

1901.

LEGISLATIVE ASSEMBLY.
NEW SOUTH WALES.

REPORT

OF THE

ROYAL COMMISSION

APPOINTED TO INQUIRE INTO THE

OPAL-MINING INDUSTRY AT WHITE CLIFFS;

TOGETHER WITH

MINUTES OF PROCEEDINGS, EVIDENCE,

AND

APPENDICES.

Ordered by the Legislative Assembly to be printed, 24 July, 1901.



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1901.

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(See departmental library
for hard copy)

Commission.

EDWARD VII, by the Grace of God, of the United Kingdom of Great Britain and Ireland, King,
Defender of the Faith, and so forth,—

To Our Trusty and Well-beloved—

DUNCAN CLARK McLACHLAN, Esquire, J.P., Under Secretary for Mines and Agriculture, President;
EDWARD FISHER PITTMAN, Esquire, A.R.S.M., Government Geologist; and
JOHN WALTER FLETCHER, Esquire, M.A., J.P., a Warden of the Albert Mining District

Greeting:—

Know ye, That We, reposing great trust and confidence in your ability, zeal, industry, discretion, and integrity, do, by these presents, authorise and appoint you, or any two of you, as hereinafter mentioned, to make a diligent and full inquiry—(1) Into the existing condition of matters in connection with the mining and the sale of opal on the White Cliffs Opal-fields, and to report as to the best method of regulating the industry. (2) As to whether the provisions of the Mining Bill, 1900, relating to the mining and sale of opal are suitable to the condition of the said Opal-fields; and, if necessary, to suggest in what respect they should be amended or added to. (3) As to the advisableness of inserting special provisions in the Mining Bill, 1900, to regulate the making and the terms of tribute contracts in connection with mineral leases of opal country; and to make any recommendation in the premises that may be deemed advisable: And We do, by these presents, grant to you, or any two of you, at any meeting or meetings to which all of you shall have been duly summoned, full power and authority to call before you all such persons as you may judge necessary, by whom you may be the better informed of the truth in the premises, and to require the production of all such books, papers, writings, and all other documents as you may deem expedient, and to visit and inspect the same at the offices or places where the same or any of them may be deposited, and to inquire of the premises by all lawful ways and means: And Our further will and pleasure is that you do, within two months after the date of this Our Commission, certify to Us, in the office of Our Colonial Secretary, under your or any two of your hands and seals, what you shall find touching the premises: And We hereby command all Government Officers and other persons whomsoever within Our State of New South Wales, that they be assistant to you and each of you in the execution of these presents: And We appoint you, the said DUNCAN CLARK McLACHLAN, to be President of this Our Commission, which said Commission We declare to be a Commission for all purposes of the Act 44 Victoria No. 1, intituled "*An Act to regulate the taking of Evidence by Commissioners under the Great Seal.*"

In testimony whereof, We have caused these Our Letters to be made Patent, and the Public Seal of Our State of New South Wales to be hereunto affixed.

Witness Our Trusty and Well-beloved The Honorable Sir FREDERICK MATTHEW DARLEY, Knight Commander of Our Most Distinguished Order of Saint Michael and Saint George, Our Lieutenant-Governor of Our said State of New South Wales and its Dependencies, in the Commonwealth of Australia, at Sydney, in New South Wales aforesaid, this thirteenth day of May, in the first year of Our Reign, and in the year of Our Lord one thousand nine hundred and six.

(L.S.)

FREDK. M. DARLEY,
Lieutenant-Governor.

By His Excellency's Command,
JOHN SEE.

Entered on Record by me, in REGISTER OF PATENTS, No. 23, page 209, this thirteenth day of May, one thousand nine hundred and one.

For the Colonial Secretary and Registrar of Records,
CRITCHETT WALKER,
Principal Under Secretary.

ROYAL COMMISSION TO INQUIRE INTO THE OPAL MINING INDUSTRY AT
WHITE CLIFFS.

MINUTES OF PROCEEDINGS.

MONDAY, 20 MAY, 1901.

THE Commission sat at 10 a.m. in the Mechanics' Institute at White Cliffs. The proceedings were open to the public.

Present :—D. C. McLachlan, Esq., J.P., Under Secretary for Mines and Agriculture, President; E. F. Pittman, Esq., A.R.S.M., Government Geologist; J. W. Fletcher, Esq., M.A., J.P., Mining Warden.

The President explained the scope and objects of the Commission, stating that representatives of any distinct body or class of persons concerned would be permitted to appear to watch their interests. The Secretary (Mr. Arthur Fry) read the Commission.

Mr. F. E. Kingdon said he represented the Progress Committee. Mr. W. J. Moore represented those persons who were in favour of resumption or repurchase of the leases, and registration of buyers. These gentlemen were accommodated with seats at the table.

The President stated that the question as to whether any persons intending to give evidence should remain in the room had been considered, and the Commission decided that witnesses might be present.

Mr. Frank Hartley was sworn and examined.

Mr. F. E. Kingdon read a short history of the opal industry at White Cliffs, and also a statement containing suggestions for the improvement of the field, both of which documents he handed in. (*Vide Appendices B and C*.) Mr. Kingdon was then sworn and examined.

Mr. E. F. Murphy was sworn and examined. Mr. Murphy handed in a memorandum and suggestions for the remedying of existing evils on the Field signed by the Committee of the Progress Association. (*Vide Minutes of Evidence, page 11.*)

Mr. H. G. James was sworn and examined.

Mr. J. W. Morriss was sworn and examined. In the course of Mr. Morriss's examination, reference was made to certain circumstances in which Mr. Mead was concerned, and the evidence of Mr. Mead was therefore interpolated.

