and Natal Railways comes to nearly half that.—So the result is that the Cape Colony, Free State, Natal, and this Republic get a good share of the gold, which I think is a very happy sign.

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If the railway people are to get all the profit, how can the mines live?—I have been asking myself that question for the last two or three years.

One question in regard to the carrying of coal in bulk. What are the charges for a siding?—The charges for sidings are that the company pays for the construction, and for every truck or wagon used on the siding, 4s.

Sidings.

Then the responsibility of the engine rests with the company that makes the siding whether an accident be the fault of the Netherlands or not?—That has to be proved first.

The question of the railway tariff is simply that the Netherlands must decide to reduce their tariff, and the Cape and Natal lines are compelled to do so. You, Mr. Middelberg, are a man of long experience, and we have only a superficial knowledge. Perhaps you will be able to advise us on what points reductions can be made. I have here a number of questions which I wish to put, and these I can hand to Mr. Middelberg, and also a copy to the Commission, and this will save going through them, as that would take too long.

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This arrangement was agreed upon.

Mr. Brakhan.

I should like to have a little information about the following passage, which appears in your statement:—"I can only speak of the share which the company

receives, and I, for myself, can declare that, should the Government consider that we by continuance served to work the line, and should the assurance be obtained, we would have no objection to meet the wishes of the Government." Are we to understand from this that the Netherlands Railway Company will make a reduction of rates in case the State foregoes for a certain period the right to expropriate the railway?—That would be a matter for negotiation with the Government. What I wanted to express is that if the railway company, according to the desire of the Johannesburg mining industry, is expropriated this year—and one cannot expect that without compensation—the amount for expropriation would be considerably lower.

If the Government think it wise to enter into this arrangement, the Government would deprive itself of or forego the benefits which would accrue to it from expropriation until such time as is decided upon?—Certainly.

I was desirous of having this point clear, because I think it is a very important matter for the welfare of the State in throwing light on the question of expropriation. Because if this arrangement, as suggested, were to be entered into, the Netherlands Railway Company would have absolute power later on.—I cannot agree with your last conclusion. I do not see how the Railway Company can at any time acquire power to do what they like.

I do not mean to convey that in a very broad sense.—Within a narrow sense it would not apply.

It would in so far that the Government would never be satisfied with the profit they get out of it, whereas if expropriation should take place at any time with one year's notice, the benefits might be much larger?—It is for the Government to judge of the benefits of immediate expropriation, or if expropriation be postponed.

I read in Article 27 that notice of expropriation can be given at any time.—Notice can be given at any time, but it must run for a calendar year.

Is it so expressed in the concession?—No, there is a correspondence settling that point.

Mr. Brochon.

Yesterday you said that in case of a mine not paying dividends for three years you would be willing to meet them by a restitution of rates. Is that correct?—Yes.

By acting so it will be a rather late remedy.—It is for this Commission to make a recommendation on that point.

Still I am pleased to learn of the disposition on the part of the Railway to make this reduction.

Mr. Hugo.

Yesterday, in reply to a question put by Mr. Albu, you stated that if the Government went in for expropriation that about 150 per cent. would have to be paid.—No 150 per cent. above par.

It would mean about £250 per share.—The calculation is very easy to make. Let us estimate that the extraordinary dividend above the guaranteed interest taken on a three years' average at 6 per cent. Then take it that all shares are 6 per cent. shares; then average the dividend for the last three years, and that would be 1 per cent. Twelve times 20 is 240, and add to that 1 per cent. for each year from 1898 to 1915, i.e. 17 per cent., then you get the figure of 257 per cent.

That is if the Government expropriate the railway at the end of 1898?—Yes.

With reference to the coal, the average cost of transport is about 3d. per ton per mile?—From Springs to Johannesburg a little over 2d. is charged. It is a sliding

scale in conjunction with the coal mine to give the Brugspruit and Balmoral collieries a chance to carry their coal.

May I ask what you would suggest as a reduction on that tariff?—As to the question of how much coal rates can be reduced, it would depend on other tariffs. By a reduction of 1s. per ton, the loss, reckoned on last month's returns, would be £4,400, and you always have to make the reduction in such a manner that the difference between the price of carriage between Springs remains what it is at present, otherwise it would be a great disadvantage, and a great injustice to mines brought into life under the present arrangement.

