THIRD REPORT
OF THE
ROYAL COMMISSION
APPOINTED TO INQUIRE INTO THE SUBJECT OF
MINING ROYALTIES;
WITH
MINUTES OF EVIDENCE AND APPENDICES.
1891.
THIRTY-SIXTH DAY.

6, Old Palace Yard, Westminster, S.W., Wednesday, 6th May, 1891.

PRESENT:

The Right Hon. the EARL OF NORTHBROOK, G.C.S.I., Chairman.

Mr. William Abraham, M.P.
Mr. Alfred Barnes, M.P.
Mr. Thomas Burt, M.P.
Mr. David Dale.
Mr. G. Baker Forster.
Mr. Archibald Hood.

Mr. William C. Pendarves.
Mr. Christopher T. Redington.
Mr. F. Parker Rhodes.
Mr. Charles Whitmore, M.P.

Mr. Herbert Lyon, Secretary.
Mr. James McIlquaham called and examined.
15,504. (Chairman.) You are concerned, I believe, with the Cardigan Silver Lead Mining Company at Aberystwith?—Yes.

15,505. Are you manager or partner, or what?—I am manager and part owner.

15,506. Is it a large mine?—It is only a small mine.

15,507. How many men do you employ?—We are just commencing that mine—perhaps about 20. I am also a director of the Van Mining Company, which is a large mine in Wales.

15,508. In what part of Wales?—The Van Mine is in Montgomeryshire, and it is a lead and blende mine.

15,509. How many men do you employ there?—Many years ago there were over 700 people employed. The company has been reconstructed and there are not so many employed at present.

15,510. Would you tell the Commission what you wish to represent to them in respect to royalties?—I come to speak not on behalf of the land-owners, nor of the receivers of royalty. I wish to speak on behalf of the mine-owners; that is to say, the people who invest their money in mines with the object of getting a fair return for their capital.

15,511. The lessees in point of fact?—Yes, and also on behalf of the workmen. I do not know whether the land-owners and the lords have been represented before this Commission or not. I leave them to speak for themselves; if they have not been very likely they will be. I come to speak chiefly about my own county and of lead mining in general in Wales. It was once a most flourishing and important industry, but I am sorry to say that now it is in a most languishing, drooping state, and is almost dead.

15,512. To what reason do you attribute the present condition of lead mining in Wales?—Principally to the low price of lead now ruling owing to large foreign importation, and to the excessive and exorbitant rents and royalties exacted by the landowners.

15,513. What is the average price now, per ton?—It varies according to the amount of silver the lead contains. The low-priced ores will average about 8l. per ton.

15,514. (Mr. Hood.) I did not understand his lordship to ask the price of ores, it was the price of pig lead that I understood him to put to you?—The present price of English pig lead is from 12l. 10s. to 13l., and Spanish lead is about 12l. 10s. per ton.

15,515. (Chairman.) It has been up as high as 22l. and 23l. in the last five or ten years, has it not?—I do not think it has been so high as 22l. during the last 10 years; but 16 to 20 years ago it went up to these figures.

15,516. So that it has fallen in price very considerably?—Yes, it has.

15,517. Is that the main reason which has affected your working of the mines?—No, not so the sole reason. There are other great drawbacks, some of which I have just mentioned.

15,518. What royalties do you pay now in your mines?—From an eighteenth to a twentieth.

15,519. Do you think that that is so heavy a burden that you would be able to work the mine at a profit if it were reduced or removed?—Our mines would be worked more energetically, that is to say, capitalists would come in and put capital into the mines with the object of trying to find out good paying lodes; but the restrictions put upon mining are so great that capitalists will not look at mines simply because the dues and the
15,520. What charges are made by the land proprietors besides the royalties; is there any other charge? — Yes, they charge dead-rents, and they charge for water. We have also to pay exorbitant rents for watercourses run through lands belonging to other people beside the lessors.

15,521. Can you give us a copy of your present lease for the two companies to which you belong, showing what the royalties are? — I am afraid you would be tired before you would be a quarter of the way through it. One of the great grievances we have is the long leases; we want them more simplified.

15,522. Can you tell us what the terms of your leases are, or have you any objection to give us that information? — The terms are mentioned in the lease.

15,523. How much is the royalty? — It is a twentieth in some of them.

15,524. What other restrictions are there? — That you have to keep so many men employed sunking shafts and driving levels, to produce accurate accounts, and keep correct books, and so forth; and pages and pages of matter, which I am sure you would be tired of before you read them through.

15,525. Is the twentieth upon the gross produce? — Yes, that is the unfortunate part of it.

15,526. (Mr. Rhodes.) Have you got one of your leases with you? — No, I have not. We want our royalties on the net, not on the gross.

15,527. (Chairman.) How long is it since you made those terms for this company that you speak of? — Some of the leases have been running on for some time.

15,528. Take the company which you have just formed, for example? — Three years ago we took up a new lease from the Crown at one-twentieth royalty, and then there is a dead-rent.

15,529. Did you consider the terms of that lease were too high? — They are too high; we cannot work our mines on the present terms.

15,530. Has there been so great a fall in the last two years in the price of lead as to alter your conditions? — Not in the last two years, but during the last 10 or 15 years.

15,531. If you took this lease two years ago on these terms, why did you not refuse to take a lease on bad conditions? — Because I am looking forward to the time when we shall have a great alteration in our mining laws, and when we shall be able to lay our grievances before a proper court, and when attention will be paid to them.