Mr. G. F. Mead was sworn and examined. Mr. Murphy's actions being referred to by the witnesses, Morriss and Mead, Mr. Murphy returned to the witnesses' stand, and furnished an explanation in rebuttal. Mr. Morriss's evidence was then resumed.

Mr. A. W. Neilsson was sworn and examined.

Mr. R. A. Martin was sworn and examined.

At 4:30 p.m., the Commission adjourned till 10 a.m. next day, Tuesday.

TUESDAY, 21 MAY, 1901.

THE Commission sat at 10 a.m. in the Mechanics' Institute at White Cliffs.

Present :—D. C. McLachlan, Esq., J.P., Under Secretary for Mines and Agriculture, President; E. F. Pittman, Esq., A.R.S.M., Government Geologist; J. W. Fletcher, Esq., M.A., J.P., Mining Warden.

Mr. G. A. Kennedy was called, but did not appear.

Mr. Robert Crofts was sworn and examined.

Mr. Ludwig Klein was sworn and examined.

Mr. J. J. Fogarty was sworn and examined.

Mr. Alfred Richardson was called, but did not appear.

Mr. J. Hoare was sworn and examined.

Mr. C. D. McGlinchey was sworn and examined.

Mr. Frank Richardson was sworn and examined.

Mr. R. Ronald was sworn and examined.

Mr. A. Mylchreest was sworn and examined.

Mr. Alfred Richardson was sworn and examined. During the witness's evidence, certain questions put by Mr. Kingdon, and replies thereto, in regard to conversations about Mr. F. Hartley's transactions, were disallowed, as not being in the nature of evidence.

Mr. Goonrey was called, but did not appear.

Mr. F. Deering was sworn and examined. It being stated that Mr. Hartley had discharged men from his block when working on tribute, at less than seven days' notice, Mr. Moore asked that Mr. Hartley be allowed to rebut this statement. The President allowed Mr. Hartley to make a personal explanation, but the matter was not taken in the nature of evidence.

Dr. W. H. Gaze was sworn and examined.

Mr. Thomas Brady was sworn and examined.

At 5:5 p.m., the Commission adjourned till 10 a.m. next day, Wednesday.

WEDNESDAY

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WEDNESDAY, 22 MAY, 1901.

THE Commission sat at 10 a.m. in the Mechanics' Institute at White Cliffs.

Present:—D. C. McLachlan, Esq., J.P., Under Secretary for Mines and Agriculture, President; E. F. Pittman, Esq., A.R.S.M., Government Geologist; J. W. Fletcher, Esq., M.A., J.P., Mining Warden.

The President alluded to a petition which had been sent in by a number of miners desiring to give evidence, and asked Mr. Kingdon if he had arranged as to the presence of these witnesses.

Mr. Kingdon said he would see that the witnesses would be in attendance that evening.

Mr. Francis Bourke was sworn and examined.

Mr. D. J. Byers was sworn and examined.

Mr. A. R. Foulds was sworn and examined.

Mr. Jackson was called, but did not appear.

Mr. E. Dickens was sworn and examined.

Mr. R. A. Martin was recalled in explanation.

Mr. W. J. Bignell was sworn and examined.

Mr. R. Jackson was sworn and examined.

Mr. J. Dromgoole was sworn and examined.

Mr. Michael Keough was sworn and examined.

Mr. H. Kemp was sworn and examined.

At 12:50 p.m., the Commission adjourned till 8 o'clock the same evening.

The Commission sat at 8 p.m., and the President asked Mr. Kingdon to bring forward the witnesses who were ready to give evidence.

Mr. W. Dickens was sworn and examined.

Mr. R. H. Adams was sworn and examined.

Mr. W. McKenzie was called, but did not appear.

Mr. W. Tupper was called, but did not appear.

Mr. W. Steele was sworn and examined.

Mr. Beasley was called, but did not appear.

Mr. J. E. Bell was sworn and examined.

Mr. M. S. Lawlor was sworn and examined.

Mr. J. Mooney was sworn and examined.

Mr. W. Smith was called, but did not appear.

Mr. Henry Ward was sworn and examined.

Mr. W. D. Tupper was sworn and examined.

Mr. K. G. Barron was sworn and examined.

At 10:20 p.m., the Commission adjourned till 10 a.m. next day, Thursday.

THURSDAY, 23 MAY, 1901.

THE Commission sat at 10 a.m. in the Mechanics' Institute at White Cliffs.

Present:—D. C. McLachlan, Esq., J.P., Under Secretary for Mines and Agriculture, President; E. F. Pittman, Esq., A.R.S.M., Government Geologist; J. W. Fletcher, M.A., J.P., Mining Warden.

Mr. Charles McKay was sworn and examined.

Mr. Hugo Veeck was sworn and examined.

Mr. A. J. Haack made an affirmation in the usual form, and was examined.

Mr. Charles Nolan was sworn and examined.

Mr. T. Barclay was sworn and examined.

Mr. J. Buzacott was sworn and examined.

Mr. J. K. Murphy was sworn and examined.

Mr. John Hart was sworn and examined.

Mr. J. C. Atkinson was sworn and examined.

Mr. J. K. Murphy made an explanation in regard to an underground flow of water.

Mr. Edward Walsh was sworn and examined.

Mr. J. W. Morriss, on behalf of himself and others holding similar views, expressed the satisfaction that was felt at the manner in which the evidence had been taken by the Commission. He briefly reviewed a number of points which had been touched upon, and strongly urged that the Government should assist the miners by affording prospecting aid towards the development of fresh fields.

