

REPORT OF THE COMMISSION.

To His Honour the State President and the Honourable Members of the Executive Council of the South African Republic:—

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In submitting the joint report of the Commission, the undersigned desire to draw attention to the following:

As advisory members, the Government appointed Messrs. EDMOND BROCHON, A. BRAKHAN, and J. M. PIERCE, but your Commission deemed it advisable, with the sanction of the Government, to add Messrs. JAMES HAY and GEORGE ALBU to the above list.

All these gentlemen kindly consented to assist us in our onerous duties, and unreservedly placed their services at our command. Your Commission would be failing in courtesy were they to neglect this opportunity of expressing their keen appreciation of the services rendered by the Advisory Committee.

As men of ability and experience, their advice on matters local and technical materially assisted your Commission to grasp the situation, and it is with great satisfaction that we commend the zeal and interest displayed by them throughout the proceedings.—We have the honour to be, honoured sirs, your obedient servants,
(signed) SCHALK W. BURGER (Chairman), CHRISTIAAN J. JOUBERT, J. S. SMIT, THOS. HUGO, J. F. DE BEER, A. SCHMITZ-DUMONT.

To His Honour the State President and the Honourable Members of the Executive Council, South African Republic.

Report
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HONOURABLE SIRS,—In accordance with your instructions contained in your letters addressed to the members of this Commission, dated April 5, 1897, your Commission have the honour to report as follows:—

On April 13th last your Commission initiated proceedings at Pretoria, and, after having been engaged there for a few days in arranging preliminary matters in connection with the inquiry, your Commission decided to proceed to Johannesburg to pursue their investigations. On April 20th the inquiry commenced at Johannesburg, and your Commission deemed it to the interest of all concerned that the proceedings should be public, and to give the same the widest publicity.

Primarily, your Commission set themselves the task of instituting minute and careful investigation with regard to the depression in matters connected with the mining industry, and ascertained that during the year 1896 there were one hundred and eighty-three mines within the State, whereof seventy-nine produced gold to an amount and value of £8,603,831.

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The remaining one hundred and four mines yielded no gold, most of this number being in a state of development and equipment, while only twenty-five companies declared dividends—to an amount of £1,718,781.

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nds. For various reasons some mines have temporarily ceased operations. The cause of so many mines not paying dividends is principally ascribed to the high rate of production.

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ry. There are various other causes that have contributed to the existing condition of things, but, though mistakes have been made in the past, your Commission are pleased to state that at present there exist all the indications of an honest administration, and the State, as well as the mining industry, must be congratulated upon the fact that most of the mines are controlled and directed by financial and practical men, who devote their time, energy, and knowledge to the mining industry, and who have not only introduced the most up-to-date machinery and mining appliances, but also the greatest perfection of method and process known to science. But for these, a good many of the mines now producing gold would not have reached that stage.

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ing ques- The extensive and voluminous evidence, as also the carefully-prepared statistics in connection therewith annexed to this Report, prove the colossal extent of the mining industry within the State. The figures, plans, calculations, specifications, etc., are very interesting and exhaustive, and calculated to provide the thoughtful reader with much material for contemplation. And it will further be patent from that that the financial, economical, and political relations are very intricate.

Your Commission therefore feel the weight and responsibility of the great task imposed upon them, but, strengthened by a sense of confidence that their efforts to arrive at a satisfactory solution of the different problems may meet with your approval and support, they have undertaken that duty agreeably at your request by carefully entering into all the details of the position and investigating the same.

s flotations. The problem cannot be solved by probing the past of some mines. We know that there are some mines where the gold reefs only exist in the imagination of the promoters, and it can safely be submitted that these mines will not pay, even were coal and dynamite delivered free of charge at the mines. Neither does the question of over-speculation or over-capitalisation affect the case.

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pitalisation. As has already been shown, there are only twenty-five companies which have declared a dividend out of their profits. The rest work with a very small profit, and in many cases, do not cover the cost of production. The problem to be solved is
king costs. What must be done to reduce the cost of production, so as to leave a margin of profit upon the article produced? And this is a problem apart from any complications between the Government and nationalities. A company might be over-capitalised but the cost of mining property is in no way affected thereby.

It is within the knowledge of your Commission that the costs of working a mine may be averaged at £10,000 per month, and equipment and development from £200,000 to £500,000 per mine. Taking this average of £10,000 per month, and considering that under existing conditions 100 mines will have to close down, in the case an annual amount of £12,000,000 will be taken out of circulation, with result too disastrous to contemplate. To avoid such a calamity your Commission are of opinion that it is the duty of the Government to co-operate with the mining industry and to devise means in order to make it possible for lower-grade mines to work at profit, and generally to lighten the burdens of the mining industry. This and the development and equipment of new mines are a few examples among many others where it is desirable that the Government shall take an active part; especially where the fact is taken into consideration that up till now the mining industry must be held as the financial basis, support and mainstay of the State.