15,533. When you took your lease did you mention that the terms were too high? — Yes, that was mentioned, and a reduction was made.

15,534. Was there any correspondence which took place between you and the office? — I have not it just now.

15,535. Did you make representations then that the terms asked were too high, and were your representations neglected by the department? — I cannot say that; I was always treated with the greatest courtesy by the official of the Woods and Forests.

15,536. In that case it would appear that you deliberately took a lease, the terms of which you thought were too onerous at the time, is that so? — As I say we are looking forward to great alterations...
being made. We thought we would go on like that, and possibly there might be a rise in lead. We were always hoping and looking forward to something turning up in the future. We felt that sooner or later an alteration would be made, and better terms given not only in new but existing leases. It would be almost useless to ask them for better terms; I do not think we could have got much better terms than they grant just now.

15,357. Then besides the royalty being too high in your opinion, you think the terms of the lease are too complicated?—Yes, considerably.

15,358. Did you ever mention anything to them?—No.

15,359. Have you dealt with private individuals?—Yes. We have not so much to complain of the Crown leases as of the general leases obtained from landowners; which, as a rule, are more complicated.

15,360. Have you had to deal with other land-owners besides the Crown?—Yes.

15,361. Are the terms much the same in most cases or are they different?—The leases are much longer and more complicated.

15,362. Is the royalty higher in the one case or about the same?—Much about the same, but they exact such charges for water and surface damage, and so forth, that we really cannot work the mines. I am connected with one mine which we have dismantled; we have just finished in fact. My friends would have worked that mine, only the land owner charged 30l. a year dead-rent, merging into a royalty, I think, of one-eighteenth, and besides claiming 15l. rent for a water-course to supply water to the machinery of this mine. The lessor wants to charge 15l. a year for a water-course running through his own land to supply his own mine, and my friends objected on principle to it, and said "No, we will have nothing at all to do with it."

15,363. Who was that, or do you object to mention the name?—The lord is Sir Pryce Pryce of Gogerddan, Cardiganshire.

15,364. Have you found the same thing occur in other cases?—Yes, more particularly in the case of the Van Mine in Montgomeryshire, of which I am a director. That mine during the last few years we have paid hundreds of pounds every year to the lessees in royalty, and the shareholders have not received a single penny. In this set there is a reservoir which the company constructed to supply their mine with water to work the machinery. This reservoir belongs to the two lessors and they charge 70l. a year water rent, I think it is about equally divided between the two, and the agricultural value of that land will certainly not exceed 5l. They charge 70l. a year for this reservoir, upon which land, supplying water to their own mine from which they derive these excessive royalties while the shareholders get nothing at all.

15,365. You say they charge it; was there any arrangement made between the company and these lessors before you constructed the reservoir?—Yes, over 20 years ago.

15,366. In that arrangement, did the company undertake to pay this money?—Yes, but that was 20 years ago, when lead was at a very high price and they were making large dividends. They did not very much care about it then as they were making large profits.

15,367. Do you think the owners ought to have made deductions in this rent in consequence of the fall in the price of lead, and the reduction in the profits of the company?—I do. Unless these reductions are made it is utterly useless for us to attempt to work the mines at a profit. Another case in point, a Cardiganshire mine, there is a large mountain lake, the overflow of which runs into the sea; the owner of this lake diverted this overflow to work their machinery and traversed some 200 or 300 yards of bare mountain land belonging to the Crown for which they charged them 25l. a year. A neighbouring lord also took advantage of this water shed and likewise charged another 25l. a year, which made 50l. a year, for which a competent authority says it
These mine owners some little time ago made application to the Crown for a reduction of this water rent, and they reduced it to one-half, and the lord followed suit, so that now the mine owners pay 25l. a year for the use of this waste water which was doing no good whatever and is now doing the land no harm at all. The consequence is that the mine does not pay them, and they keep struggling on to try to make something. The mines will not pay, saddled as they are, with these heavy charges. They have also to pay rents for watercourses running through lands belonging to other people.

15,648. Put these charges together, which you consider prevent the mines from paying, how much do they amount to in a year. You have got to pay 25l. for this water, put on to that the other charges which you think are so weighting the mine that it will not pay to work, and tell us the total amount per annum, naming the particular mine to which you refer. Let us get a little into detail in this? — I will hand you the letter from the agent of a mine (handing in letter).

15,649. (Mr. Rhodes.) Just give us the name of that mine? — The Florida Mine, Cardiganshire.

15,650. (Chairman.) Is that the mine which you say cannot be carried on, and the mine which are made against the mine? — No, that is another mine; I am just bringing this as an illustration.

15,651. Then this Florida Mine is not the mine to which you refer? — No. There are many other charges besides these.

15,652. Could you show us what are the charges per annum, which you consider to be unfair charges, that you have to pay in the Florida Mine, say? — I am not connected with the Florida Mine. I simply refer to it to illustrate the heavy charges which some of our small mines have to bear. I am sorry that I only knew last Friday that I was to be called up here.

15,653. Then you are not in a position to give us any particulars respecting the Florida Mine? — No, only as much as I have given you.

15,654. Kindly take any mine of which you know the particulars, and with which you yourself are connected, and give us the details showing how much per annum you pay which you consider you ought not to pay; take one or two mines with which you yourself are personally connected? — I could mention several. For instance, we have taken one now from the Crown for which we pay 15l. a year to merge in the royalty.