Mr. J. L. Cohen also briefly referred to the Prospecting Vote, and said that a number of men, like himself, who were unable to undertake severe physical labour, would be willing to go prospecting on conditions which he mentioned.

Mr. J. G. Marriott was sworn and examined.

Mr. A. E. Beasley was sworn and examined.

Mr. Harry Burns corrected a statement which had been made in the earlier part of the proceedings, as to the amount of opal got from the open cut of the White Cliffs Opal Mines, Limited, whilst under the management of Mr. Crofts. Mr. Burns's correction being corroborated, the President said the necessary emendation could be made in the evidence.

Mr. W. J. Moore thanked the Commission for the courtesy extended to himself and his party.

Mr. F. E. Kingdon also thanked the Commission for the kindly attention with which the witnesses had been treated. He wished to say that though some of his questions might have appeared personal, he had no unfair motive, and only desired to show up in the evidence the state of things which had existed, with a view to their remedy.

The President, at 4:10 p.m., declared the Commission closed so far as the taking of evidence at White Cliffs was concerned.

ARTHUR FRY,
Secretary.

ROYAL COMMISSION TO INQUIRE INTO THE OPAL INDUSTRY AT
WHITE CLIFFS.

REPORT OF THE COMMISSIONERS.

To His Excellency the Honorable SIR FREDERICK MATTHEW DARLEY,
Knight Grand Cross of the Most Distinguished Order of Saint Michael
and Saint George, Lieutenant-Governor of the State of New South
Wales and its Dependencies, in the Commonwealth of Australia.

MAY IT PLEASE YOUR EXCELLENCY :

We, the Commissioners, appointed on the 13th May, 1901, "to inquire (1) into the existing condition of matters in connection with the mining and the sale of opal on the White Cliffs Opal Fields, and report as to the best method of regulating the industry; (2) as to whether the provisions of the Mining Bill, 1900, relating to the mining and sale of opal, are suitable to the condition of the said Opal Fields; and, if necessary, to suggest in what respect they should be amended or added to; (3) as to the advisableness of inserting special provisions in the Mining Bill, 1900, to regulate the making and the terms of tribute contracts in connection with mineral leases of opal country; and to make any recommendation in the premises that may be deemed advisable," have the honor to submit the following Report:—

During the last session of Parliament an Amending and Consolidated Mining Bill was laid upon the table of the Legislative Assembly, wherein provision was made to license all persons purchasing gold, diamonds, opal, or other precious stones or gems; and whereas, at a public meeting held at White Cliffs on January 27th last, a resolution was passed that the clause of the Bill referred to embodying such provision (Clause 103) was calculated to cripple the opal industry, and asking that it be withdrawn until such time as the Government appointed a Special Commission to visit the Field and collect evidence to enable the Government to frame a Bill which would serve the best interests of opal-mining and assist in its development; and whereas this resolution subsequently was supported by a petition representing 689 persons engaged in, or dependent upon the industry; it was decided, in view of the importance of the issues involved, and the fact that a Departmental Committee would not have the power to compel the attendance of witnesses or to take evidence on oath, to appoint your Commissioners to institute full inquiry, and to make such suggestions and recommendations as might be deemed advisable.

We, therefore, in virtue of this appointment, at once proceeded to White Cliffs, and on arrival made an examination of the Field, and the nature of the mining operations conducted there; prior to commencing our sittings (which were open to the public) those interested were notified through the press as to the time and place where the Commission would sit, and all persons desirous of giving evidence were invited to do so. The taking of evidence in the Mechanics' Institute at White Cliffs lasted four days—from Monday, 20th, to Thursday, 23rd May, inclusive, by which time the views and opinions of all persons interested in those matters which came within the limits of our inquiry seemed to have been fully obtained. Fifty-two witnesses were examined, whose evidence will be found attached to this Report.

Although in the first instance it was only asked that the inquiry should be into the question of the elimination or otherwise of the clause objected to from such Bill, it was found desirable, as authorised by the terms of the Commission, to extend the scope of the inquiry into other matters which largely affected the Field, and on these several questions we do ourselves the honor of placing our conclusions before your Excellency.

We

We had not proceeded very far in our inquiry when we found that the questions to be inquired into were of vital interest to the residents, and had evoked a large amount of local feeling and discussion. The proposals of the Department, as foreshadowed in the draft Mining Bill, 1900, were regarded from very different points of view, some persons favouring the proposed provision in the law making it compulsory for all buyers of minerals or gems to be licensed, while others strenuously opposed it.

Before dealing specifically with the many points that engaged our attention, it will help to an elucidation of the condition of affairs existing on the Field if we briefly describe the mode of occurrence of the opal at this place, and the system employed in mining it.

Precious opal occurs at White Cliffs in rocks belonging to the desert sandstone series, of upper cretaceous age. The deposits were discovered accidentally in the year 1889, and at the present time the township of White Cliffs, containing a population of about 1,600 persons, is entirely supported by the industry.

A considerable quantity of the mineral was originally found scattered over the surface of the ground, having been set free by the denudation of the rock in which it was formed. The opal occurs in horizontal (and sometimes vertical) irregular seams, filling joints and fissures in a soft white siliceous rock. These seams are variable in thickness, thinning out to a mere streak in places, and occasionally increasing to half an inch or more. Moreover, the quality of mineral in them is also very variable, the stone frequently being of little or no value, while, at intervals, patches of gemstone worth as much as £100 per ounce are met with.

