FILE NAME: Cape Asbestos (CAPE)

DATE: 1930

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DOCUMENT DESCRIPTION: 42nd Annual Report, De Beers Consolidated Mines, Ltd. [Legal - Tibbs Case Exhibit 3]

De Beers Consolidated Mines,

LIMITED.

(Incorporated in the Union of South Africa.)

AUTHORIZED CAPITAL - £4,750,000
ISSUED CAPITAL - - - - £4,726,285

Head Office:
Kimberley, Griqualand West, South Africa.

FORTY-SECOND ANNUAL REPORT

For the year ending 30th June, 1930.

Directors:

SIR ERNEST OPPENHEIMER, KT., M.P., Chairman.
RT. HON. THE EARL OF BESSBOROUGH, C.M.G., J.P., Deputy Chairman.

L. BREITMEYER.
A. G. W. COMPTON, M.C.
COLONEL SIR DAVID HARRIS, K.C.M.G., V.D.
F. HIRSCHHORN.
S. B. JOEL, J.P.
SIR FRANK MEYER, BART.
R. PHILIPSON-STOW.
W. PICKERING, D.S.O., J.P.
H. P. RUDD.
A. VIALLATE.

General Manager:
ALPHEUS F. WILLIAMS.

Assistant General Manager:
I. R. GRIMMER.

Consulting Mechanical & Electrical Engineer:
J. HARBOTTLE.

Mechanical Engineer:
T. J. W. HOLLAND.

Electrical Engineer:
R. W. SMITH.

Geologist:
A. L. DU TOIT, D.Sc., F.G.S.

Secretary:
A. V. DRAKE.

Assistant Secretary:
H. F. LARDNER BURKE, D.S.O., M.C., V.D.

Chief Accountant:
W. M. MILLER.

Assistant Accountant:
H. E. SECCULL.

Diamond Valuator and Broker:
H. W. CHAPMAN.

London Transfer Office:—15, ST. SWITHIN'S LANE, E.C. 4.

London Secretary: J. A. STEVENS.
Assist. „ „ A. McPHERSON.

Solicitors:
HAARHOFF AND HERTOG, KIMBERLEY.
COWARD, CHANCE AND CO., LONDON.

Auditors:
HOWARD PIM AND HARDY, KIMBERLEY AND JOHANNESBURG.
SALISBURY, BEATON AND RAYNHAM, KIMBERLEY.

Bankers:
THE STANDARD BANK OF SOUTH AFRICA, LIMITED, KIMBERLEY AND LONDON.
THE NATIONAL PROVINCIAL BANK, LIMITED, LONDON.

D.F.A. LTD., PRINTERS, KIMBERLEY. 4944

De Beers Consolidated Mines, Limited.

FORTY-SECOND ANNUAL REPORT

For the Year ending 30th June, 1930.

TABLE OF CONTENTS:

REPORT OF DIRECTORS

OF

De Beers Consolidated Mines, Limited,

For the Twelve Months ended 30th June, 1930.

To be submitted to Shareholders at the Forty-Second Ordinary General Meeting to be held on Monday, 15th December, 1930.

TO THE SHAREHOLDERS—

Gentlemen,

Your Directors beg to submit their Forty-Second Annual Report, Balance Sheet at 30th June, 1930, Profit and Loss Account for the year ended 30th June, 1930, and Appropriation Account, 30th June, 1930.

	£	s.	d.	£	s.	d.
The unappropriated balance at 30th June, 1929, was ...	£650,029	12	8			
Deduct Final Deferred Dividend in respect to year ended 30th June, 1929 ...	272,628	10	0			
				377,401	2	8
During the year the Diamond Account amounted to				3,262,665	18	1
Add to this the following:—						
Interest and Dividends on Investments ...	503,168	0	10			
Profits realised on sale of Investments ...	18,482	16	5			
Income from other sources ...	14,160	6	9			
				535,811	4	0
				4,175,878	4	9
Deduct Expenditure as follows:—						
Mining Expenditure ...	1,140,371	17	6			
Farms and Landed Property Expenditure ...	59,537	11	7			
Donations and Relief ...	13,579	18	11			
Allowances to retired Employees, amounts paid during annual leave, and contributions to Provident Fund ...	104,500	18	4			
Directors' Fees ...	21,708	6	11			
Salaries—Head Office ...	30,901	10	1			
General Charges—Kimberley and London ...	57,996	2	7			
Interest on Debentures and on Capital of Leased Companies ...	133,191	2	9			
Sinking Fund for repayment of Debentures ...	109,784	12	4			
				1,671,572	1	0
Leaving a balance of ...				2,504,306	3	9
Which has been dealt with as follows:—						
Union of South Africa Income Tax ...	302,588	11	0			
Dividends:—						
Preference Shareholders ...	800,000	0	0			
				1,102,588	11	0
Balance unappropriated ...				£1,401,717	12	9

