

our mines, I may simply point out to you that in 1887 or 1888 a very eminent mining engineer, Mr. Gardner Williams, came up to the Rand to report for Messrs. Wernher, Beit, and Co., and that his reports were unfavourable, and to the effect that he did not think the conglomerate bed would be continuous and that it was only a surface wash. I may say here that this opinion advanced by Mr. Gardner Williams at the time does not in the least reflect upon his ability as a mining engineer, because the conglomerate bed as found here had never been met with anywhere in the world, and that his conclusions were at the time perfectly justified. Does it not strike you as being very plucky for men to put in £50,000 or £5,000 at the time, and as the profit is always in proportion to the risk which a commercial man takes, that the money which these men in the early days made they were justly entitled to make? If you have a mine you can get your working capital subscribed at par, or even people are willing to pay premiums, or, as I have pointed out to Mr. de Beer, the reserve shares were subscribed for at premiums varying from 200 per cent. to 2,000 per cent.

Now must I understand that those premiums paid lately have been paid by the public, by groups of financiers, or by the promoters of the mines?—The issues have been guaranteed and generally subscribed for by financiers.

Then those who formerly had no shares have lately paid for shares considerably over par?—Just so.

*Chairman.*

I must now thank you, Mr. Albu, for the manner in which you gave evidence, and I can assure you that you have assisted us materially in our work. So far we have finished with you, although I think we shall recall you later on.

Mr. Edward  
Way's evi-  
dence.

MR. EDWARD J. WAY, manager of the George Goch Mine, was called. Mr. Way stated that he was manager of the George Goch for three years past, and prior to that he had been manager of the Eastleigh Mines at Klerksdorp.

*Chairman.*

On the lines indicated by you, the Commission, after your statement, will put other questions.

Cost of native  
labour.

*Witness.]* With regard to the question of mining costs there are four or five chief headings to engage one's attention upon which reductions can be made. The most important is kaffir wages. Taking the figures of my mine as a criterion, the average wage paid to each boy amounts to about 2s. 1d. per shift and his food. Previous to November, 1896, it amounted to from 2s. 7d. to 2s. 8d. per shift. The natives of my own mine draw monthly from £3,500 to £3,900. Most of the managers have notified their Boards that in their opinion these wages should be reduced one-third, and the matter is now under serious consideration. On the George Goch Mine this would mean a reduction of £1,300 per month. The wages then would even be higher than were paid by me ten years ago in Pilgrim's Rest.

Reduction of na-  
tive wages.

*Mr. Hugo.*

How much higher?—The average wage paid in 1889 was about 27s. per calendar month, with food. The wage now, if this reduction takes place, will be about 40s. per calendar month. That is the maximum. The next question is dynamite. The George Goch Company pays at present about from £1,000 to £1,200 per month for dynamite. If it were possible to reduce this dynamite from about £5 per case to 50s. per case, it would save us from five to six hundred pounds per month, which is about 1s. per ton on the

Dynamite costs.

ore treated per month. The next question is the question of coal. At present we pay <sup>Coal freights.</sup> 16s. 3d. per ton for nut coal—that is small coal—and 18s. 9d. for the large coal, all delivered in bags. It would be possible to get this coal, if not delivered in bags, at from 15s. to 16s. per ton. I think it is possible to deliver coal to the centre of the Witwatersrand at from 12s. to 13s. per ton, provided the railway freight be reduced. This would mean a saving to the George Goch Mine of 5s. 6d. per ton on about 2,000 tons of coal—about £1,000 per month. My present coal bill is about £1,900 per month. Coal, dynamite, and native labour wages, which I have just given you, if reduced in the way I have suggested, would mean a saving of approximately £36,000 a year to my company. This would be entirely profit, and is equal to over 10 per cent. upon the capital of the company, which at the present moment is not paying any dividends at all. With regard to the question of further reduction of white wages, I think the high <sup>White wages.</sup> cost of living must be seriously taken into consideration before any steps are taken in that direction. If we can reduce the cost of living, and make a reduction in the other items which I have mentioned, I think we shall have reasonable grounds for attacking white wages. At the present time, upon the George Goch Mine, wages alone are 55 per cent. of the total expenditure.

Mr. de Beer.

Everything included?—Yes.

Mr. Smit.