The opal-miner's work is precarious by reason of the fact that there is absolutely no evidence at the surface to serve as an indication of the occurrence of these patches of valuable mineral below. The only method of procedure, therefore, is to sink a shaft at haphazard, until the recognized opal-bearing stratum has been met with, and then put in exploratory drives in the hope of meeting with a seam or patch of the stone. If this attempt be unsuccessful, another shaft is sunk in the same manner.

In the immediate neighbourhood of White Cliffs, the upper bed of rock forming the surface of the higher ground consists of a rather loose conglomerate containing pebbles of quartzite and of ironstone. This stratum is about 7 feet thick, and below it is a bed, about 3 feet thick, of a very hard conglomerate, locally known as the "geaser." This rock is very tough, and requires blasting. Underneath it occurs the soft white siliceous rock in which the opal occurs, and which can easily be worked by means of picks and shovels. On the greater part of the land leased by the White Cliffs Opal-mining Company, the conglomerate beds are absent, having been removed by denudation, and this is probably one of the reasons why miners prefer working on the company's blocks rather than on the higher adjoining lands, where some 10 or 12 feet of conglomerate have to be sunk through with the aid of explosives; before the soft white rock, in which the opal occurs, is met with.

The average depth of sinking to the opal-bearing horizon is 12 feet in the lower ground and 22-25 feet in the higher tableland. As a rule the miners are in the habit of confining their attention to the stratum from which, up to the present, the greatest amount of opal has been won, but a few of the more adventurous have sunk prospecting shafts to 50-60 or 70 feet. In some instances indications of precious opal have been met with at these depths, but these have not been followed up to any great extent, and the question as to the limit of depth at which payable deposits occur is as yet unsettled.

2AR CLAY'S → About 8 miles to the south-west of White Cliffs township is the Bunker Opal Field, where a considerable quantity of the gemstone has been found, while another area, known as "Clancy's," which has also produced a fair amount of opal, is situated about 5 miles to the north-east of the White Cliffs township. So far as geological evidence enables your Commissioners to judge, there is a very large area of unprospected country in which opal may be expected to occur, but the tendency of the miners is to work in the immediate vicinity of known deposits rather than to prospect in new localities.

The geological conditions under which opal occurs at White Cliffs are wholly distinct from those of any previously known opal deposits in the world; and it is not surprising, therefore, that the tenure provided by the Mining Act of 1874 has proved unsuitable for the satisfactory working of these opal mines which were not opened up until twenty-five years later. When the White Cliffs Field was first discovered the prospectors naturally took up the ground in large areas, and as a consequence a
number

number of mineral leases, varying from 20 up to 80 acres, was granted. It was subsequently found that, owing to the shallowness of the deposits, and the ease with which the opal could be won, these areas were very much too large, and it was realised that it would be unwise to grant large mineral leases, and as a result the maximum area allowed was reduced from 80 to 4 acres. But as the Field progressed, and the market value of the opal became more firmly established, it was deemed advisable to limit the areas to blocks of 100 feet square, and this maximum area at present obtains on the Field. In the meanwhile, however, a Company known as the Wilcannia Syndicate had acquired by purchase a number of what were believed to be the best of the mineral leases, having an aggregate area of 300 acres, and these blocks were subsequently transferred to the White Cliffs Opal Mining Company. From the first the Company experienced difficulty in the satisfactory working of their opal deposits, and this difficulty has never been overcome, although different systems have been tried. There is always a temptation for the miner to conceal the best specimens of opal discovered during his work, and it seems almost impossible for the lessees to prevent this, as thorough supervision of the miners would necessitate the employment of as many overseers as there are men working on the leases, and even then there would be no guarantee that all the opal won would reach the Company's office. There is very little doubt that many of the miners were unfairly dealt with by the leaseholders in the first instance, for there being no competition amongst buyers in the early days of the Field, the miners were obliged to accept almost any price offered to them, and it is probable that in many instances the prices paid were much below actual values. Moreover, the terms of tribute (50 per cent.) which the Company imposed were very unfair; and even when the tributers were subsequently allowed 75 per cent. of the value of the opal found by them, it cannot be said that the terms were equitable. That the Company recognised this view of the case was shown by their afterwards reducing the tribute from 25 to 15 per cent.—a rate which the miners still consider too high.

The evidence elicited by us shows conclusively that the practice amongst the tributers of concealing and retaining a large portion of the opal found on the leased land has become pretty general, notwithstanding the fact that each tributer, before being allotted a claim, signs an agreement by which he undertakes to hand over to the Company's officials all opal found by him; in short, what can only be described as stealing opal has gradually come to be recognised as the custom of the Field, and many of the miners profess to regard it as justifiable. They assert that they have a moral right to all the opal found by them, and they base their contention on the statement that it occurs in alluvial deposits. Apart altogether from the questionable claim that a tributer has a moral right to the mineral from an alluvial deposit which has been leased from the Crown by another individual, and leaving out of question the breach of agreement which the miner has made, it is clear that the deposits of opal are not of alluvial origin, and therefore the whole contention falls to the ground.

It is generally acknowledged that alluvial minerals are those which have been detached from their original matrix in lodes, veins, beds, &c., by atmospheric denudation, and which have been carried by the mechanical agency of running water into drainage channels at a lower level; but the deposits of opal at White Cliffs are actually *in situ*—that is to say, they are found by the miners in the exact position in which they were originally formed. They have never been moved by the mechanical action of running water, and they do not occur as defined or concentrated deposits in old drainage channels. The soft white siliceous rock in which they are found to-day is their original matrix. In short, the only point in which these deposits resemble alluvial deposits is that much of the rock overlying them is of a comparatively soft character, and therefore the sinking is easy.