15,655. What is the name of that mine? — Bodcol, Cardiganshire.

15,656. Do you have to pay 15l. dead-rent for that? — Yes.

15,657. Do you consider that too high? — Yes.

15,658. You say the lease has been taken for this mine on the payment of 15l. a year dead-rent to the Crown? — Yes.


15,660. Do you consider that those terms are too high? — Yes.

15,661. Do they prevent the mine being worked at a profit? — They are great hindrances in the present depressed state of lead mining. It is our intention to have a tunnel or a deep adit, and if the heart of a mountain it will take two or three years, and a considerable amount of money will have to be expended before we can hope to tap the lead. I think that this 15l., a year ought to be redeemable; that is to say, when we reach the lead and begin to pay royalties at the end of, say, three years, that would be 45l. which should be refunded or redeemed in the shape of royalty.

15,662. (Mr. Rhodes.) I thought you said it was? — I did not say it was. I said it merged into the royalty.

15,663. (Mr. Forster.) You mean for the particular year; year by year, I suppose? — That is so.
Mr. J. McEvillyhun.

6 May 1891.

Bodrell Mine.

The Eggarwim and Esqarurdhu Mines.

15.564. (Chairman.) Are there any other changes which you have to bear in connexion with this mine?—Not that I can complain of.
15.565. Do you mean to tell us that because you have to pay 15d. a year for that mine you are prevented from working profitably this undertaking?—No, it does not prevent us; but I say it is rather hard and that we ought to have better terms. I maintain that this 15d. a year ought to be refunded out of the lead if we get any.
15.566. That is one case. Take another case; take the case of the next mine that you are interested in yourself personally?—I will take the case of the Esqarward and the Esqarurdhu, which are on the same set, and are taken from the Crown.
15.567. What are the terms of the lease?—30l. a year, and the royalty one-twentieth.
15.568. Have you any other charges that you have to bear in that mine?—No; fortunately we have a very good water supply there because the land belongs to the sea and they give us the first right to this water; but we have to return it afterwards to the Lisburne mines, so that there is no charge for water there.
15.569. Do you consider that those terms are too high?—In the sense that I think those dead-rents ought to be redeemable. We shall spend a great deal of money there before we hope to raise any lead at a profit.
15.570. Then in respect of those two mines your representation to us comes to this: that you think the dead-rent of 15l. a year in one case, and 30l. a year in the other, ought to be redeemable from dues, as you pay royalties in future years?—Yes.
15.571. It comes really to that?—Yes.
15.572. Do you consider that in either of these two cases the terms, although you think they might be more liberal in respect of redeeming this dead-rent, prevent you from working the mines at a profit. Do you really represent that to us, that you are prevented working at a profit when they are demanded?—They are very great drawbacks. It is only by economising and cutting down expenses, and reducing them to a minimum, that we can carry on our mines in the face of the severe foreign competition.
15.573. Can you give us another case. I want to get a case, if I can, in which you have the other burdens which you mentioned just now, water and so on, where the charges are higher?—Not one with which I am connected myself; but this complaint is general in our country.
15.574. Does that conclude the mines with which you yourself are connected?—Except the Van Mine.
15.575. I will take that. Is that the mine where you had 25l. a year to pay for water?—No.
15.576. (Mr. Rhodes.) What county is the Van in?—In Montgomeryshire. It is one of the largest lead mines in this county, I believe, and has been one of the most successful.
15.577. (Chairman.) Do you pay them 70l. a year?—Yes; 70l. a year is paid by that company for the use of a reservoir on land owned by the lessors, and I think it is not right or fair that the lessor should charge 70l. a year for a waterway on their own land, supplying water to their own mine, from which they receive such large royalties, and have done in the past.
15.578. What royalties do you pay now for that mine?—It is not finally settled yet; but I think we are paying about an eighteenth; say a twentieth. I think this is better to be the future royalty.
15.579. What is the date of your lease for that mine?—I really do not know; it was granted a long time previous to my connexion with it.
15.580. Have the royalties been reduced since the lease was granted?—Very little. There is some talk about it now. I do not know what it will come to. We are working this large mine now, and it has been worked for three or four years; and the shareholders have not received a single penny, and the lords are receiving yearly large sums of money.
15,581. How much are they receiving? — In 1889 the royalty was 5¢ per ton, but there are the rates. Therefore, say again, it is a very great hardship that we should be rated on these royalties as well. These people receive this money and the shareholders get nothing, and we actually have to pay the rates on these royalties.

15,582. What royalty have they received in the last year? — 25¢. 12¢. 10¢.

15,583. Have you been in communication with the lords for an arrangement for a reduction in the royalty? — I think the chairman and secretary of the older Lords were succeeded in getting some reduction in the royalty some time ago. I am hoping that this Commission will arrive at some conclusion which would help us eventually.

15,584. Have you represented to the owners of the mine the condition of the mine, and that you think it equitable that the royalties should be reduced? — I think our chairman and secretary have done so.

15,585. What has been the reply? — It is a most difficult thing to get land agents to move, but I think negotiations have been going on. I really believe that if we could get face to face with the principals and lay down to them clearly the state of things, that we should have some redress and get better terms.

15,586. Have you had no answer? — Yes; but matters are not finally settled.

15,587. You are in negotiation about it? — Yes.