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country. The question, therefore, becoming one of national economy, it is incumbent upon the Government, considering the rapid growth and progress of the country, to so

its fiscal laws and systems of administration as to meet the requirements of its principal industry.

A close scrutiny of the combined report of the Chamber of Mines and Mercantile Association proves that the commercial interests and those of the mining industry are so interwoven that it is hardly possible to separate the one from the other, and all economical measures with regard to taxation, freight, etc., apply to both. Comm
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Your Commission think that, with the natural facilities for agriculture, that industry ought to be greatly encouraged. The consequence would be that the development of this industry would materially reduce the cost of living, which would have an immediate and beneficial effect on the price of labour. Agric

It is a fact much to be regretted that the advance of agriculture is not proportionate with that of the mining industry and the general growth and progress of the country, and it is therefore very necessary to establish an Agricultural Department, and for the Government to take active measures to promote the interests of the industry by assisting where such is feasible, and to have it conducted on the most improved modern principles as practised in other parts of the world. An ag
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In submitting to the Government a scheme for reducing the burdens of the mining industry, it is naturally to be expected that the latter will also practise economy in every department. Judging from the recent events and by the persistent manner in which the mines have reduced, and are further trying to reduce, the working costs, your Commission have no doubt that the mines, after so far having taken the initiative, will act responsively to any economic measure the Government may think proper to introduce.

Your Commission entirely disapprove of concessions, through which the industrial prosperity of the country is hampered. Such might have been expedient in the past, but the country has now arrived at a state of development that will only admit of free competition according to republican principles. This applies more especially to the gold industry, that has to face its own economical problems without being further burdened with concessions that are irksome and injurious to the industry, and will always remain a source of irritation and dissatisfaction. Concess

Throughout the inquiry, it was clear to your Commission that the question of labour was a most vital one for the mines, and, seeing that the cost of labour amounted to from 50 to 60 per cent. of the production cost, your Commission are of opinion that the labour question ought to take precedence in their report. Not only in this Republic, but in most countries all over the world, the labour question is a most difficult one to deal with. It still remains a subject for discussion, notwithstanding that the most renowned and eminent politicians and statesmen have tried to solve the question. A universal combination of circumstances in this country renders the solution still more difficult, and from the evidence to be laid before you it will be apparent how complicated the question is. Labour.

To begin with white labour, your Commission would strongly recommend that all measures should be taken by which the cost of living at the mines may be reduced as much as possible. Judging superficially, and taking into consideration the wages paid by the mining companies in other parts of the world, and the evidence on the subject submitted to your Commission, it would appear as if wages paid here are too high, but, taking all the circumstances into consideration, the contrary is apparent. It must be taken as a fact that no skilled labourer can or will work for a salary or wage less than will enable him to support himself and his family. White lab
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According to evidence, a miner earns from £18 to £30 sterling per month, according to ability, and your Commission are of opinion that these wages are not excessive, taking into consideration the high cost of living at the mines. In fact, they are only

sufficient to satisfy daily wants, and, consequently, it cannot be expected that white labourers will establish their permanent abode in this Republic unless conditions are made by which their position will be ameliorated.

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ctors' Your Commission wish to recommend that in future all companies shall keep their accounts in such a manner that it will clearly appear what proportion of wages, salaries and remuneration is paid to white labourers, and what to directors, secretaries, clerks, engineers, etc., because at present all these are brought into one account, and it would consequently appear as if the average wage paid to miners is higher than really is the case.

rters. Your Commission further wish to recommend that the companies should build dwelling-houses for white labourers, which is already done by some of the companies, and should let those at a rental equivalent to a reasonable interest on capital expended. This would mean a considerable improvement in the condition of living of those miners.

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s Act. Your Commission further recommend that the law with regard to master and servant, as existing at present, be modified so that all contracts entered into in Europe and elsewhere, between employers and employees, would be legalised here by simple registration, and would not, as hitherto, require a confirmation of the contract by parties before a Landdrost or Mining Commissioner before becoming of effect here. It would be necessary to provide that such a contract must be reasonable as regards the labourer. Further, this law ought to define the responsibility of the master to a servant in case of accident, and, further, that neither master nor servant can make a contract contrary to any provision of such law.

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ffa. Your Commission are of opinion that as long as the cost of living is not considerably reduced it would be almost impossible to reduce the wages of white labourers, and they would strongly recommend that, as far as possible, necessaries of life should be imported free of import duty and conveyed to the mines as cheaply as possible.

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istries. Your Commission further consider that it will be desirable to encourage other industries besides the mining industry, which will also tend to procure employment for white labourers.

labour. Native labour is one of the most difficult questions before your Commission. It will be necessary to discuss three points, viz :—

From where must the industry draw its supply ?

What supply can be obtained ?

And at what wages ?