The Company made an attempt to work its mines by means of day labour, but the same difficulty was experienced in the loss of the greater part of the opal extracted. Some of the stone is so valuable that it is possible for a miner to conceal in his waistcoat pocket several hundred pounds' worth at a time; and we are of opinion that the custom of stealing it has become so common amongst the men that it is hopeless to expect that any improvement can be effected while the leases of such large areas are in existence, and the present method of working on tribute obtains. The evidence of the local officer in charge of the Police shows that while he is satisfied a

large illicit trade in opal is carried on, he is utterly powerless to obtain a conviction. Estimates given by different witnesses tend to show that the average annual sales of opal on the Field for some years past have amounted to about £100,000. Of course, a proportion of this opal was obtained on the "outside" ground, but there is no doubt whatever that the larger part was got where the bulk of the labour was employed, namely, on the Company's blocks, and a glance at approximate figures which have been furnished to your Commissioners will show that there must have been an enormous leakage. The opal value passing through the Company's books in the last three years was, in rounded amounts—

1898	...	...	...	...	£14,500
1899	...	...	...	...	13,500
1900	...	...	...	...	7,500

notwithstanding that the men employed, as stated in evidence, ranged from about 250 to 500, the working manager and the overseer averaging the numbers as 420 men in 1899, and 300 men in 1900. The number of men employed on the blocks, however, fluctuates considerably from time to time, and during part of the period alluded to work was shut down. But accepting these figures as fairly approximate, the opal turned into the Company during the three years mentioned would be only about 12 per cent. of the total raised on the Field, while your Commissioners, from what they have been able to gather, feel sure that the proportion should have been quite 50 per cent.

The method of mining is both simple and easy, and the work is healthy and free from discomfort. The ground is perfectly dry, and subsidences are almost unknown, and as all the tools of trade required are the usual pick and shovel with a knife and a windlass it cannot be said that the expenditure of capital is needed to obtain the mineral; this, in the opinion of your Commissioners, is a cogent reason why no extended areas should be granted in future. At the present time the industry sustains a population who, so far as observation shows, are earning a good living, and as a community may be said to be thriving and prosperous; and although those locally interested consider the place is fully manned so far as working miners are concerned, your Commissioners are of opinion in view of the prices obtainable for opal, the extent of open land yet untried, and the profits to be made by mining it, that the field could well sustain a population much larger than is now there.

The dominant question on the Field eventually proved to be that of the re-purchase by the Government of the leases belonging to the Company, who are the largest holders of the land now being worked (White Cliffs Opal Mines, Limited), and it was contended by nearly the whole of the witnesses that if this could be brought about at a reasonable cost, it would remove the disabilities under which the community labour.

Your Commissioners incline to an agreement with this view, and would advise that if the repurchase can be made for a reasonable sum, it would be in the general public interest to effect it. The suggestion by the witnesses was that on repurchase of the leases, the land should be thrown open as ordinary Crown lands, to be taken up in smaller areas, to be worked by single parties of miners, who would retain for themselves all the opal recovered from the ground. In considering this question of repurchase, however, we think due regard should be paid to the rights acquired by the present lessees, because a mineral lease, when the title has been obtained, is, to all intents and purposes, equal to the possession of a freehold, provided the holder carries out all the covenants of his lease. The lessee cannot be dispossessed under our Mining Law, even by the Crown, and so long as the labour conditions are complied with, he cannot be disturbed. The lease vests the land in the lessee absolutely for the term of the demise, and the Crown cannot get it back again until the end of that term, except by mutual arrangement between the lessor and lessee. The Company, and other holders of leases and mineral claims at White Cliffs, have acquired vested rights in this land that should not be ruthlessly taken from them; for if it were possible to withdraw land once leased for mining purposes, merely to hand it over to others to work in another way, the security of mining titles in this State would be seriously affected, and such insecurity would have a very prejudicial effect upon the

the development of our mineral resources. While, however, it is the duty of the Crown to give protection to these vested rights of lessees, there are circumstances under which it also becomes a duty in the interests of large numbers of people to repurchase these rights, where it can be done by an amicable and mutual arrangement, every care being taken that the lessees are not deprived of their land, or any benefits accruing therefrom without fair, or even liberal compensation. In this repurchase, if it can be effected, consideration should be given not only to what is the present value of the leases, but also to what, under the peculiar conditions of this Field, may be the prospective value for the remaining period of the term of lease. The leases on the Field have been in existence for periods ranging from seven and a half to ten and a half years, but those held by the present Company have only been in their possession since August, 1896. The Company was then known as the Southern Development Company, and the name changed to White Cliffs Opal Mines, Limited, in April, 1900. No dividend has yet been paid to the shareholders. This, as will be pointed out, is largely due to the fact that it is impossible to properly supervise the winning of the opal, whether the work is carried out under a system of tribute or by day labour. Any compensation, therefore, if it be determined to repurchase, should be of a nominal character, not only for the reason of the impossibility of working large areas at a profit, but because the best portion of the known opal-bearing ground in the Company's leases has been worked out. The Company has a nominal capital of £150,000 in £1 shares, of which, however, only 140,000 have been issued, and the Commission have had sworn evidence that these paid-up £1 shares have recently been offered for 1s. each. If the holders are prepared to dispose of their interest for this price, with 20 per cent. added, we are of opinion that it would be advisable to have the land re-vested in the Crown, and let it to the miners in small-sized claims as the local residents ask.