White and black labour?—Yes. Native labour, with food, comes to about <sup>Percentage of mining cos</sup> 27 per cent., and the white labour to about 28 per cent. The actual stores consumed, such as drill steel, machinery, mealie meal, and other items which make up the trade accounts of the mine, could be possibly very greatly reduced. The trade accounts, exclusive of dynamite, amount to about from £2,800 to £3,300 per month. Ten or 20 per cent. reduction on this amount would mean a further saving of from £300 to £600 per month, so that if you add these figures together—the £3,000 I have mentioned and the other reductions—it would come to £3,600 per month. That is equal to about from 6s. 8d. to 7s. 3d. per ton, and would reduce our expenses to about 15s. per ton, including everything. The two items of dynamite and coal on the George Goch Mine come to £36,000 a year; the whole item of wages would amount to from £80,000 to £90,000 a year; the proposed reduction of native wages would mean a saving of about £16,000 a year on the George Goch.

Mr. Joubert.

Supposing it to be possible that the Government were to give low railway rates, make a reduction in the price of dynamite and the price of kafir labour, would the mines then be prepared, when any further complaint was made, to co-operate with the Government, and show the outside world that such complaint was groundless?—I should say that the matters which are being brought up before this Commission for redress will be complete, and I should not anticipate that anything further will be brought up. It depends entirely on the scope of the enquiry.

The question is: Would the mines be prepared, if the Government does its best to <sup>Co-operation of mining leaders</sup> meet these grievances, and then, if any further complaint was made, to co-operate with the Government to convince the public at large that such complaints were groundless?—That is a question I hardly can answer.

I simply want to know your opinion on the subject?—It strikes me that question would be answered more readily by the heads of the mining groups. My opinion is that if the Government and the mining industry co-operate together and act together, I don't see how there can be any further cause of complaint.

I want to be assured in case I make recommendations to the Government, and these recommendations are adopted, that the Government can then depend on the support of the mines.—I should say they will be supported by the mines if their recommendations are adopted.

One of the objects of the Commission is to put matters on such a basis that the mines can co-operate with the Government to bring them all to a good state, and I, as a member of the Committee, would like to know from the managers if the Government redress these grievances, whether the mines would co-operate with the Government?—I should say most certainly.

Mr. de Beer.

White and native wages.

You say the wages are £80,000 per annum?—Yes.

As far as I understand it is divided pretty equally among black and white?—Yes; including the food of the natives.

How many white employees have you got?—180; but I must say, in continuation, that at least 70 or 80 of that number are employed upon what we call capital expenditure—what we call construction. In an ordinary way we have 105.

How many kafirs have you got?—At the present moment in my compound I have 1,335.

What is the aggregate per head for white labour?—Do you include managers?—

Are they included in the 105?—Yes.

Average of white wages and salaries.

What is the aggregate wage of the 105?—From £25 to £27 per month.

I make it over £30.—That may be owing to the fact that in the amount I named I included town salaries, directors' fees, and the head office in Berlin and the London office expenses. The actual number of white employees stated by me is 105, and if Mr. de Beer is dividing the amount I gave by that number, I must include seven or eight more, because they are not under my control. I am merely speaking of those under my control. There is the secretary in town, for instance, and his staff. My figures are approximate: I have no notes.

Average native wages.

What would the average kaffir wages per head be per year?—The average would be something under £35 per year; we don't pay them all the same.

Then you think that the amount of wage paid to your 1,335 kaffirs per year can be reduced by about one-third?—Yes.

Reduction of white wages.

You see no chance of reducing the wages of white labour—those who get an average of £30 per month?—The possible average of my mine probably differs from other mines; I am merely taking the figures of the George Goch Mine. It may be that other mines pay higher or lower as the case may be.

It is rumoured that there are thousands of white miners out of employment. This being so, is there no chance to reduce wages?—That is not my experience. I have the greatest difficulty in getting good miners. I will give the Commission an example. I advertised in the *Star* for two pump men, and I had only one application, and the applicant was absolutely incompetent. I can understand that there are a great many men out of employment, but they are not competent, and so long as we have not got an over-abundance of competent white miners, we cannot hope to reduce their wages unless we can reduce the cost of living.

Rates of white wages. Contract work.