The Stock of Blue Ground and Lumps on the Floors at 30th June, 1930, was as follows:—

De Beers Mine	48,396	loads
Wesselton Mine	337,304	,,
Bultfontein Mine	377,788	,,
Dutoitspan Mine	914,348	,,
Total	1,677,836	loads

The usual dividend of 20s. 0d. per share was paid to Preference Shareholders during the year under review, and, as was foreshadowed in last year's report, a final dividend of 5s. per share in respect to the year ended 30th June, 1929, has been paid to Deferred Shareholders. No dividend has been paid to Deferred Shareholders in respect to the financial year covered by this report.

On the 1st January, 1930, the De Beers 4½ per cent. South African Exploration Debentures fell due for redemption and have since that date been redeemed out of the investments representing the Debenture Redemption Fund which had been specially accumulated for the purpose. The Reserve of £1,635,495 representing the amount appropriated out of past profits has now been deducted from the book value of Claims, Other Mining Interests, Estates and Farms.

Throughout the period under review the diamond trade, in common with all other trades and industries, has felt the influence of the existing world-wide depression, and, in consequence, the accounts disclose no improvement in diamond sales in comparison with those of the previous year which had been adversely affected by over-production from other sources. The depressed condition of the trade was seriously aggravated by the crisis in the United States of America in October last, and any marked improvement can only be contingent upon a revival of general prosperity coupled with the judicious control of output and sales.

In February and March last, representatives of the four Conference Producers and the Diamond Syndicate attended a Conference convened by the Honourable the Minister of Mines and Industries at Capetown with the object of concluding a new Inter-Producers' Agreement and Sales Agreements with the Syndicate in place of those expiring on the 31st December next. As the outcome of the Conference the Honourable the Minister of Finance was able to announce in the House of Assembly on the 26th March that the basis of agreement had been reached both for the allocation of quotas to the big producers and for the sale of Union and South-West Africa diamonds, the Government likewise undertaking to limit its sales of diamonds in accordance with the volume of trade. Negotiations are now proceeding in connection with the conclusion of the agreements.

The Diamond Corporation, Limited, in which this Company and some of the other Conference Producers are interested together to the extent of 50 per cent., was registered on the 18th February last with a Capital of £2,500,000. One of the principal objects of this flotation was to overcome the difficulty which had arisen through past over-production by taking over accumulated stocks of diamonds and spreading their resale over a period of years in order to ensure a reasonable share of the current trade to the Conference Producers.

During the year African Explosives and Industries, Limited, declared a dividend of 10 per cent., the amount paid to this Company in respect to its holding in that Company being £137,500.

Your Directors beg to report that in December last Sir Ernest Oppenheimer, M.P., one of the Directors of the Company, was appointed Chairman.

Your Directors very much regret to record the death, on the 13th March last, of their valued friend and colleague, Mr. L. Breitmeyer, who had been a Director of the Company for the past 18 years. Since the close of the year Sir Basil Blackett, K.C.B., K.C.S.I., has been appointed a Director of the Company to fill the vacancy.

In terms of Clause 82 (c) of the Company's Articles of Association, three Directors retire, namely:—

Mr. S. B. Joel,
Sir Ernest Oppenheimer, and
Sir Basil Blackett,

but, being eligible, they offer themselves for re-election.

A report by the General Manager on the Company's operations during the year will be submitted at the Meeting.

E. OPPENHEIMER, Chairman.

A. G. W. COMPTON,
D. HARRIS,
R. PHILIPSON-STOW, Directors.
W. PICKERING,
H. P. RUDD,

Kimberley,
13th October, 1930.