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natives. In reply to the first point, it appears to your Commission, that the chief supply must come from the East Coast (Portuguese territory), and it is desirable to recommend to the Government to enter into correspondence with the Portuguese authorities, in order to facilitate the supply as much as possible. Further, a great many natives can be got from within the boundaries of the Republic if sufficient inducement be offered, and your Commission propose that the inducement will be best offered by paying premiums to kaffir chiefs for the supply of labourers, and by the reduction of the fare for kaffirs per railway to one-third of that now charged, the difference to be recovered from them on the return journey. It must be borne in mind that the present requirement of the Witwatersrand mines is 70,000 black labourers, while within the next three years this number will be increased to at least 100,000, on account of the development of the deep-level mines.

While mentioning the subject of correspondence with the Portuguese government, your Commission are of opinion that correspondence with all South African States would be desirable, in order once and for all to place the question of black labour on a sound basis. Should the Government be successful in coming to an understanding with

the different Colonies and States on this point, the question of reduction of wages will be a natural consequence.

As regards the supply of natives from within the boundaries of this Republic, your Commission recommend that the Native Commissioners should receive extra payment in cases where they are obliged to undertake journeys to interview kaffir chiefs to obtain labourers from them; that such kaffirs be conducted to the mines under supervision, and that it would be desirable to erect along the roads at distances of 18 miles apart, except where there is a railway, compounds, where the kaffirs can sleep and obtain food. Your Commission recommend that the latter measure should be entirely under Government control.

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Your Commission cannot recommend any measure which would be equivalent to forced labour, neither can they recommend the imposition of a higher tax upon the kaffirs.

Much has been said about the desirability of establishing locations for kaffirs close to the Rand, but your Commission cannot at all recommend this course. Experience has taught that the establishment of locations does not improve the kaffirs in any way, but only tends to their deterioration. As soon as the kaffir with his family lives in a location, his highest aim in life is to see his wife and children work while he himself looks on.

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Your Commission has thought it desirable to consider the liquor traffic also in their Report, because they are of opinion that it directly affects the mining industry. It must be remembered that the liquor traffic, together with the import duties and licences in connection with the same, contributes to the revenue of the State.

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It has been proved to your Commission that the Liquor Law, No. 17, 1896, is not carried out properly, and that the mining industry has real grievances in connection therewith, owing to the illicit sale of strong drink to the natives at the mines, and they wish especially and strongly to insist that the stipulations of Article 16 of the law shall be strictly enforced. The evidence given on this point proves that a miserable state of affairs exists, and a much stronger application of the law is required.

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Your Commission recommend :

- (a) That all licences for boarding houses for white people at the mines shall in future be only issued by the Commission for liquor licences and licensing boards.
- (b) More police, and a better system of supervision at the mines.
- (c) That, where any unlicensed person is convicted of selling strong drink to natives, at the mines or elsewhere, the only punishment to be inflicted shall be imprisonment.

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Your Commission are in favour of the strict carrying out of this law, but have found that it is in some respects too drastic.

For instance, Article 17 of the law stipulates that four licences will be granted for a population of 500 persons, and, for every additional 400, only one more licence. (Under this Article is meant 500 male persons over sixteen years of age). There would be no objection against such a stipulation, as such is more or less the system in other civilised countries, but such a stipulation ought to have been initiated when the towns and villages close to the mines were originally established.

It appears from statistics submitted that at present there are in Johannesburg the following licensed liquor dealers:—(a) wholesale dealers, 49; (b) bottle stores, 56; (c) canteens (bars), 305; (d) roadside inns, 5; (e) beer halls, 23; total 438.

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Letter "c" includes 112 hotel licences. Supposing that Article 17 were to be strictly applied, and assuming that Johannesburg and mines in the neighbourhood

have a male population over sixteen years of age of 35,500, the Licensing Board can only issue 88 licences; and 350 licences will have to be refused.

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al. From a financial point of view this would entail very serious consequences for the State, because the liquor licences, and the large amount paid for import duties of liquor, which form a large proportion of the revenue of the State, might then be considerably diminished. But leaving this out of the question, and assuming that the Government would accept this loss, trade would be seriously affected by the closing of 350 places of business; and large numbers of people who are interested in the trade, and who have invested their entire capital in the liquor business, under the law then existing, would be entirely ruined.

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cences. It is certainly desirable that the number of licences shall be reduced, but this should not be done in such a peremptory manner: gradually, and as opportunity offers, these reductions can be effected. Article 17 of said law stipulates that licences will be granted according to the population of any ward.

Suburbs such as Doornfontein, Hillbrow, Hospital Hill, etc., are only used for residential purposes, and up to the present the inhabitants have been able to successfully oppose the opening of canteens there, by protesting and other means. The inhabitants of these suburbs generally have their places of business in the city, and remain there during the day—hence the many bars in Commissioner Street, which street must be considered as the centre of the town, from a business, as well as from a geographical point of view. It must also be remembered that, when the bars at the mines are closed, numbers of people living there will make use of the bars in town.