Do you consider that £340 a year is an abnormal salary for a white man?—It depends entirely upon the work he does. If he is employed on contract work and relies upon his own efforts, I personally have no objection to a man earning £35 to £40 per month. If I employ a cheaper man to do this work he would probably burn twice as much dynamite, so that the difference between the men is thus balanced. My experience is that if you can get together a good body of men and pay them well,

the money which they save in other departments a great deal more than covers the increased wage they may be earning.

Do I understand that these 105 are skilled labourers?—It depends on what line of demarcation you draw between skilled and unskilled labour. The only unskilled men we have are the actual miners.

And their salary?—£4 10s. per week.

And you consider that with the high cost of living it is difficult to reduce that?—It comes particularly heavy on married men. A single man can possibly save, if he saves everything possible, perhaps £100 a year. But the married man has several disadvantages. As a rule he does not get a house free upon the company's property. He has house rent to pay, and there is the keep of his wife and possibly a family, and he cannot live under a margin of £18 or £20 per month. A very large percentage of the men who live as single men on the Rand, particularly among the Cornish miners, have wives and families in Cornwall, so that the apparent saving, so far as we know it, possibly goes to keep a wife and family in Cornwall. Most of the miners on the George Goch are Cornishmen.

Wages of married miners.

Do you order your machinery direct from the manufacturers?—Does Mr. de Beer mean me personally.

Purchase of machinery.

Your company?—Yes, from agents in Johannesburg.

What do the agents charge on that do you know?—As a rule the work is given out to contract, and the lowest tender is accepted. If the nature of the work precludes it being given out to contract it is supplied on what is called prime cost, that is to say, the principals of the agents in Johannesburg send the exact cost of making the work, together with their profit, to which is added freight and railage, and, as a rule, the agent here gets 5 per cent. on that.

Do the railway charges always appear as separate items?—In our accounts certainly. I understood you to refer to prime cost when you spoke about railage. If we buy stores from merchants in town we know nothing about railage.

I am speaking of machinery?—Yes, in regard to machinery.

Mr. Smit.

One of the biggest items of your expenditure is labour, which means 55 per cent.—Yes.

Percentage of labour costs.

Amongst which is 27 per cent. for kaffir labour, and 28 for white?—Yes.

Are any steps being taken by the George Goch, in conjunction with other companies, to get the wages reduced?—Yes.

Reduction of white and native wages.

What steps are being taken?—As I pointed out to the Commission, the managers have recommended their directors to go into the question of further reducing kaffir wages by 33 per cent. The question of the reduction of white wages is also under consideration.

Can you tell what the mine managers will get?—They will get anything from £1,000 to £4,000 a year.

Salaries of Mine Managers.

There is no case where they get more than £4,000?—I cannot tell that.

On the different savings suggested by you, what would be the total amount in saving effected by the George Goch after all the reductions were made?—Over £40,000 a year.

Wages come to 55 per cent. How do you make up the rest?—Dynamite, about 12 per cent.; coal, about 11 per cent.—that is coal and carriage.

Percentage of mining costs.

How much of the 11 per cent. belongs to carriage?—About one-half, roughly.

And how is the remainder of the total made up?—It would be taken up in general stores, such as candles, fuse, pipe fittings, cyanide. Cyanide amounts to about

2 to 3½ per cent. Mine timber would amount to 3 or 4 per cent. The price of mine timber largely depends upon the source from which it is obtained. At the present moment our supplies are mostly coming from Natal, as the farmers of the Transvaal have not been bringing in large quantities lately. I believe a pole which costs about 1s. in Natal costs 8s. or 9s. by the time we get it.

Percentage of  
freight on  
working costs.

At any rate, the charge for railway carriage debited to general expenditure account would only be on coal, 5½ per cent.—It is very difficult in buying from merchants in Johannesburg to know what has been paid for railage, freight, Customs, and transit dues. As a rule, the mine manager makes a contract with a merchant, and, as far as he possibly can, he accepts the lowest possible figure. He does not concern himself at all as to the actual way in which the cost is made up.

*Chairman.*

Have you had occasion lately to dismiss white labour?—No.  
I mean fixed miners on the mine?—No.

*Mr. Schmitz-Dumont.*

You have said that of the price of coal one-half ought to be debited to railage?—I said approximately.

You say 11 per cent. is the proportion of your expenditure used by coal?—Yes.

The salaries of white people are so high because the cost of living is so high, and the Commission would like to know what the amount is which the mines pay for railage to the railway company indirectly through their consumption on different articles?—I cannot say. In my opinion I would say that is a question for the merchants.