15,588. Can you add anything to what you have previously said to put the matter more clearly before us, or do you think you have given your suggestions as fully as possible? — No, I think I have said that I think we ought to pay royalties on net profits only. As it is now, the mines are being worked entirely in the interests of the landowners and of the lords, they get the profit. Adventurers seem to spend their money and to get no return, the consequence is that capitalists will not come forward and invest in lead mines, and miners are leaving the country. It is a pitiful sight to see almost whole villages deserted which formerly were occupied by miners.

15,589. Do you mean that you would suggest that no arrangements between the proprietors of the minerals and the lessee should be legal unless the royalty was calculated upon profits? — Yes, I think that nothing short of that will satisfy us.

15,590. In fact that the legislature should interfere to make a law and insist upon the royalty being calculated upon the profits? — Yes.

15,591. How are these profits to be ascertained. Have you any suggestion to make in that way, would you allow the proprietor of the minerals to have any voice in the management of the mine, so that he could take care that the mine was properly worked? — Yes, I would give him every right he was entitled to, for example, the proper books should be kept at the mine showing the expenditure, and what the mine realised, and there should be a full statement of accounts.

15,592. He would become in that case a kind of partner in working the mine. He would have a voice in the way the mine was worked; would not that be so to a great extent? — I think they would pull pretty well together in that way for the common end, to raise as much lead as possible and to make as much profit as they could.

15,593. They would work together in that way? — Yes.

15,594. Have you any other suggestion to make upon the matter? That I presume would be your main suggestion, because if the royalty was upon net profits then certain causes of complaint would not arise? — What I think we ought to have is a mining court to sit periodically in different counties and adjudicate and assess these surface damages, rents, and so forth.

15,595. Have you had any trouble in respect to getting surface damages? Have you had any charges for surface damages? — Continually; we have just to pay...
now what they like to charge us, we have no help in it at all. I refer now more particularly to exorbitant charges exacted by farmers through whose land our water course runs.

15,596. Have you any arrangements in your lease as to what you are to pay for surface damage?—Yes, as regards land owned by the lessor; but then you have to treat again with other farmers and landowners, because your water-courses might run through other lands, and then they try to put on most exorbitant charges as much as they possibly can.

15,597. In those cases, when a surface damage is charged against property belonging to some one, not the proprietor of the mine, but another person?—Quite so, as a rule, though the actual surface damage is only done to the land of the lessor upon which the mine refuse is thrown.

15,598. Do you not arrange in your lease what you are to pay for surface damage?—Lead mining is quite different from coal mining, our mines are situated in very poor mountains.

15,599. (Mr. Rhodes.) Do not your leases say that you are to pay so much per acre for any land that you take in lieu of restoration?—Some of them do, and others do not, as the land is mostly very, very poor.

15,600. All the more reason for stipulating the figure?—The dead-rent is supposed mostly to cover that.

15,601. (Mr. Hood.) Is it not stated in your lease that if you cannot agree about the value of the land that you take the value is to be assessed by arbitration?—In some leases I think we may say it is so, in slate quarries for instance, not in all our lead mining leases. In respect to the actual damage done to the land, if they cannot agree other parties are called in to decide it.

15,602. (Mr. Rhodes.) Would you say whether this is correct. I have seen a great many Welsh mining leases, and have seen two systems adopted: one, that arbitration will decide the value of the land taken in case of dispute; and another, the tenant shall either restore or pay a fixed sum per acre named in the lease. Are either of those modes adopted in your leases?—The former one I have seen.

15,603. (Mr. Hood.) What have you to complain of in that system, arbitration fixing the value of the land?—We have not so much to complain of as to charges for damaging the land. We are never called upon to pay excessive damages for spoiling the land, or very rarely indeed.

15,604. I understood you to say some little time ago that you had, that they could charge anything they liked?—I meant more particularly for taking water through their land, that is what I referred to; that is to say, our water-courses have some of them to travel long distances, and then you have to bring them through different owners' lands.

15,605. (Chairman.) You would have some kind of court to settle any difficulties of that sort?—Yes, I would, and I should say the mining interest ought to be represented by a really good, able, practical miners, and on the other hand the agricultural interest fairly represented. I think our county courts could be utilised for the purpose, so that any complaint could be settled at once. It is a very hard thing, indeed, that an adventurer should go and take a set on a mountain side, the agricultural value of which is a mere nothing, and before he can do anything he must spend thousands of pounds in driving levels, sinking shafts, constructing water-courses, building reservoirs and the different buildings, and erecting machinery. He must spend all this money, and yet immediately he taps the water-courses and then upon him and exacts a royalty even whether it lead to grass at that time or not, setting aside the expenditure altogether, the lord comes and demands his royalty at once. I consider it most unfair. He ought to be satisfied with a share of the net profits, which would only be just and right.
15,606. Do you mean that it is under the terms of the lease that the miner has made with the lord?—Yes.

15,607. And you state that those terms do not prevent him making you what he considers a lease which is unfair to him?—Yes. And, to maintain that the terms of the present leases are one-sided and all in favour of the landowners and receivers of royalties; else, in the case of this Van Mine, why should we raise thousands of tons of ore simply to put money into the pockets of the landowners, and the shareholders get not a single farthing. I consider that very hard indeed. I say it is unfair and unjust.