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cences. Notwithstanding the Second Volksraad resolution, Article 122, D.D. 14, 597, and First Volksraad resolution, Article 112 D.D. 17, 597, your Commission consider that wholesale licences for the sale of liquor, as well as licences for bottle stores, can be considered as usual trade licences, although under the control of the Licensing Board.

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cences. Generally, whenever a licensed liquor dealer is convicted for breaking the law, he transfers his licence to somebody else, who continues the illicit sale of liquor. It is, consequently, desirable that in future a licence for the sale of liquor shall be granted to a particular house, and not to any individual. Permits for the keeping open of bars after nine p.m. ought to be issued only by the Licensing Board, because this is one of the duties of that body, and does not fall under the jurisdiction of any judicial official.

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ces. No licence ought to be granted for kaffir eating-houses at the mines, because the necessity for them does not exist, and they only afford the opportunity to certain persons to continue the iniquitous sale of liquor to natives at the mines.

Your Commission disapprove of the payment of a portion of the fines to the informer, policeman or detective, because this not only puts a premium on crime, but the informer, influenced by greed, puts the accused in a position which, without trapping, he would not have occupied. It is not the intention of your Commission to deal with the Liquor Law in its entirety, and they have consequently only referred to certain points which, in their opinion, require modification in the interests of the trade and the mining industry.

Your Commission further recommend that all excise officials shall be under the control of the Licensing Boards of the different districts, and that the Licensing Board shall have special detectives and inspectors under their control.

isit dues. The transit duties are unfair, and ought to be abolished. Yearly, an amount of £600,000 is paid by this Republic to the neighbouring States (Orange Free State excepted). It may be argued from the other side that heavy expenses have been made to construct docks and warehouses, but against this can be urged that the consignors and consignees are charged heavy dock fees, which, if carefully calculated, amply

repay the expenses. The authority of your Commission for the figures quoted is Mr. Wiener, member of the Cape Parliament and chairman of the United Chambers of Commerce of South Africa, and your Commission are of opinion that statistics from such a source can be taken to be reliable. Your Commission recommend that negotiations shall be entered into with the interested colonies to have those transit duties abolished, but before doing so wish to recommend that the Government of this Republic shall abolish the transit duties on goods to the North, as at present levied.

With reference to the importation of foodstuffs, your Commission can only recommend that, if possible, foodstuffs ought to be entirely free from taxation, as at the present moment it is impossible to supply the population of the Republic from the products of local agriculture, and consequently importation is absolutely necessary. Import
foods

Before entering on the subject of explosives, we wish to put on record our disappointment with the evidence tendered on behalf of the South African Explosives Co., Limited. We expected, and we think not unreasonably, that they would be able to give reliable information for our guidance respecting the cost of importation, as well as of local manufacture, of the principal explosives used for mining purposes; but, though persistently questioned on these points, few facts were elicited, and we regret to say they entirely failed to satisfy us in this important respect. South
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The importance of a cheap supply of all necessaries required for mining purposes, in order to ensure success, is perhaps too obvious to need repeating, but we may mention that the one item most frequently referred to by witnesses in this connection was the cost of the explosives.

It has, we consider, been clearly proved that the price paid by the mines for explosives of all kinds is unreasonably high, having due regard to original cost and expenses of delivery in the South African Republic, and in our opinion a considerable reduction should be made. Cost of
ives.

In making recommendations with this object in view, it must be stated, at the outset, that the main difficulty in dealing with the question arises from the existence of the contract, by means of which the monopolists are able to maintain the high price, in spite of the fact that the manufactured article is mostly obtained by them in Europe at a very much lower cost. Consequently, the advantages which the Government intended to confer upon the country by establishing a new industry here, have not been realised, whilst the monopoly has proved a serious burden on the mining industry.

That the principal explosives used here (blasting gelatine, and, to a small extent, dynamite) can be purchased in Europe, and delivered here at a price far below the present cost to the mines, has been proved to us by the evidence of many witnesses competent to speak on the subject, and when we bear in mind that the excess charge of 40s. to 45s. per case does not benefit the State, but serves to enrich individuals for the most part resident in Europe, the injustice of such a tax on the staple industry becomes more apparent, and demands immediate removal.

It has been proved that the South African Republic is one of the largest, if not the largest, consumer of explosives in the world, and, according to the rule of commerce in such cases, it is reasonable to suppose that the most advantageous terms would be secured for so large a consumer. This, no doubt, would be the case were it not for the monopoly now in the hands of the South African Explosives Company, whereby they and their friends make enormous profits at the expense of the mining industry. These profits have been estimated by the Volksraad Dynamite Commission at no less than £580,000 for the years 1897 and 1898, being £2 per case on 290,000 cases, the number which it is estimated would have to be imported to meet the demands for Profits o
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those years. It is thus clear that the hope of establishing a factory capable of supplying the requirements of the mines, within a reasonable time, from the products of the country, is far from being realised.