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The mining industry complain that they have to carry their coal in bags, and not in bulk.—I cannot understand where the accusation comes from. We do everything in our power to encourage carrying coal in bulk. As I have said, at the present moment one of the mines that has not got a siding is trying to carry its coal in bulk.

Traffic
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What is the local tariff between here and Vereeniging?—It is 6d. for ordinary goods, and 3d. per ton for rough goods.

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The industry has promised us, and if the Government will assist us in getting this reduction they will endeavour to reduce their expenses. Isn't it possible for the railway company to reduce your working expenses, or are the present expenses as low as they can possibly be?—The present working expenses are as low as they can be under present circumstances.

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Mr. Smit.

You mean to say that if the profits of the railway remain as at present the cost of expropriation would be less every year?—One per cent. less every year.

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And the concession has still got to run eighteen years?—Yes.

Mr. Fitzpatrick has stated that several lines have had to wait on account of the plans having had to go to Holland?—That statement is entirely incorrect. No plan has ever been sent to Holland to be judged upon, the only exception to this being the railway station here, which was worked out by an architect in Europe.

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It was stated by Mr. Fitzpatrick that there was a profit of £1,300,000?—It will very soon be seen from the printed report that the figure I have given is the correct one.

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The reserve fund is £290,000; the public would like to know what became of it.—The reserve fund goes to building stations, laying double lines, buying rolling stock, and, further, the expenses of each line—as laid down by the concession—is not debited to capital account, but is taken from the reserve fund, which is fed from the revenue. This is a sound stipulation in the concession, as under it the Government, on expropriation, gets value which is far and above the original cost of the railway and improvements. Take, for instance, that in ten years that every year £300,000—to quote round figures—is taken, that is £3,000,000. This is used to improve the railway and for doubling lines, so that the railway gets a larger value, and the portion of the £3,000,000 not being used for that purpose remains in the reserve fund and goes back to the Government without any reduction.

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Was the reserve fund last year sufficient?—It was sufficient for the rail extension in South Africa, but it has not been sufficient for the large increase of rolling stock. Therefore, the Volksraad have approved of a loan which will have to be repaid by the reserve fund itself.

Mr. Robinson has stated here that he has taken a lot of trouble to get a siding at one of his mines and could not get it.—I have tried to find out which is alluded to. Mr. Robinson has many mines and I don't know of any refusal to give him a siding. I know of a case where, after a long correspondence and a lot of trouble being taken,

Sidings.

the idea was relinquished. Perhaps Mr. Robinson refers to the correspondence of a couple of years ago to make sidings for a group of mines—the Langlaagte Royal and Block B—where bigger efforts would be made to put coal in trucks to allow the wagons to go up to the mines. But that was dropped by these mines.

At the Railway Conference at Pretoria a little time ago, can you tell me why no arrangement was come to about the tariff, etc.?—The reason was that, notwithstanding the promise of the Premier of the Cape Ministry, the delegates from the Cape Railway asked for a much bigger share of the traffic for themselves than any of the other railway companies were prepared to give. The Cape Railways wanted half of the traffic oversea to come over the Cape lines, and besides that the Cape line should get a bigger share of the traffic between the port and Johannesburg—*pro rata* to the length of their line. That proposal, worked out, came to this, that the Cape would have half of the oversea traffic, and that the goods would have to be carried from Mid-Vaal River to Johannesburg free of charge. It was clear that the proposal was made because the delegates did not wish to go home without making some proposal.

Is it a fact the Cape wanted three-fifths, and wanted to give the other railways two-fifths?—The Cape has tried to get everything. I know that some time ago Mr. Laing, Commissioner, thought he would be satisfied with half, but he afterwards thought he went too far.

The railway administrations could not agree to take two-fifths between them?—It was ridiculous.

Mr. Joubert.

In the concession it is left to the Government to expropriate the railway whenever they think fit?—Yes.

Under what conditions can the Government expropriate?—The railway is to be liquidated, has to pay all its liabilities and receive all its assets, must pay all its loans and the money wanted for that purpose must be handed over by the State, and the shareholders will receive 20 times the average dividend for the last three years, plus 1 per cent. for each year that the expropriation takes place before 1915.