15,608. (Mr. Pendarvess.) If you raise thousands of tons of ore which belong to a landowner and pay him nothing at all, what advantage is there to him in having it raised?—Do you not think that under those circumstances he would infinitely prefer that you left it in the ground?—Yes; but then I fail to see why he should take all the profit, why should not he be content with a portion of it. Why should he enrich himself and the lessees get nothing at all.

15,609. You would say that in former days, I suppose, the price was very much higher and then there was no complaint?—No, not when lead was double the price.

15,610. Then it is a matter of agreement, is it not, as to what the rate should be?—At the same time the principle was wrong then. I do not think they ought to charge royalties on the gross, but on the nett. That is where we want the landowners to make an alteration. In some cases they have done so, but most of them have made no alteration and we are simply paying these heavy charges the same as when lead was double its present price.

15,611. They do not in your district give up the dues when a mine is working at a loss?—No; they do not, unfortunately, I wish they would.

15,612. Do you think that when that is done that would meet the difficulty?—To some extent it may make things a little better, that is why I say dead-rents ought to be abolished. It is incredible that you are doing development work and opening up a mine this dead-rent would be afterwards refunded in the shape of royalty, that would be only just and right.

15,613. Does not the dead-rent cover the right to a considerable portion of the ground?—Yes, we are at liberty to sink or drive anywhere within the boundaries of the sett.

15,614. You would not object to pay a rent for the ground that you actually occupy, would you?—Certainly not.

15,615. But you think the dead-rent is too high?—In most cases it is. I would agree to let the landlord have a fair charge for any damage done to his land, and to pay him rent every year for damage done; but I say let him be paid his royalty when we begin to make profits and when the mine makes profits, and not before—not immediately the lead is tapped, when we may go on working for years and years without a profit and still he receives his royalty all the time. I say let him have a royalty out of the profits of the mine, and not when the mine is being worked at a loss.

15,616. Have you ever thought what proportion of the profits would be a fair equivalent to the present system. As I understand it in your district it is a twentieth on the gross produce?—We want it on the nett, and not on the gross.

15,617. If you substitute a proportion of the profits for the present system what proportion would you substitute?—Nothing short, I think, of a twentieth, or 5 per cent., on the nett profits will do. I think that will be a fair charge.

15,618. Do you think you would get anyone to let their land on those terms?—If they do not let land I should say we ought to be in a position to take it, as a previous witness has said. Many of the copper mountains in Wales are teeming with minerals lying at our very doors. If these minerals are raised, that,
I maintain, the country is benefited, and the Government ought to do all they possibly can to that end.

15,619. All of it in uncultivated land?—Mostly; all lead mines are in rough mountain land, which is almost worthless, except for sheep pasture.

15,620. (Mr. Forster.) In those cases of 15l. and 30l. for water, are there recent leases?—Three years ago they were taken from the Crown.

16,621. Then there are people who have faith enough to take lead mines even under the present conditions of letting?—Yes, we are all living in hope; we are thinking that lead will improve in price, and that eventually the Government will take the matter in hand and do something to help us.

15,622. I suppose when you took these mines you expected to make a profit by them?—Certainly, we hope to do so, but we have to spend a great deal of money before we can get the lead profitably.

15,623. But then you know all that before you take a mine?—Yes.

15,624. Then as to the dead-rent, does it merge in the duty for the particular year? Supposing that you have a dead-rent of 15l. a year, and the dues for that year amount to 30l., do you deduct that 15l. which you have paid from the 30l.?—Yes.

15,625. And so does it merge in the dues for each particular year?—Yes; but in opening up a mine it takes you, and you are compelled to pay the dead-rent year before you get into profit. This, I say, ought to be redeemable, and refunded.

15,626. Are there no cases in which it is carried forward and allowed to be recouped afterwards?—Note that I am not here. That is one of the points I wish to bring before your notice. In the mine I have mentioned, Bodcull, possibly we may be three years in driving this long tunnel, and before we actually get to the lead, although we pay 45l. whether we get the lead or not.

15,627. The Van Mine was a very successful mine at one time, was it not?—Very successful.

15,628. And made a good deal of money?—Yes.

15,629. Are you quite sure that a strong representation was not made to the lessors between two and four years ago on the question of rents?—I think there was, but my connexion with it only dates back some time ago about 12 months.

15,630. You do not know that there was a strong representation, and that the landowners had an examination made by a person from another district?—I have heard so.

15,631. I think you said that no representation had been made?—I do not remember saying so. I think I said that our secretary and chairman did make some representation.

15,632. Who was the chairman of the Van Company?—Mr. Clark.

15,633. Do you not think that he made one or twice very strong representations to the landlord?—I think efforts were made to get the royalty reduced.

15,634. But you are not prepared to say that there was not a reduction made at that time, are you?—I believe it was reduced from one-fourteenth to one-eighteenth.

15,635. Two or three years ago?—Yes, a few years ago.

15,636. Do you know how many shares the Van Mine consists of?—60,000.

15,637. So that the 600l. would not be very much to divide amongst them in profit?—It would not be a great deal, but I consider it a great deal to go into the landlord's pockets when the shareholders do not get a single penny. The 600l. would have been better spent in exploratory work and development.

15,638. Do you know how long it is since the Van paid a dividend?—About four years ago, I think.

15,639. And has it never paid a dividend since?—I think not.