In considering the question of the re-purchase of the Company's leases, we did not overlook the point as to how the Government should recoup itself. A large proportion of the witnesses stated that if the Government re-purchased and threw the land open to individual miners, they would be prepared to pay an increased sum per annum for the right of mining, namely, £1 for an opal right, as against the ordinary cost of 5s. for a miner's right. Your Commissioners, however, do not think it would be advisable to enforce this extra charge, because they hold the belief that it would not be long before an agitation would be started to have this increased price reduced; and altogether it would be unwise to have a differential rate of this kind for working for opal as against other classes of mining. If the leases could be re-purchased for the amount recommended, your Commissioners think that the State will be sufficiently recouped by the increased population that will be able to make a living on the blocks, and thus in an indirect way the Crown will obtain a return for the expenditure.

The most fruitful source of complaint on the Field is the tribute system, the miners being against it not only on the ground that an excessive amount of tribute is exacted, but because, they state, the leaseholders are practically getting their land prospected without expense to themselves; and further, because, while the tribute system exists, it is hopeless to expect any efficient method of mining the land to be followed: men will naturally not sink to any depth where machinery or appliances are required, especially when they are liable at any time to be dispossessed of their claim, by the leaseholder stepping in and reaping the advantages which rightfully belong to them for any discovery they make. Your Commissioners agree that in a place like White Cliffs, the tribute system does retard the proper prospecting and exploiting of the field.

If the Company's blocks be secured, then the tribute system on them will perforce cease; and although there are a few other small lease and claim holders who employ tributers, there is no reason why any serious amount of stealing should go on, because, having only a small area, the leaseholders should themselves be able to protect their property; but with the large area belonging to the Company, and with hundreds of men scattered over the country, it is impossible to conduct any system of supervision that would wholly or to any appreciable extent check the practice.

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It was urged by some of the witnesses that if it were made illegal for any lessee to exact more than 10 per cent. on the tribute, there would be very little inducement for miners to act dishonestly towards the lessees. This your Commissioners do not believe, because the practice of keeping opal has become so generally recognised that, while any tribute exists, there will be some inducement to withhold it from the lessees. To provide by law for any such stipulation would also be an interference with the right of the lessees; and if mining leases were hampered by restrictions such as the one proposed, it would have a very damaging effect upon mining generally in this State. When a lease is issued, the holder of it naturally expects he will be free and unfettered as to the conditions on which he works the land, or the amount of tribute he can claim from those who choose to make agreements with him. Your Commissioners, therefore, cannot recommend that any stipulated percentage should be provided as the maximum tribute that an owner can demand.

We believe that much of the dissatisfaction and trouble that have arisen on the Field has been due to dishonesty under the tribute system; and, therefore, if the blocks be not re-purchased by the Government, it is advisable in the Company's interests, as well as the miners', that the tribute system should cease. An alternative is that the men should be charged a fair weekly rental for their claims, and be allowed to retain all the opal found by them. Just prior to your Commissioners visiting White Cliffs, an offer was made by the manager of the Company to lease the blocks to the men at a rental of 10s. per week per man. This we consider altogether too high a rent for the Company to expect, seeing the extent of their land and the number of men that could be employed upon it. If, however, the Company would agree to a small rental per week it is probable the friction and feeling that at present exist would be to a great extent removed.

Further, it may be mentioned, that at present by the custom of the Field, tribute agreements are terminable on a seven days' notice, which custom or practice the men complain is sometimes availed of to get rid of them when they are on good opal. On the other hand, the leaseholders' representatives maintain that it is necessary for them to be able to get rid of a tributer at short notice in the event of there being good reason to believe that he is stealing opal. Although no absolute proof was forthcoming in support of the men's contention, yet your Commissioners have reason to think that there may be something in the complaint, and that it would be advisable in the future, if the rental system is introduced, that a minimum term of tenancy should be fixed by law. We would suggest that rental agreements should not be made for a shorter term than three months.

An alternative suggested was that the Company should employ men under the system of daily wage, but your Commissioners cannot see that this would in any way improve the present conditions; for the reasons, that it has already been tried and failed, that the Company would probably not employ the same number of daily wage men as there are tributers, and thus a number would be thrown out of work; and further, that the men would still be subject to temptation to retain the most valuable pieces of the opal discovered in working. This, too, would bring up the question of searching every workman, which would be strongly resented by those employed. Your Commissioners could not recommend that any suggestion of the kind should be entertained, as if it were desirable—which it is not—it would be practically impossible on a place like White Cliffs to carry it out. To do so the leases would have to be securely enclosed, so that there could be no communication between those working inside and persons outside—in fact, the compound system as followed in South Africa would have to be introduced. This would not find favour with the men, neither do we think it would be worth the Company's while to go to the expense of so securing their lands; and, as stated, it is doubtful even then whether opal stealing would be entirely prevented. For these reasons we doubt whether, even in the Company's interest, the wages system would be much, if any, improvement on the present system as a preventive of illicit practices.