What constitutes the dividend?—The dividend is formed as follows: Interest is guaranteed on the shares at 6 and 4½ per cent., and there is an extra dividend of 10 per cent. out of the surplus, but that has never been paid except in 1895, when it was 3 per cent.

The dividend comes out of the revenue?—Of course.

If reductions were made in the tariff, and the railway was expropriated, would not the reduction be far more than 1 per cent.?—Undoubtedly, if the revenue goes less, the expropriation price is less.

Mr. Pierce.

You said your company is now trying experiments to have coal off-loaded in bulk. What company is it?—The George Goch.

How long have you been trying the experiments?—Works are being constructed which will make it possible.

Then you have not tried experiments yet?—Not yet.

Questions for Netherlands South African Railway Company,

Handed to Mr. MIDDELBERG by Mr. HAY, with the answers thereto.

1. Have the regulations of your company, on the strength of which you accept goods for forwarding, been passed by the Volksraad or only by a Committee of the Executive appointed for that purpose? Author
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I consider that the regulations are authorised by the Honourable Volksraad.

2. Is it a fact that on the strength of these regulations you repudiate liability for total loss of goods which you carry at a reduced rate, such as deals, iron, etc.? Liabilit
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No.

3. Is it not a fact that your regulations endeavour to contract you out of all liability for damage and loss?

No.

4. Has this position of yours ever been contested in a court of law in the Transvaal?

Yes.

5. Are you aware that in all other civilised countries, innumerable cases for loss have been decided against the Railway Companies, notwithstanding clauses having been inserted to the effect of exempting the Railway?

No; our case stands wholly on the basis of sound legislation.

6 (a). Do you invariably shield yourself under the "Owner's Risk" clause, when unable to trace or deliver goods handed to you for transit under that clause? "Owne
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(b). Have you lost whole truck loads of goods and refused to pay compensation for such loss?

(c). Do you contemplate any alteration in the conditions under which you carry goods at the so-called "Owner's Risk" rates?

(d). How do you account for the frequent losses of goods carried at the so-called "Owner's Risk" rates?

(a-b). No, certainly not.

(c). I intend when eventually altering the tariff to abolish "Owner's Risk."

(d). I know nothing about it.

7. It is a fact that your regulations shield you from claims for loss for any value beyond 1s. per pound? Liabilit
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When classifying for rates does not the higher rate cover such risk, and therefore you should be liable for losses?

Yes, but everyone is free to insure for a higher value.

8. Are there not constant complaints of the delay given by your Company in deciding on claims for loss and damage? Delay in
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Loss an
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No more than of any other railway.

9. Does your Company refund the railage, if paid in advance, on goods lost whilst in transit? Refund c
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Goods.

N.B.—The Company fails to deliver the goods; declines to admit claims for such goods, but yet retains the amount paid for carriage.

Yes.

10. Do you not think that this part of your regulations is manifestly unfair to the public, who are thereby placed absolutely at the mercy of the Railway Company?

No.

trucks
a Bay. 11. Is it not a fact that trucks have been refused to forwarding agents at Delagoa Bay, unless they signed the clause exempting the Railway from shortage and damage?

It is a matter that concerns the Portuguese authorities. I do not, however, believe that the statement is correct.

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receipt 12. Do you consider it fair to the consignee that he should sign for consignments to be delivered to sidings, before having had an opportunity of checking the goods?

This does not occur. There is always an opportunity of seeing the goods. Only on private sidings this can cause difficulties. I see no help for it.

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loss of 13. Is it not a fact that in cases where a discrepancy is discovered, that you produce the clear receipt and shield yourself under this and repudiate liability for the deficiency?

Naturally.

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its. 14. When consignments of a truck load and more are being delivered to Johannesburg station, do you decline to give receipts for the separate trolley loads? Merchants report that you decline to give such receipts and will only sign after the consignment is completed. Evidence can be produced that the Company declines to give receipts for each trolley load and afterwards disputes the total quantity.

No, we sign for receipt of portions of consignments.

its for
consign- 15. Does not your Company refuse to give proper receipts for small consignments? It is stated that instances can be given where several parcels have been sent to the station at the same time and the Company make a jotting of the charges on one delivery note only, initial that note, and positively decline to give any other receipt. Is not this a contrast to your practice in taking receipts?