15,640. (Mr. Hood.) Can you tell us what is the amount of loss made by the Van Mine per annum just now?—No, I cannot. You see the company has been newly constructed, but the loss has been considerable during the last four or five years.
15.641. You cannot tell the exact amount of it?—No, but I should say some 3,000, or 4,000 a year.
15.642. How much has been going into the pockets of the landlords during that period?—I do not know the exact amount, but in 1889, 6377, was paid to them in royalties, and, I suppose, a good round sum every year.
15.643. Supposing you had your own way, I suppose you would have taken all that from the landlord, and it would have given him nothing?—Yes, I would. I think he ought to have waived the dues until the mine was in profit. I would, at the same time, be willing to pay what is right and fair for any damage done.
15.644. What would you consider a fair rent; instead of giving him 600/., you would have given him something less; how much less?—I can scarcely say exactly what it would be. I think we pay a good deal of money for houses and buildings, and so forth, erected at the mine, and for the reservoir as well.
15.645. You cannot say how much less you would have given the landlord?—I cannot say. He should have been paid the surface rent, but no royalty.
15.646. Supposing you would have given him nothing at all; that would not have enabled you to pay a dividend; would it?—Not just now, because the mine has been in a state of development lately. They are opening it up with the object of winning new lead. A great deal of money has been spent in developing and in opening up new ground, and is being spent now.
15.647. Is that not a very common thing with mines?—With some mines it is; with others not. I wish we had a little more development sometimes.
15.648. What is the object of that development?
15.649. To win new courses, and discover new runs of ore.
15.650. To make money?—And to make money.
15.651. Then it seems you have made a mistake in T paying when you consider too high royalties in this particular case?—Well, speaking in general, I say we must have some alteration, or mining will not pay. It is going out; dying out entirely.
15.652. In point of fact, you have given too much here?—Yes.
15.653. But you did that with your eyes entirely open?—I was not connected with it then. These terms of the lease, I suppose, are binding for a certain number of years? I had nothing to do with it then.
15.654. I did not allege that we had a right to do it, but some one had, and nobody did, but I maintain is, that our mines really cannot be worked at a profit under the present conditions.
15.655. In that view of the matter you expect this Commission to do something to relieve you?—Yes.
15.656. Do you think this Commission ought to do in order to relieve you of this difficulty?—Government ought to take the matter in hand.
15.657. What would you think this Commission should do to relieve you entirely?—Recommend to the Government that we pay royalty on net profits only, and also that we ought to have mining courts, where all complaints could be brought and settled, so that the land-owners and the farmers, and those over whose land we take our watercourses, should not be able to take any undue advantage over us.
15.658. What kind of complaints would you specially refer to?—Take the damage done to the ground; is that one of the things you would place before a court?—It is principally the land through which our watercourses traverse.
15.659. Not land occupied by your works; that is not one of the things that you would bring before the court?—The land on which the mine is situate belongs to the lesser, and the dead rent which you pay is generally supposed to cover that in a great
measure. It is simply the debris that you raise from the mine, and so forth, and the land is of so little value that not a great deal of notice is taken of that by the lessor.

15,660. Then are we to understand that that is not one of the things that you have any difficulty with?—It is one, certainly.

15,661. Will you say whether that is one of the things that you would bring before a court?—Yes.

15,662. Do you think that could be settled more equitably by a court than you could settle it yourselves by arbitration in the ordinary way?—Yes, I think so. And it would be settled more quickly and cheaper.

15,663. Then with regard to watercourses, you have a grievance there. You say you have 704, to pay in the Van mine for water?—Yes.

15,664. What value do you receive from that water?—It is a power. Yes, it works a waterwheel, and other machinery.

15,665. How many horse-power have you in that?—I really do not know; no doubt it represents a large power; it works a 40-foot waterwheel and supplies a good deal of the dressing floors, I think.

15,666. Could you put it into horse-power?—No, I could not, just at the moment.

15,667. Do you think you could obtain the same power by a steam-engine as you do by that water for the same money?—Possibly not; we are rather a long way from the coalfields; but I think it very hard that we should be charged 704, a year for that land which is worth much more than 704, a year being charged for land not worth more than 45, and by the people who receive such large sums in royalties, at a time when the poor shareholder gets nothing? The principle is wrong.

15,668. You have told us you think it hard, but I want you to give me some estimate of the value of it?—I must admit that the water is very valuable; but in a good many cases, for instance, in the mine I have just mentioned, we get the water free from the Crown without any charge whatever, and the water-course travels, I should say, a mile over the Crown land in this particular case.

15,669. But in this particular case it is of some money value to you?—Certainly.

15,670. More value, you have admitted, I think, than a steam-engine of the same power?—I should say so.

15,671. You say you would establish a court to give relief to lessees of lead mines; do you mean that you would establish a court to give other lessees relief when they find they have been badly baulked?—You can always do that according to the terms of the existing leases; if you find that you are working your mines unprofitably, you can give notice to surrender your leases. That is the case in the Crown leases, I know.

15,672. Is it the case in your Van lease?—I really do not know whether it is the case in that lease or not; I have not seen that lease.

15,673. Do you not know whether the Van leases have power to surrender the lease or not?—I cannot say.

15,674. Do you know whether it is the case in any of the other leases with which you are connected?—Only in these Crown leases have noticed it. The leases are so long that, really, one has not patience to go through them all; but, as I say, I noticed particularly in the Crown leases that if you find that you cannot mine at a profit you are at liberty to surrender the lease.