DE BEERS CONSOLIDATED

BALANCE SHEET,

	£ s. d.	£ s. d.	£ s. d.
Capital Authorised:			
800,000 Preference Shares @ £2 10s. 0d. each		2,000,000 0 0	
1,100,000 Deferred Shares @ £2 10s. 0d. each		2,750,000 0 0	
		£4,750,000 0 0	
Capital Issued:			
800,000 Preference Shares @ £2 10s. 0d. each		2,000,000 0 0	
1,090,514 Deferred Shares @ £2 10s. 0d. each		2,726,285 0 0	4,726,285 0 0
Appropriation for Stabiliment of the Diamond Trade Invested in The Diamond Corporation, Ltd., Other Diamond Mining Companies and Kindred Interests:			
As at 30th June, 1929		2,573,841 16 0	
Add amount transferred from Reserves—General Fund ...		820,744 10 8	3,394,586 6 8
Reserves (per Contra):			
General Fund as at 30th June, 1929	3,028,823 6 2		
Add Adjustment of Blue Ground Stocks and Sundries	16,435 19 3		
	3,045,259 5 5		
Less Amount transferred to Appropriation for Stabiliment of the Diamond Trade ...	820,744 10 8	2,224,514 14 9	
Blue Ground Stocks, 30th June, 1930, at cost		257,301 18 2	
Redemption Fund: South African Exploration Debentures	1,635,495 0 0		
Less transferred to Property (per Contra)	1,635,495 0 0		2,481,816 12 11
Current Liabilities:			
Loans and Open Accounts		621,389 19 9	
Unclaimed Dividends and Sundries		64,792 4 2	
Commissioner for Inland Revenue, Union of South Africa		302,588 11 0	
Commissioners of Inland Revenue, Great Britain		3,688 15 9	
Commissioner of Taxes, Southern Rhodesia		857 11 0	
Preference Shareholders		400,000 0 0	1,393,317 1 8
Balance transferred from Appropriation Account			1,401,717 12 9
			£13,397,722 14 0

Contingent Liability: The Company has guaranteed the repayment of, and interest on, £984,100 of 5½ per cent. First Mortgage Debenture Stock, being the unredeemed portion at 30th June, 1930, of an issue of £1,250,000 made by the Cape Explosives Works, Limited, Somerset West, Cape Province.

Imperial Chemical Industries, Ltd., have indemnified De Beers Consolidated Mines, Limited, to the extent of half this contingent liability.

AUDITORS'

To the Shareholders of De Beers Consolidated Mines, Limited:

We have examined the above Balance Sheet with the books and records of the Company, tion and explanations we have required. Proper books and records have been kept, and in view of the state of the Company's affairs at 30th June, 1930, according to the best of our

Kimberley, 13th October, 1930.

MINES, LIMITED.

30th JUNE, 1930.

	£	s.	d.	£	s.	d.
Property:						
Claims and other Mining Interests	3,161,121	5	3			
Estates and Farms	1,842,961	11	3			
	5,004,082	16	6			
Less Redemption Fund: South African Exploration Debentures (per Contra)	1,635,495	0	0			
	3,368,587	16	6			
Investments in The Diamond Corporation, Limited, Other Diamond Mining Companies and Kindred Interests ...	4,044,690	14	5			
Machinery, Permanent Works, Buildings and Stores	1	0	0			
				7,413,279	10	11
Investments in Stocks and Shares				624,207	6	7
Live Stock				80,471	19	4
Reserve Investments (per Contra):						
Investments representing General Fund at Market Prices 30th June, 1930, or under	2,224,514	14	9			
Blue Ground on Floors:						
1,677,836 loads at cost deposited on Floors	257,301	18	2			
				2,481,816	12	11
Debtors, Special Investments and Cash:						
Open Accounts and Loans to Affiliated Companies	916,158	14	2			
Short Loans	191,000	0	0			
Fixed Deposits with Interest accrued to date	735,308	4	5			
Special Investments at Market Prices, 30th June, 1930, or under	903,882	1	4			
Cash at Bankers and in Hand	51,597	4	4			
				2,797,946	4	3
Diamonds on Hand				1	0	0
				£13,397,722	14	0

E. OPPENHEIMER, Chairman,
W. PICKERING,
} *Directors.*

REPORT.

including the audited returns of the London Transfer Office, and have obtained all the informa-
our opinion the above Balance Sheet is properly drawn up so as to exhibit a true and correct
information and the explanations given to us and as shown by the books of the Company.

HOWARD PIM & HARDY,
SALISBURY, BEATON AND RAYNHAM,
} *Auditors.*

DE BEERS CONSOLIDATED

Dr.