From the evidence of witnesses other than the Explosives Company, we are bound to believe that dynamite No. 1, containing 75 per cent. of nitro-glycerine, can be delivered free on board at Hamburg at 23s. 6d. per case of 50 lbs., the costs of bringing it to Johannesburg being about 14s. additional. The managing director of the company, however, has since stated that Nobel's invoice it to them at 29s. 6d. free on board in Hamburg, but the difference is not essential to the point we have to deal with here.

This explosive, whether costing 23s. 6d. or 29s. 6d. in Hamburg, is supplied to the mines at 85s. per case, showing a profit of 47s. 6d. in one case, and 41s. 6d. in the other, of which this Government receives 5s. per case. That this is a reasonable estimate is supported by the report of the Volksraad Dynamite Commission, who state that the company makes a profit of £2 per case on imported dynamite, and further by the evidence of a former agent of Nobel's Dynamite Trust, whose statement was to the effect that he made an offer on behalf of Nobel's to deliver dynamite *ex* magazine on the Rand at 40s. per case, of 50 lbs., excluding duty, and this at a time when it had to be brought a considerable distance by ox-wagons.

In the case of blasting gelatine, which is now more largely used than No. 1 dynamite, the margin of profit made by the company at the expense of the mines is far greater. The evidence led in favour of the company is that the cost is 43s. 6d. per case free on board in Hamburg, the freight, etc., to Johannesburg being about 14s. per case. Therefore, by the company's own showing, the difference in price in Europe between blasting gelatine and dynamite No. 1 is 14s. per case (43s. 6d. and 29s. 6d.) whilst the charges for bringing the articles into the South African Republic are the same. Seeing that the company charges the mines for blasting gelatine 22s. 6d. over and above the price of dynamite No. 1 (namely, 107s. 6d. as against 85s.), it is evident that the profit falling to the company is still larger. Other evidence laid before your Commission gives the difference in cost of blasting gelatine and dynamite at only 7s. to 10s. per case.

The mining industry has thus to bear a burden which does not enrich the State or bring any benefit in return, and this fact must always prove a source of irritation and annoyance to those who, while willing to contribute to just taxation for the general good, cannot acquiesce in an impost of the nature complained of. The importance of this to the mining industry may be gathered from the fact that explosives have been shown to average 9 per cent. of the total working cost, but for the development work the percentage is a higher one.

On June 4, 1897, your Commission inspected the factory at Modderfontein, and it must be admitted that the construction of the works and general equipment are in many respects admirable, and it appeared to us greatly to be regretted that so much money should have been invested in an undertaking for the manufacture of an article whereof the ingredients have to be imported at a great cost, four tons of raw material being required to produce one ton of the manufactured article.

It has been proved to our satisfaction that none of the raw material used is found in this country, or only in such small quantities as to make it practically valueless for the purpose required; and the coal consumed, although obtained here, is 40 to 50 per cent. dearer than that delivered at factories in Europe. We understand experiments have been made with the object of manufacturing sulphuric acid from materials produced here, but these efforts to use the products of the country are still in the experimental stage. Labour of the kind required is three or four times more

expensive than, for instance, labour in Germany, while the excessive cost of transport compels the use of materials unnecessarily dear. There is also no market here for the by-products, which in Europe have considerable commercial value, thus further increasing the cost of the manufactured articles. All these drawbacks, which make it almost impossible to establish a *bona fide* industry, fall on the mines, and render their task, especially that of the low-grade mines, extremely difficult and discouraging. The desirability of establishing industries of all kinds within the Republic cannot for a moment be doubted; but when it is proposed to establish an artificial industry, whose only chance of success lies in the extent to which it may be allowed to unduly profit from, instead of benefiting a natural and more important enterprise, the economic fallacy of the proposition becomes sufficiently clear to need little further demonstration. Another point that has been brought to the notice of your Commission is the prejudicial effect exercised by this monopoly in practically excluding from the country all new inventions in connection with explosives, and, in view of the numerous dynamite accidents that have taken place from time to time, it is to be regretted that it is not possible to make satisfactory trials of other and less dangerous explosives for the working of mines. These questions have received the careful consideration of your Commission, who are forced to the conclusion that the factory has not attained the object for which it was established, and that there is no reasonable prospect of its doing so. Further, that there are good grounds for believing that the contractors have failed to comply with the conditions of their contract, which require them to establish, complete, and bring into operation, on or before April 24, 1896, one or more factories for the manufacture of dynamite and other explosives, of such nature and quality, and of such quantity, as the requirements and demands within the South African Republic shall necessitate.