15,675. You do not know whether that is the case in the other leases with which you are connected?—I do not know.

15,676. If you had such a power in the Van lease, do you think you would avail yourself of it?—At present?

15,677. At present?—No.

15,678. Would you rather have the landlord surrender the whole of his rents and royalties?—We
would rather go on with development and exploratory work, because we feel almost certain that ere long we shall cut into a large body of ore, and as we have spent so much in past years it would be a very unwise thing to surrender the lease just at this moment.

Are you aware that it is sometimes the case in leasing minerals that the lessees take power to have all their fixed rents redeemable over the whole period of the lease?—I am not aware of a single instance in the country for which I speak.

Would it not be a very desirable thing for a lessee to stipulate for that when he is taking a lease?—I think that would certainly be a step in the right direction.

And is not that an improvement which is in the hands of the lessee to stipulate for when he is taking the lease?—But landlords would not hear of such a thing down with us.

But the lessee would have the power to say, I will not take your lease unless I do get that stipulation?—The answer would be, then you can just leave it alone.

And you would do so, would you not, if you did not find it to be to your advantage to take the lease without that stipulation?—If I were taking up a lease I certainly should not take one in the future without that stipulation.

Would you stipulate for the whole of the fixed rents being redeemable?—I would.

And I think you would be wise to do so—And I should also stipulate for a royalty on the net profits and the fixed rents to be redeemable out of that royalty as well.

How long have you been connected with the lead mining in Wales?—From 15 to 20 years.

Do you know the district well?—Yes, very well.

Take it from Talysaint: round Level Fawr to Florida and back, to Plynlimon, and up to the Van mine, you know it all?—Yes, I know the district well.

Is there any mine within your knowledge that you could give as a typical case of the hardships which you are complaining of?—Most of our mines now are closed; it has come to such a pass that they cannot be worked now. The Van mine is about the best instance I could give you.

Then the majority of those mines which used to be worked in that district which I have named are closed?—A great number of them are.

But take the Van; what is the dead rent that you pay the Van to start with?—I cannot tell you exactly, but I know that we pay Sir Watkin Wynne £100l. for simply driving; we have been driving in dead ground, and I think the sum has been paid for 18 or 19 years, and no ore raised from this particular piece of ground.

Can you tell us the total dead rent you pay for the land?—I really cannot say altogether.

What will be the grand total?—To this £100l. you would have to add the 100l. paid to Sir Watkin Wynne; that makes 250l. I should say it is altogether from 200l. to 300l.

Do you call that the year's dead rent?—Yes.

I thought you included the rent of the houses?—Yes, this amount includes the ground rent for houses.

Did your company build those houses?—Yes.

Your present company?—Not the present company, but the old Van company.

That makes a difference; whose property were they?—Those cottages, of course, were erected some 20 years ago.

Therefore, they do not belong to the present company?—Unfortunately, when a company collapses the landowner takes possession of the
houses; that is another very great hardship. We have the right to occupy them during our tenancy, but we are charged for the land upon which they are built.

15.701. (Mr. Foster.) But that is not quite what we generally understand by dead-rent; what we mean by dead-rent is, the dead-rent that you pay for the minerals; you bind yourselves to get a certain amount of minerals or to pay a certain dead-rent, which is quite irrespective of the house-rent.—Quite so; but still we call this a dead-rent; it is a dead charge upon the land which we have to pay.

15.702. Do you have to pay what we call a certain or dead rent on the mines?—Only what I have stated.

15.703. (Mr. Abraham.) Mr. Forster has been examining you as to any distinction there may be between the dead-rent paid for the right of working or searching for the minerals from the surface. I am going to ask you with reference to the surface-rent; have you any surface-rent now to pay in addition to what you have already enumerated?—Yes, but I do not know the amount; I think they took this surface land to avoid disturbance or any demands for damages from the farmers in consequence of the refuse which came from the mine, or in consequence of the dressing operations damaging their land.

15.704. What is the colliery company paying for the land necessary for the development, and for the refuse, and for their other works?—I cannot give you the exact amount of the dead-rent.

15.705. Can you give it me approximately?—It is all comprised in these different houses, and so forth, because they are on the land, and we have taken the land.

15.706. Are we to understand, then, that between the dead-rent and the surface-rent you pay somewhere about 250l. per annum?—Yes.

15.707. What royalty do you pay when you are really working the ore?—I think the royalty has been about one-eighth.

15.708. Does the dead-rent merge into the royalty?—Yes, a portion of it.

15.709. You do not pay the two sums?—A portion of it merged; I think they pay Sir Watkin Williams Wynn 100l. dead-rent without any royalty at all, because they have not cut any lead in that portion of the ground yet; but very likely, when they do cut into the lead and begin to sell it, some representation will be made to him, and, no doubt, he will then allow the 100l. to merge into the royalty.

15.710. As it is now, are you paying the 100l., although you are not working the lead?—Quite so.

15.711. And, for ought you know, when you come to work the lead that 100l. will merge in the royalty?—I think it will, ultimately, when the matter is laid before Sir Watkin and we begin to get lead in that portion of the ground; but for a number of years, 18 or 19, this 100l. has been paid without any lead being got at all.

15.712. Are there any means of recouping yourselves the hundreds of pounds which you have been paying whilst you are not working the minerals?—No, not the slightest chance of getting that money refunded. If we cut into the lead this dead-rent amounts to close on 2,000l. out, to be redeemable out of royalties.