It is impossible to fix the amount which goes to the railway in proportion to the salaries of white men?—From my point of view it is impossible.

Scarcity of com-  
petent miners.

You say it is difficult to get competent miners for the mines?—Yes.

What class of people are they, now, who walk about Johannesburg and without work?—I think they are more of the more artisan class.

It is a certain fact that really competent men are scarce?—In my opinion competent miners are scarce. The State Mining Engineer should know almost as well as I do.

*Mr. Brakhan.*

Percentage of  
freight on  
working costs.

Am I to understand from you that the books at the mine, or the books of the company show to no material extent the railage, that is to say, the cost which really goes to the railway company on all the various articles used?—In hardly one particular case.

Then I am to understand from you that the cost actually paid to the railway does not so much come from the mine, but from the merchants who supply the various machinery, wood, and various other plant and stores?—Yes.

Therefore if the mines were to compile out of the books the amount of freight paid direct to the railway company this would give no idea whatever of the situation?—None whatever.

In other words, the amount of material, whatever it might be, imported direct by the company is a very small one?—Very small. Coal, for instance, is delivered at a contract price; it is delivered at the different works at a fixed price, and we are not informed how much it cost per mile to carry it.

Reduction of na-  
tive wages.

You have informed us that the mine managers have advised the Boards to reduce the kaffir wages by one-third. Has that advice come from all the

managers along the reef?—In the first place the Council of the Mine Managers' Association unanimously decided that it was an opportune time that the reduction should take place. It was then brought before the Chamber of Mines, Association of Mines, and the Rand Native Supply Association, and a meeting was held and a committee formed. At the same time the mine managers had a general meeting, at which it was unanimously decided that the time was opportune that the reduction should take place, and that the reduction should be 33 per cent.

It has not come to your knowledge that any mine managers who were not present at that general meeting, hold a different opinion?—I have heard that is so.

Can you inform us whether the good supply of black labour on the Witwatersrand is general?—I think it depends to a large extent upon the locality and upon the compound management. I think, at the present time, the central part of the Rand has more natives than it requires. I have heard that the outside districts are short, but I cannot understand how this can be when the Native Supply Association informs us they have natives on hand whom no one wants.

Supply of native labour.

Is it not a fact that kafirs are at times unwilling to go to certain parts of the Rand—in fact, I may say insist on coming to the centre part?—I should think it is largely a question of management.

What is your opinion as to the quality of the native labour which is general here—I speak more especially with regard to drill boys?—In my experience, they are very inferior to what they were six or seven years ago.

Quality of native labour.

In other words, boys who used to work formerly here do not come back in such big proportion, or the demands of the industry are so much greater?—I think many of the boys have become demoralised by the high wages which they receive. I have boys working in my compound who did twice the work for 25s. a calendar month, eight years ago, which they do now for £3.

In other words, the boys know they are to some extent masters of the situation?—They may think so, but I cannot admit they know it for a fact.

Are not lower wages paid to natives in other districts—Pilgrim's Rest—than on the Rand?—The latest information is that in Pilgrim's Rest wages are about equal to what they are here, if not higher.

Wages at Pilgrim's Rest.

With regard to Barberton?—I cannot say.

Is the number of skilled drill boys very limited?—I don't think it is a question of skill so much as unwillingness to work. There is a sort of understanding that in the hard rock their work for the day should be one hole approximately 3 feet deep, and that is so rooted in their minds that if a shift boss or mine foreman or manager tries to get any more he loses his boys, because they will go at once to mines where such labour is scarce.

Drill boys.

Can you suggest any plan by which a permanent supply could be relied upon for the Rand, skilled principally?—The only way is to give natives facilities for family life. We do it to a certain extent on the George Goch, and we get into considerable trouble for doing it. We have a location upon our lower claims, and I have boys who have their wives and families, who have been working at the mine for the last eight years. If locations could be established somewhere in the neighbourhood of the mines—within walking distance—so that the natives could bring down their wives and families, I think you would have a far greater supply than you require.

Native locations.

I notice in your evidence you put native pay per month at £3. I think the other mines' average is a higher one. You also say you have a good supply of boys. Do you attribute these two points to the fact that you have a small location?—I attribute it to that, and to the fact that we give considerable attention to our compound management.

Compound management.