For the aforesaid reasons, and in view of the opinion expressed by the Volksraad Dynamite Commission, that the legal position of the Government against the contractors is undoubtedly strong, your Commission desire to recommend that the case be placed in the hands of the legal advisers of the State, with a view to ascertaining whether the contract can be cancelled.

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Meanwhile, your Commission recommend that the Government avail itself forthwith of its right, under Article 15 of the Regulations, namely:—

Free trade
explosives.

The Government will reserve for itself the right, when the interests of the State render it necessary, to take away the agency of trading in gunpowder, dynamite, cartridges, and other explosive stuffs from the above-mentioned persons, etc., and at once take into its own hands the importation of dynamite and other explosives for the benefit of the mining industry, subject to a duty of not more than 20s. per case or such other less sum as may be determined on from time to time.

This protective duty, while considerably increasing the revenue of the State, would at the same time afford ample protection to any industry of this description in the Republic. In the event of cancellation being advised to be possible, free trade in explosives to be at once established, subject to a duty of 20s. per case, or such other less duty as may be determined upon from time to time, and manufacturing of other explosives in the Republic to be allowed, and also to be protected by the same import duty.

Your Commission are of opinion that effective free trade will be in no wise jeopardised by the existence of any "ring" or combination for the sale of explosives in Europe.

Your Commission further wish to recommend the free importation of detonators.

Your Commission desire further to observe that it is not clear to them, judging from the published accounts of the South African Explosives Company for 1895 and 1896, that the Government receives the proportion of surplus profit secured to it under the contract, namely, 20 per cent., and would strongly recommend, in accordance with Article 6 of the contract, an immediate investigation of the company's accounts by qualified accountants, in conjunction with the financial adviser of the Commission, in order to find out what amount is still due to the Government under this head, and further to cause inquiry to be made about the quantity of cases of blasting material, gelatine and dynamite imported during 1896-97.

Your Commission have followed, with great attention and interest, the evidence and statistics submitted under the head of railway rates. From those it appears that not only are the tariffs charged by the N.Z.A.S.M. such that, in the event of their being reduced the industry would be considerably benefited, while such a reduction would not only be fair, but necessitate that the neighbouring States and Colonies would have to reduce their tariffs considerably. It does not lie within the scope of the labours of this Commission to enter into the application of the tariffs at present existing and charged by the N.Z.A.S.M., because this would require a technical knowledge of railway matters which your Commission had neither the power nor opportunity to gain.

Your Commission have come to the conclusion that, taking into consideration the evidence submitted to them, and taking the gross revenue of traffic of goods at about £2,000,000 (as in 1896), it would be desirable to recommend so to regulate the tariff for the carriage of goods that the gross revenue for goods traffic for 1896, would have been reduced by £500,000, equivalent to an average reduction of 25 per cent.

Further, your Commission deem it desirable that the Government shall make such an arrangement as will secure to them in the future a voice in the fixing of the tariffs of the N.Z.A.S.M., and express their confidence that, as soon as prosperous times shall warrant such a course, a further reduction in tariffs shall be effected.

Your Commission wish to recommend that the reduction shall be chiefly applied to the carriage of coal, timber, mining machinery, and foodstuffs, according to a scale to be agreed upon between the Government and the N.Z.A.S.M.

Your Commission are of opinion that in this manner the industry will be met in a very fair way.

Your Commission wish to express their opinion that it is absolutely necessary that the reduction in all tariffs shall be brought about as speedily as possible, while they express the hope that, where the co-operation of the neighbouring States and Colonies is required, negotiations will be initiated and carried out so speedily that the reduction to be so initiated shall come into force not later than the 1st of January next.

Several witnesses and some of the members of the Commission have urged the expropriation of the N.Z.A.S.M. by the Government. Your Commission, however, for several reasons known to them, and after the same have been communicated to those members of the Commission who wished to urge expropriation of the N.Z.A.S.M., do not at the present moment desire to urge expropriation, provided by other means terms can be secured from the company, so as to obtain the reduction at present urgently required, on the basis as above set forth.

Your Commission have been informed that the company have promised to the Government to adopt the dividend of the three years—1895, 1896, and 1897—as the basis for the expropriation price, and your Commission can agree to such a proposal. The expropriation price being fixed, the company will have all the more reason to co-operate towards the lowering of the tariffs.

Further, it appears from the evidence of the managing director of the N.Z.A.S.M. that, in consideration of the reduction of tariffs, he wished to have secured to the company a certain period of existence. Your Commission cannot recommend this course, because they do not deem the same to be in the interests of the State, and it would be contrary to the wishes of the public.

Your Commission further wish to recommend that the Government shall take measures to effect an alteration as speedily as possible in the railway tariffs of the neighbouring States and Colonies, so as to place them on a reasonable basis. From the evidence and statistics submitted to your Commission, it appears that the neighbouring States and Colonies have made very large profits out of their railway traffic, and it is only fair to expect that they will understand the desirability of a considerable reduction.