It was contended by many of the witnesses that if a system of registration of buyers were introduced it would largely conduce to check illicit dealing. The views of the witnesses were very divided as to the effect of registration, but your Commissioners believe that those who opposed it did so mainly on the supposition that a high registration fee would be charged, that a difficult and scrutinising procedure would have to be gone through before an applicant could be licensed, and that the

many other conditions with which registration would be hedged round would tend to the creation of a monopoly of buyers. We agree that if the process of registration were a difficult and costly one, the fears of these witnesses might be realised, but we consider that if a small fee only be charged there will be no ground for the fear that compulsory registration will create a monopoly. Many of the witnesses admitted that if registration "did no good it could do no harm, and would be worth a trial." We are convinced that registration of all buyers as well as opal cutters and polishers, would do good and would tend to regulate the trade. The fee, however, should be made a nominal one, so that no desirable person should be excluded who wishes to enter into the business, nor do we see why any restriction should be placed upon the age of the person to be licensed. We consider, also, that if the Company's blocks be resumed much of the necessity for registration will be avoided. Nevertheless, registration would be so advantageous in many ways that, on the whole, with a view to promote the regulation of the trade, to assist the police in tracing out illicit practices, and to enable statistics to be collected with greater accuracy, we strongly recommend that it be given a trial. The following are suggested as the principal conditions to be embodied in the regulations which it will be necessary to frame should the system be introduced :—

1. That licenses to persons desirous of carrying on the trade of opal buyer be granted by two Justices of the Peace sitting in Petty Sessions.
2. That the applicant must be of good reputation, and produce two certificates of character from reputable citizens.
3. That the fee for such license shall be £1 per annum, which shall include registration of same.
4. That all opal buyers have a registered office or place of business, in which all purchases be made, the address of such place to be registered at the time of taking out the license, and any change of address to be immediately registered.
5. That no sales of, or transactions in, opal shall take place between the hours of sunset and sunrise.
6. That all registered opal buyers keep a book, correctly recording all sales or transactions, such book to show the date, place, time, name of seller, name of buyer, weight and description of opal bought, price paid, and generally the nature of the transaction; both buyer and seller to certify by their signature to the correctness of the entry of each transaction at the time it is made.
7. That such book of record shall be open at all times to the inspection of any Government officer appointed for that purpose.
8. That no holder of an opal claim or lease, or interest in same, be eligible for registration.
9. The above conditions to apply to opal cutters and polishers as well as buyers.
10. That no person shall sell opal in an unmanufactured state, or have same cut or polished, unless the buyer or cutter and polisher is duly registered.
11. That any person convicted before two Justices of the Peace sitting in Petty Sessions of having violated any of the aforesaid conditions, to be liable to a severe penalty; and if such person be a registered opal buyer, cutter, or polisher, his license to be cancelled.

During the course of the inquiry the question arose as to whether much of the illicit practices would not be got rid of if all the opal were sold either by auction or tender in an open Exchange, presided over by a Government officer. Many witnesses objected to the idea on the ground that it would cause the opal buyers to combine and keep down prices, but not one of these witnesses could give any valid reason why such a combination was more likely to occur in an open exchange than under existing conditions. There is much to be said both in favour of and against this proposal, but after hearing the witnesses and giving the idea mature consideration, your Commissioners are not satisfied that the existing faults would be entirely cured in this way, as many avenues would be still left open for those so inclined to continue their stealing practices, and for this reason we cannot recommend its adoption under Government control.

Another suggestion was that the Government should appoint an expert at £3,000 per annum to class and value the opal for the miners; the act of valuation in this case meaning that the value named would be the amount at which the Government

Government would be prepared to purchase the opal, or to advance upon it, in the event of the finder not being able to obtain a higher offer from outside buyers. The evidence adduced goes clearly to show that it would be unadvisable on the part of the Government to entertain any such proposal. The officer appointed could not be expected to give satisfaction to everyone and we feel persuaded that the position would not be very long in existence before an agitation would be started to get rid of him. Even if successful for a short time, assuredly he would not be able to please everyone for long, and instead of creating a sense of trust and security among the miners it is likely his appointment would have the opposite effect. Moreover there seems every probability that sooner or later it would be found that the Government was left sole purchaser of the opal on the Field, as all the private buyers would be driven out of it. The suggestion altogether is one that does not commend itself to your Commissioners.

In the Mining Bill before Parliament provision is made (clause 14) that

(1.) The holder of every residence or business area, claim, or share in a claim, shall register such residence or business area, claim, or share in the prescribed manner, setting out the interest held under such share in the office of the Mining Registrar of the district wherein the same is situated within one month after his right to such claim or share accrues.

Objection was made to this provision in the law, because it was considered it would prove to be a heavy tax upon the claim-holder, and would entail hardship and inconvenience upon him, because he would have to register a number of what might turn out to be "duffer" claims. The object of the registration however, is to keep a correct record of all titles to ensure to claim-holders a better tenure and to secure them against vexatious suits in the law Courts. Innumerable difficulties have arisen on the mining fields of the Colony on account of the holders of claims, prospecting areas, and other holdings not being required to register, and thus the door has been open to blackmailers of all descriptions. Registration is intended to remedy such abuses. It was assumed by the witnesses that a high fee for registration would be charged, and that it would be necessary for the miner to attend personally at the Mining Office to register his claim. The objections to registration would hold good we think if a heavy fee were charged, but we assume that all the Government requires is a nominal fee to cover the cost of keeping the record, and we would suggest that it be fixed at one shilling, which cannot be a hardship to anyone to secure a properly registered title to the land he holds. In cases where it is inconvenient for the miner to come into the Registrar's Office we suggest that provision be made in the regulations for registration to be effected by post on the applicant sending in his Miner's Right with his application for registration.

Another matter objected to was that the time allowed for registration, viz., one month, was too short, on the ground that it usually takes more than that time to put down the prospecting shaft to determine whether the claim is worth working or not, and that if miners were compelled to register within the time named they would be often put to needless trouble and expense. We recognise there is something in this view, and recommend that in regard to Opal Mining the time should be extended to two months.