PROFIT AND LOSS ACCOUNT FOR THE

To Mining Expenditure		1,140,371 17 6
,, Expenditure on Farms, Landed Property and Kimberley-Alexandersfontein Electric Railway		59,537 11 7
,, Charges:		
Salaries, &c., Head Office	30,901 10 1	
General Charges	36,557 17 11	
Legal Expenses	860 0 0	
Donations and Relief	13,579 18 11	
Compensation	3,587 19 4	
Auditors' Fees	1,700 0 0	
Directors' Fees	21,708 6 11	
Employees' Provident Fund, Company's Contribution ...	29,141 19 1	
London Transfer Office—Net Expenses	15,290 5 4	
Allowances to Retired Employees	53,933 0 5	
Amount paid to Employees during Annual Leave	21,425 18 10	
		228,686 16 10
,, Interest on Capital of Leased Companies		96,392 10 0
,, Interest on Debentures		36,798 12 9
,, Sinking Fund for Repayment of Debentures		109,784 12 4
,, Balance carried to Appropriation Account		2,126,905 1 1
		£3,798,477 2 1

MINES, LIMITED.

YEAR ENDING 30th JUNE, 1930.

Cr.

By Diamond Account	3,262,665 18 1
.. Interest and Dividends on Investments after Adjustment of Reserve and Special Investments to Market Prices, or under, at 30th June, 1930	503,168 0 10
.. Sundry Receipts	13,679 18 3
.. Transfer Fees	480 8 6
.. Profits Realised on Investments	18,482 16 5
	£3,798,477 2 1

DE BEERS CONSOLIDATED

Dr. **APPROPRIATION ACCOUNT,**

To Union of South Africa Income Tax:		
Normal Tax		302,588 11 0
" Preference Dividend Account:		
10/- per share on 800,000 shares payable to Shareholders registered at 31st December, 1929, declared 24th December, 1929	400,000 0 0	
10/- per share on 800,000 shares payable to Shareholders registered at 30th June, 1930, declared 20th June, 1930 ...	400,000 0 0	
		800,000 0 0
" Balance carried to Balance Sheet		1,401,717 12 9
		£2,504,306 3 9

Kimberley, 13th October, 1930.

MINES, LIMITED.

30th JUNE, 1930.

Cr.

By Balance unappropriated 30th June, 1929	650,029	12	8
Less			
Deferred Dividend Account:			
Final Dividend of 5/- per share on 1,090,514 shares in respect to year ended 30th June, 1929, payable to shareholders registered at 31st December, 1929, declared 24th December, 1929	272,628	10	0
	377,401	2	8
,, Balance transferred from Profit and Loss Account	2,126,905	1	1
	£2,504,306	3	9

A. V. DRAKE, *Secretary.*

W. M. MILLER, *Chief Accountant.*

42nd ANNUAL REPORT.

STATISTICS

— OF —

De Beers Consolidated Mines, Limited.

Since its formation, 1st April, 1888.

Table No. 1—DE BEERS AND KIMBERLEY MINES COMBINED.

" " 2—DE BEERS MINE.

" " 3—WESSELTON MINE.

" " 4—BULTFONTEIN MINE.

" " 5—DUTOITSPAN MINE.

" " 6—TAILINGS.

" " 7—KIMBERLEY MIXED GROUND.

TABLE No. 1.

DE BEERS AND KIMBERLEY MINES.