Reducti
railway
on all
African

Before leaving the subject of the reduction of tariffs, your Commission want to remark that the tariff for coal traffic ought to command the largest reduction. Your Commission have further found that the mining industry have real complaints about the few facilities given by the company in delivery of coal and goods in general, and your Commission are of opinion that every measure ought to be taken in order to facilitate such delivery.

Railway rat
coal.

Delivery of
on Net
lands Rai

Your Commission recommend that a line of railway shall be constructed to the south of the main reef, between Boksburg and Krugersdorp, specially intended for the carrying of coal, and that to the different companies leave should be granted to construct sidings from that line and other lines to their mines, with permission to employ steam power, after approval of the plans by the Government Commissioner of Railways. This will do away with the objection at present existing against the payment for the detention of coal trucks, and the expenses connected therewith.

El and ston
Roodep
line.

Your Commission further wish to recommend that it will be desirable to relieve tariffs for coal traffic of every and any petty charges which are at present charged for truck-hire, shunting, detention, etc.

Charges for
m urra
shunting.

Your Commission further recommend that the company shall, as soon as possible, provide a quantity of proper coal trucks, by which coal can be carried in bulk, and by which the unnecessary expense of bags will be obviated.

Special rail
wagons.

Finally, your Commission are of opinion that the greatest facilities ought to be granted for the transport of all agricultural produce at lowest prices, and, if required, by night trains to the principal markets of the Republic. It cannot be questioned that everything ought to be done to encourage agriculture and stock-breeding in the Republic. There is no reason why milk and other perishable articles cannot be loaded at night at any station of the N.Z.A.S.M., and delivered in time for the markets. As an argument against this it might be said that, at the present moment, a very small quantity of such produce would be offered for transport; but your Commission consider that, if the opportunity were afforded, probably an important industry in these articles would be created.

Agriculture.

Your Commission wish to refer to what has already been said about the carrying by rail of kaffir labourers, whereby it is proposed to charge for kaffir or coloured labour travelling to the mines one-third of the usual fare, and to recover the balance from them on the return journey.

Transport of
natives.

Further, your Commission deem it of the greatest importance that measures should be taken by which all South African railway companies shall carry passengers and goods throughout South Africa under uniform conditions.

According to the evidence submitted to your Commission, gold thefts are on the increase, and, although the Volksraad have given the matter their favourable consideration, and have, at the instance of the mining industry, so amended the Gold Law as to

Gold thefts.

provide for punishment for the sale, and the being in possession of, raw gold, still, it has been stated to your Commission in evidence that the gold thefts amount to about 10 per cent. of the output, equivalent to an amount of £750,000 per annum. It follows that the administration of the law must be faulty, because there are only a very few instances where the crime has been detected and punished. If these figures are not exaggerated, and your Commission have no reason to suppose so, then this matter deserves the serious consideration of the Government.

The suppression of this crime can be considered as a real saving to the industry, and this amount of three-quarters of a million would, especially in times of depression, exercise a large influence on the yield and financial position of the mines. The industry ask that the penal clauses regarding this matter shall be eliminated from the Gold Law, and that a separate law be passed, more or less on the basis of the I.D.B. Law of Kimberley, Cape Colony; and that measures shall be taken by which the injured parties shall be enabled to exercise control, and have supervision over any department to be established for the detection and suppression of thefts of raw gold. Your Commission are of opinion that the Government could grant this request without injuring their dignity, on the basis hereafter mentioned; on the contrary, it would remove the blame from the present administration, viz., that these thefts can be practically carried on with impunity.

As regards the Pass Law, your Commission have obtained very important evidence from Mr. Kock, the Chief of the Johannesburg Pass Department, and they desire to refer you to his report, from which it appears that certain alterations are desirable, although what is really required with regard to this law is that it should be applied more stringently.

The Honourable Government will find later on in this report, a recommendation in which it is suggested that the carrying out of the Pass Law be placed under the control of a local Board on the Goldfields, and your Commission desire further to recommend that the whole of the administration of this law be placed under the control of the Superintendent of Natives, instead of the Minister of Mines, as is at present the case.

It is far from the Commission to, in any way, blame the Mining Department for the inferior carrying out of the law until now. But should Government take into consideration the suggestions made by your Commission with regard to the supply of native labour, mentioned under that head in this report, the object of your Commission in making this suggestion will be obvious, and it is also impossible for two departments to be engaged with the carrying out of one law.

The evidence given before your Commission has suggested the advisability of appointing a Board or Commission in Johannesburg, to be composed of members appointed by the Government, representatives of the mining industry, and commercial firms of the Witwatersrand, in order that the Government members may benefit by the experience of men who are daily occupied in the careful consideration of all matters appertaining to mining. Your Commission are of opinion that it is advisable that effect should be given to this recommendation. The objects of this Commission would be the supervision of the administration of the following laws: Liquor Law, as far as the proclaimed goldfields are concerned; the Pass Law, and law regarding gold thefts; and, further, they would have an advisory vote as regards the supply of natives to the mines, concerning which your Commission have already advised the Government as to what steps should be taken. The districts under the supervision of this Board or Commission ought to include Heidelberg, the Witwatersrand, Klerksdorp and other goldfields, as may appear essential.