15.713. Were you paying any wayleaves for bringing out the lead from one property through another?—No, I think it is all comprised in the sums I have mentioned as the total dead-rent.

15.714. Have you any underground wayleaves?—No.

15.715. Have you any surface wayleaves?—Only from these two lessors—Sir Watkin Williams Wynn being one, and the Marchioness of Londonderry the other.

15.716. (Mr. Rhodes.) Is it all comprised in the same figure?—Yes.

15.717. (Mr. Abraham.) Have you to pay for a waterway?—Yes.
15,718. In addition to the reservoir?—No, I do not think so, there might be a few pounds, but I think the rent of the watershed or the reservoir is the principal item.

15,719. Could you tell us what the landlord receives from the Van mine per annum?—I have not got all the figures.

15,720. Is it 600l. a year?—In 1890 the amount of royalty payable was 637l. 14s. 8d., and we paid close upon 100l. in rates on that very royalty.

15,721. What did the shareholders in your company receive at the same time?—Not a farthing.

15,722. What wages do you pay to your men?—Tribute men will get from 20s. to 25s. a week; they are pretty well satisfied if they get that—their wages vary from 4l. to 5l. a month.

15,723. Are you in favour of abolishing royalties altogether?—I am in favour of having royalties when the mine is making a profit, and when the royalty is taken out of the profit. I would abolish them in their present state altogether.

15,724. Do you really mean that you would abolish them altogether, or only the present mode of regulating them?—The present mode of regulating them. I say we ought to have royalties on nett profits only when the mine is making a profit.

15,725. Would you regulate them by a sliding scale, or allow them to be fixed sums?—I should say one-twentieth of the nett profits. Of course I would pay the landowner a fair price for the land damaged, and I would not take any undue advantage, but I would pay him what is just and right and fair, and I would expect him to treat me likewise.

15,726. (Mr. Ritson.) What is the margin between profit and loss—that is, between the cost of production the selling price, which is necessary to make an average mine pay?—It all depends upon the quantity that you can get.

15,727. Take your Van mine, what is your margin there between the cost of production and the selling price, which is necessary to give the shareholder a fair return on his capital?—I cannot say exactly, speaking from memory.

15,728. I will tell you the object in asking you. I was making some inquiries in Wales the other day: is it accurate to say generally now of Wales, that if the mines paid no royalty at all they could not be worked to a profit?—In some cases I daresay that is correct.

15,729. Take the district which you have been speaking of, and which Mr. Abraham has described—if mines in that district paid no royalty at all, could they be worked to a profit?—Some of them could be.

15,730. Which?—Some of them are being worked now, I am told.

15,731. Which?—There is the Frongoch Mine I should think making a very handsome profit to its owner yearly.

15,732. Any others?—I should say the Lisburne mines are making profits.

15,733. Are your Van leases, leases which were taken some years ago or leases which were taken recently?—They were taken some years ago.

15,734. Was that when you were paying good dividends?—Yes.

15,735. What was your average dividends for 10 years up to the time when you stopped?—I cannot tell you what dividends were paid. At one time the shares were selling at 80l. a share. So they must have paid large dividends.

15,736. As a matter of fact, if you average the Van dividends over the whole number of years, including those during which you have paid no profit, it would still come out to a very handsome average profit per annum, would it not?—Taking all the years, do you mean?

15,737. Yes?—I do not know about "handsome," but possibly it might show a fair profit on the whole of the working.
15,738. Is it incorrect to say that the Van for years paid 20 per cent. and over?—I cannot say: I cannot speak to that.

15,739. Could you not tell us?—No.

15,740. You gave the Florida mine as an instance of one of the hardships that you had been speaking of. I see on looking at a return that we have, that that is a mine employing under a dozen men?—Yes, there are not a great number of men employed there just now, but there has been in the past.

15,741. And in Esgairmwyn I see they are only employing one man?—That meant a caretaker.

15,742. It is practically an unworked mine?—No, it is not an unworked mine, but a mine with a grand history, having returned a large quantity of ore.

15,743. This return is dated 1889?—There are a number of men employed there now, but there was only a caretaker at that time.

15,744. At Esgairmwyn, are there a number of men employed?—Yes.

15,745. Is it working again?—Yes, that is one of the mines taken from the Crown.

15,746. Are you re-starting it with a prospect of profit?—We think so.

15,747. Under the present conditions?—No, we think the conditions will have to be altered by-and-
by: in fact, it must come to that, or else the British lead industry will cease to be, and become a thing of the past.

15,748. Are you re-starting the Esgairmwyn mine with a view to these conditions being altered by this Commission, or by some Act?—No, but we feel sure that some relief must eventually come.

15,749. Is not the real reason for the present depressed state of the lead industry the enormous fall in the price of lead?—Undoubtedly so, and, seeing that the British lead mining industry is so terribly crippled by reason of such large importations of foreign ore, I maintain that it ought to receive the most careful consideration at the hands of Her Majesty’s Government, who should do all they possibly can to encourage and support British mining, and place it on such a sound footing as to enable it at least to hold its own against foreign producers, who are practically exempt from all the ills which are killing the mining industry of this country.

15,750. Except in a few instances, if no royalty were paid, the mines could not be worked to a profit at present, could they?—Some of them could not, but many of them could, and are being worked at the present time.
The witness withdrew.

Adjourned till to-morrow at 11 o'clock.