YEAR ENDING.	Loads of Blue Ground Hoisted.	Loads of Blue Ground Washed.	Metric carats of Diamonds found.	Carats per 100 Loads.	Cost of Production per Load. s d.
March 31st, 1889 Prior to Consolidation.	944,706	712,263	938,363½	132	9 10·5
March 31st, 1890	2,192,226	1,251,245	1,489,075	119	8 10·5
March 31st, 1891	1,978,153	2,029,588	2,074,099	102	8 8
* June 30th, 1892	3,338,553	3,239,134	3,115,982	96	7 4·3
June 30th, 1893	3,090,183	2,108,626	2,288,939½	109	6 11·6
June 30th, 1894	2,999,431	2,577,460	2,369,684	92	6 6·8
June 30th, 1895	2,525,717	2,854,817	2,500,132	87	6 10·8
June 30th, 1896	2,698,109	2,597,026	2,426,116	93	7 0·1
June 30th, 1897	2,515,889	3,011,288	2,842,867¾	94	7 4·3
June 30th, 1898	3,332,688	3,259,692	2,672,288	82	6 7·4
June 30th, 1899	3,504,899	3,311,773	2,407,667¾	73	6 7·7
June 30th, 1900	1,673,664	1,522,108	1,027,509½	68	7 6·2
June 30th, 1901	2,120,397	2,616,873	2,053,548¾	78	8 5
June 30th, 1902	2,062,459	1,961,858	1,539,060½	78	8 5·6
June 30th, 1903	2,370,503	2,561,940	1,615,937	63	7 3·1
June 30th, 1904	2,440,895	2,401,099	1,338,095	56	7 4·7
June 30th, 1905	2,447,850	2,418,158	1,138,390	47	7 7·93
June 30th, 1906	2,253,988	2,119,363	883,857½	42	8 2·91
June 30th, 1907	2,103,853	1,467,456	558,173	38	9 0·82
June 30th, 1908	1,208,974	1,130,673	425,104	38	6 8·2
June 30th, 1909	490,112	1,402,894	604,932	43	6 9·87
June 30th, 1910	431,339	1,808,734	711,874	39	8 5·29
June 30th, 1911	445,169	1,230,491	359,962	29	8 7·67
June 30th, 1912	323,621	378,614	122,169¼	32	13 6·78
June 30th, 1913	351,347	419,881	123,710¾	29	11 0·67
June 30th, 1914	...	75,815	28,671¾	37	6 7·34

* These figures are for a period of fifteen months.

TABLE No. 2.—DE BEERS MINE.

YEAR ENDING.	Metric carats of Diamonds found.
June 30th, 1915	85¼
June 30th, 1916	39½
June 30th, 1917	42
June 30th, 1918	211½
June 30th, 1919	96¾
June 30th, 1920	36
June 30th, 1921	—
June 30th, 1922	—
June 30th, 1923	306¼
June 30th, 1924	a4,845
June 30th, 1925	220½
June 30th, 1926	232½
June 30th, 1927	431½
June 30th, 1928 . ..	139¼
June 30th, 1929	188¼
June 30th, 1930	225½

(a) Includes 4.470 carats (over 1-16th inch mesh) from Rejection Concentrates. Old Pulsator.

KIMBERLEY MINE.

YEAR ENDING	Metric carats of Diamonds found
June 30th, 1917	78
June 30th, 1918	112½
June 30th, 1919	151½
June 30th, 1920	212½
June 30th, 1921	944½
June 30th, 1922	157¾
June 30th, 1923	89

TABLE No. 3.

WESSELTON MINE.

YEAR ENDING.	Loads of Blue Ground Hoisted.	Loads of Blue Ground Washed.	Metric carats of Diamonds found.	Carats per 100 loads.	Cost of Production per Load. s. d.
June 30th, 1897	271,777	...	...	...	...
June 30th, 1898	1,146,984	691,722	194,378	28	2 7·1
June 30th, 1899	2,032,771	1,662,778	509,936½	31	2 3·3
June 30th, 1900	980,210	736,929	226,617	31	2 7·5
June 30th, 1901	1,571,631	1,517,981	459,264¾	30	3 0·9
June 30th, 1902	1,932,140	1,752,189	535,266¼	31	3 5·2
June 30th, 1903	1,987,543	1,989,598	610,667	31	3 3·7
June 30th, 1904	1,919,304	2,134,903	621,292	29	3 7·3
June 30th, 1905	2,068,278	2,032,582	593,484½	29	3 9·74
June 30th, 1906	2,433,905	1,935,905	561,254¼	29	4 0·55
June 30th, 1907	2,104,308	1,891,461	620,957¾	33	5 8·87
June 30th, 1908	1,524,099	1,719,737	469,148¼	27	4 8·73
June 30th, 1909	1,853,562	1,798,160	634,510½	35	4 5·09
June 30th, 1910	1,702,237	2,139,738	692,206¼	32	5 5·82
June 30th, 1911	2,422,487	1,423,117	400,540½	28	4 9·09
June 30th, 1912	2,573,398	2,020,291	597,407½	30	4 7·576
June 30th, 1913	2,226,157	2,143,232	591,745½	28	4 4·45
June 30th, 1914	2,373,522	2,083,352	609,039½	29	4 7·28
*June 30th, 1915	217,483	219,276	57,853¾	26	4 8·6
June 30th, 1916	43,586	885,334	233,958½	26	...
June 30th, 1917	1,814,393	1,669,104	467,750	28	4 9·959
June 30th, 1918	2,065,620	1,805,436	500,765½	28	4 10·94
June 30th, 1919	1,035,311	1,657,146	413,728¼	25	6 7·19
June 30th, 1920	1,927,178	1,646,895	412,180	25	8 4·97
June 30th, 1921	845,295	832,442	223,536	27	11 9·54
June 30th, 1922	Nil.	Nil.	487¾	...	...
June 30th, 1923	12,496	961,116	240,786¼	25	...
June 30th, 1924	391,928	1,711,890	398,907½	23	4 1·21
June 30th, 1925	1,558,446	1,635,594	376,345	23	4 9·66
June 30th, 1926	1,576,968	1,594,551	371,244¾	23	4 3·46
June 30th, 1927	1,623,823	1,618,347	365,595½	23	4 8·99
June 30th, 1928	1,626,170	1,615,298	362,759¾	22	4 8·81
June 30th, 1929	1,621,996	1,618,226	374,370	23	4 9·43
June 30th, 1930	1,608,670	1,612,042	378,120¼	23	4 5·38