Your Commission suggest that this Board or Commission shall consist of five ^{Speck} members to be appointed by the Government, and of four members to be deputed by ^{forc} the following bodies, subject to the approval of the Government, namely, one delegate from the Chamber of Mines, one from the Association of Mines, or, in the event of these two bodies amalgamating, two delegates from the joint Chamber, one delegate from the Mine Managers' Association, and one delegate from the merchants of Johannesburg.

Your Commission would recommend that a special detective force be placed under this department, the duties of the members of which shall be the tracing of contraveners of the above-mentioned laws, and then the prosecution of them in the usual manner. It shall also be within the province of this Board or Commission to report to the Government any neglect on the part of the officials who are charged with the carrying out of the above-mentioned laws. The Board or Commission shall also report to the Executive Council upon the good or bad working of the above laws, and recommend alterations if necessary. It shall naturally be clearly stipulated that the power to be given to the Board or Commission shall in no way encroach upon the working of the Mining Department or of the Licensing Boards, but they shall work in unison with them.

We would also advance as another reason in favour of the establishment of such a Board that the Government will be able to depute to them the reception of deputations regarding mining complaints, for them to hear and investigate such complaints and submit them to the Government, together with their opinions upon them. Thereby much time would be saved.

Your Commission would suggest to the Government that this Board be brought into existence as soon as possible, and that they should draw up regulations and submit them to the Government for ratification.

Under the heading of the duty on cement, your Commission merely desire to ^{Duty on c} state that the import duty of 12s. 6d. per cask appears to be altogether too high. Apart from this, the heavy transport rate on such a heavy article as cement causes in itself the price to be so high that it ought to be exceedingly easy for any local industry to compete.

Your Commission recommends, therefore, that the special duty on cement should be abolished as soon as possible.

It has been clearly proven to your Commission that the concession granted for ^{Brick - n} the supply of machine-made bricks is generally injurious to the inhabitants of the ^{concessi} Republic. For this reason, your Commission recommend that steps be taken, as soon as possible, to relieve the inhabitants of the Republic from this undesirable monopoly.

Evidence has been given before your Commission that the sweepstakes and other ^{Sweepstake} forms of betting held in the betting circles in the Republic have a very injurious effect upon trade, and are especially injurious to the youth of this Republic.

Your Commission are aware that this question is already before the Raad for consideration, and can, therefore, only give expression to the hope that that body will proceed to alter the law in such a manner that the holding of all sweepstakes and other forms of betting will be prohibited.

Before concluding their report, your Commission must express the greatest satisfac- ^{Witness} tion at the manner in which witnesses have appeared at the request of your Commission. ^{thanked.} It would be invidious to mention some names when there are so many who, at a great sacrifice of time, have devoted themselves to a careful compilation of facts and figures, from which no more interesting or exhaustive statements of the local mining industry have ever been laid before the public.

At the request of your Commission, representatives from Barberton and Klerks-

dorp came to Pretoria to give evidence, and the public spirit displayed by these gentlemen in coming all that distance to represent the interests of their respective communities deserves the greatest praise.

It must be mentioned here that the interests of the aforesaid mining communities are identical with those of the Witwatersrand goldfields, and any benefits resulting from the enquiry must necessarily extend to those fields.

Recommendations for publication of the report and evidence.

Your Commission respectfully suggest that, for the purposes of general reference and to be taken up in the official archives, the report with all the evidence led, statistics and further addenda, be printed and published in book form. It will also serve a useful purpose in illustrating to foreign investors the conditions under which the mines exist and are worked, the richness of the reefs and the regularity of the ore deposits.

Its adoption of report.

Credit will be restored, as it will be obvious to all who take an interest in the matter, that the bogus companies, mostly floated in Europe by unscrupulous promoters, do not come within the pale of legitimate enterprise connected with the mining industry. The establishment of a local Mining Board has been strongly urged by witnesses. From an industrial and financial point of view this country must be considered as still in its infancy, and without loss of dignity and prestige the Government may accede to the above request. Experience in these matters can only be attained after the lapse of long years, and by coming into contact with experts from other countries the State will reap the benefit of the knowledge obtained in their countries, where these problems have for decades exercised the minds of their leading citizens. In conclusion, your Commission fervently hope that they have truly and faithfully interpreted the objects of the inquiry, and that their suggestions and recommendations, if acted upon, will confer a lasting benefit on "Land en Volk."

The above Report was signed by all the Official and Advisory Members of the Commission.