A question was raised as to whether buyers of opal should be allowed to hold claims on the Field, and after hearing evidence and considering what an opportunity this opens up for illicit buyers to cover up their purchases of stolen opal, we are of opinion that no person known to be a buyer should be allowed to hold a claim, and, conversely, should a license be granted to the holder of any lease or claim, his title to the same shall lapse. It is obvious that a buyer holding a claim, and purchasing stolen opal could easily cover up his transactions by registering it in his books as having been the produce of his own claim, and as has been clearly proven, it would be impossible for anyone to say that it was not.

A number of witnesses suggested that tributers should be allowed a living wage as one of the conditions of their tribute; that is to say, that no return should be made to the Company for opal extracted, until a certain amount had been realised, which would be regarded as the living wage for the tributer. We are of opinion that any such condition would be surrounded with great difficulty. It is evident that the Company has not succeeded in making a profit from the mining of their opal, even without the concession of a living wage to the tributer; and we fail to see, therefore, how it would be possible for them to pay working expenses if this allowance were conceded. We have already expressed our opinion that the tribute system of this field is, and must be, very unsatisfactory under any conditions; and

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we have stated our conviction that the present state of affairs cannot be remedied, unless the system be altogether abolished. Under these circumstances, we do not feel that it is necessary to discuss further the question of a living wage.

There seemed to be a unanimous feeling upon the Field, that there is a strong probability of opal discoveries being made outside the present workings, if a proper system of prospecting were undertaken; but the vast extent of country, the frequent scarcity of water, and the cost and inconvenience of obtaining provisions and other necessaries when they have to be carted long distances, seriously handicap the ordinary miner in his search, and we believe there is no likelihood of thorough and extensive prospecting being undertaken at private expense. There is no doubt whatever that large areas, similar in every respect, so far as their geological formation is concerned, to this White Cliffs field, extend in all directions; and it occurs to us that the Government might, with advantage, spend a sum of money from the Prospecting Vote in testing for opal deposits in these areas; we therefore suggest that the question of allotting such aid be referred to the Prospecting Board for their consideration.

With regard to the question as to whether the provisions of the Mining Bill, 1900, are suitable to the White Cliffs Opal Fields, we consider that, if effect be given to the recommendations herein made, the provisions of the Bill are sufficiently elastic to permit regulations being framed under it, which will be applicable to the conditions of mining existing at White Cliffs. It must be borne in mind that the Bill has to provide for all classes of mining; and, although the methods of working at White Cliffs are easy, it may happen that discoveries of opal will be made in other parts of the State, where the operations necessary for winning it will be very different from, and much more difficult than, those now pursued at this Field; consequently, if any hard and fast regulations were made, they might be found to be unworkable on another field. In the new "Mining Act" it is provided that mineral leases may be granted up to 80 acres; but, in view of the experience gained at White Cliffs, there is no likelihood of leases being issued there or in that vicinity for any large areas. The regulations now provide that no area in excess of 100 feet square is to be granted, and your Commissioners strongly recommend that this regulation be not withdrawn or altered.

Your Commissioners are gratified to state that their investigations at White Cliffs were assisted by the willing co-operation of residents there; most of the witnesses evinced a readiness to promptly furnish any information calculated to aid the Commission in forming conclusions on the various points that came up, and their evidence generally was given in such a straightforward manner as to materially help the course of the inquiry. A very interesting statement regarding the discovery and growth of the Field has also been furnished to the Commission by Mr. T. C. Wollaston, of Adelaide, which will be found published as an appendix.

The Opal Mining Industry is an important one to the State, it employs a large number of persons, and in view of the very unsatisfactory state of things which is shown to exist under the present conditions of the Field, your Commissioners wish to emphasise their opinion that the Government would be fully warranted in incurring the expenditure they have recommended in order to have the Company's land reverted in the Crown, so that it could be relet to individual miners or small parties, and worked in a way not only more satisfactory to them but also advantageous to the whole community, inasmuch as the industry would be freed from the demoralising influences which are at present so unfortunately manifest.

SUMMARY.

To summarise the result of our investigation, and the opinions which, after careful deliberation, we have formed on the several questions dealt with in the foregoing report, your Commissioners respectfully submit the following recommendations:—

- (1) That the Government should offer to redeem the unexpired portion of the leases now held by the White Cliffs Opal Mines, Limited (300 acres in all), at the price mentioned herein, the estimated capitalised value of the shares being represented by a cash payment of £8,400.
- (2) That if this be effected the land be reverted in the Crown, and thrown open for mining in small areas under Miner's Right or Mineral License.

- (3) That in the event of the said Company not coming to terms with the Government, it be a recommendation to the Company that in lieu of the tribute system a small weekly rental should be charged for the privilege of working on their blocks under agreement, which agreement should not be made for a shorter term than three months.
- (4) That a rigid system of registration of all opal buyers, cutters, and polishers, be enforced under conditions outlined in our report, page 7, and that the fee for registration should be small.
- (5) That provision be made in the new Mining Bill for the proper registration of all business or residence areas, claims, or shares in claims upon the White Cliffs Opal Field, at a nominal fee, say, 1s., and within two months of possession.
- (6) That no opal buyers, cutters, or polishers be allowed to hold claims or interest in claims on the field.
- (7) That prospecting under Government aid should be encouraged in the district; and that the whole question as to the manner in which such aid shall be given be referred to the Prospecting Board for consideration.
- (8) That no more mineral leases be under any circumstances issued in the White Cliffs opal-bearing district, and that no claim be allowed in excess of 100 feet square.

We have the honor to be,

Your Excellency's most obedient Servants,

D. C. McLACHLAN, President.

E. F. PITTMAN.

J. W. FLETCHER.

Sydney, 10 July, 1901.