Whenever a receipt is asked for we sign one.

for de-
uce. 16. Do you consider it a fair charge for demurrage to levy double the rate charged you by the Cape Railway Department? [*Vide* Chamber of Mines Report, p. 9]

No.

he Dutch
nge on
Nether-
Railway. 17. Are you aware of the disadvantage to the mercantile community in conducting your business in the Dutch language?

18. Are you aware that only a very small minority of the mercantile firms who are members of the Chamber of Commerce and Mercantile Association, understand Dutch, and the majority have to employ translators to enable them to understand your letters and notices?

19. Are you aware that the staff at Johannesburg is at a constant disadvantage in carrying on its work through not being able to understand the mercantile language of the community?

(To 17, 18, 19). Yes. One cannot insist too much on the importance of learning foreign languages and especially the vernacular.

20. Did you refuse initialed cheques in payment of railage charges?

No.

21. Did you insist on payment of railage in coin at the Johannesburg station?

22. Was not this a serious difficulty to the consignees and to your department?

23. Was not this regulation to insist upon payments in coin a serious risk, both to consignees and the Company?

(To 21, 22, 23). No. It does not exist.

24. Note.—Refer to Chamber of Mines Railway Report, p. 2, *re* rates per various systems. What justification is there for the excessive rates charged by your administration?

Refer to p. 5 of Chamber of Mines Report, Cape Railways carry South African produce at $\frac{1}{2}$ d. per ton per mile.

Cape Railways carry South African produce at ...	...	...	½d.
" " " imported " ...	...	...	1d.
O. F. S. " " South African " ...	...	...	½d.
" " " imported " ...	...	...	2d.
N. Z. A. S. M. " all produce at ...	...	...	3½d.

—What reason has your Company for charging the extra rate?

The report of the Chamber of Mines errs altogether as has been fully shown, and is in this respect quite inaccurate.

25. The delivery charges on packages over 3,000 lbs. weight is 3d. per 100 lbs. Delivery
Why is a rebate not allowed for the 3,000 lbs. which is already paid for in the railage, and the charge only levied on the weight over and above the 3,000 lbs. maximum according to the regulations?

It is my intention to extend considerably the limits of the delivery service.

26. Did you have a special contract with Mr. F. R. Lingham, by which he had a The "Lingham" contract
preference of 20 per cent. in rate over other importers? What amount was paid in compensation to Mr. Lingham to secure the cancellation of the contract?

27. Had you a similar contract with Mr. Davies? Did you transport "karri" Mr. Davies contract
timber at over 30 per cent. under the actual weight?

28. What was the reason for giving the parties named preference over other timber importers?

(To 26, 27, 28). The questions were fully dealt with before the Commission.

29. Do you consider your employees are experienced railway men? Experienced employe

Naturally, if the circumstances are taken into consideration.

30. Have they had previous railway experience or have they only gained it here?

All the *personnel*? No. A large portion? Yes.

31. Importers of produce suffer considerable loss through shortage. Recently, Shortage goods.
one of your head officials was charged before the Landdrost with having taken certain quantities of produce, but was acquitted on the ground that these were *sweepings*. Do your regulations permit your officials to remove goods in this manner belonging to consignees?

No.

32. Drapers and similar traders complain of your Company taking from 10 to 12 Delay in delivery of goods.
days to deliver goods, after the truck has arrived at station here. Cannot you expedite such deliveries?

Incorrect.

33. There are serious complaints regarding the delays in transit and delivery of Delay in transit and delivery of live-stock
live stock, causing these to arrive here in a deplorable condition.

The fault lies almost exclusively with the consignors.

It is reported that poultry consignments are treated in a similar fashion, and a case happened the other day where some crates of fowls were put on the delivery wagon over-night, left out in the cold and wet, and in consequence between 20 and 30 were dead next morning. Can you not make some arrangements by which such cruelty and loss could be avoided?

The statements are completely incorrect.

You compared rail rates to Johannesburg with those to Kimberley for dynamite—Kimberley dynamite rates
the Cape charge is 2nd class rate. Does not Kimberley submit to the high