*Productive operations suspended 8th August, 1914, owing to the war.

TABLE No. 4.

BULTFONTEIN MINE.

YEAR ENDING.	Loads of Blue Ground Hoisted.	Loads of Blue Ground Washed	Metric carats of Diamonds found.	Carats per 100 Loads.	Cost of Production per Load.	
					s.	d.
June 30th, 1901	148,086	...	66¾	...	...	
June 30th, 1902	353,042	20,194	4,605½	23	6	6·4
June 30th, 1903	318,410	317,185	78,604	25	5	9
June 30th, 1904	429,729	514,385	152,149¾	30	5	9
June 30th, 1905	605,730	611,491	255,606¼	42	5	10·47
June 30th, 1906	1,771,372	953,296	355.250	37	5	5·26
June 30th, 1907	2,320,538	1,728,047	562,004½	33	6	2·4
June 30th, 1908	1,319,720	1,275,838	422,296¾	33	6	1·86
June 30th, 1909	1,214,301	1,573,118	618,433½	39	6	7·39
June 30th, 1910	2,099,173	1,818,509	685,551	38	4	3·48
June 30th, 1911	2,457,412	1,866,212	718,973¼	39	3	11·45
June 30th, 1912	2,334,720	2,025,450	856,898¼	42	3	11·357
June 30th, 1913	2,313,477	2,096,378	897,620¼	43	4	1·28
June 30th, 1914	2,279,838	2,069,552	809,422	39	4	4·29
*June 30th, 1915	256,950	214,522	78,101¾	36	4	2·4
June 30th, 1916	60,997	864,052	351,764¼	41	...	
June 30th, 1917	2,092,267	1,761,756	693,313½	39	3	9·856
June 30th, 1918	2,328,615	1,859,531	664,084	36	3	11·61
June 30th, 1919	1,262,942	1,629,198	521,327¼	32	5	6·39
June 30th, 1920	2,021,026	2,251,257	681,013½	30	7	3·99
June 30th, 1921	934,537	670,907	240,128	36	11	0·51
June 30th, 1922	Nil.	Nil.	108	...	...	
June 30th, 1923	Nil.	273.714	72,406½	26	...	
June 30th, 1924	26,103	2,350,044	671,597¼	29	...	
June 30th, 1925	1,258,482	1.460,357	469,675	34	5	2·58
June 30th, 1926	1,631,204	1,462,906	435,196¾	30	4	10·68
June 30th, 1927	1,681,452	1,626,067	506,115	31	4	8·71
June 30th, 1928	1,635,862	1,624,082	514,284½	32	4	6·38
June 30th, 1929	1,489,092	1,578,233	491,830½	31	4	9·65
June 30th, 1930	1,630,233	1,621,896	510,018¼	31	4	4·95

*Productive operations suspended 8th August, 1914, owing to the war.

TABLE No. 5.

DUTOITSPAN MINE.

YEAR ENDING.	Loads of Blue Ground Hoisted.	Loads of Blue Ground Washed.	Metric carats of Diamonds found.	Carats per 100 Loads.	Cost of Production per Load.	
					s.	d.
June 30th, 1904 Development.	39,914	24,359	3,112½	13	...	
June 30th, 1905	311,499	65,784	17,575½	27	12	3·56
June 30th, 1906	1,685,714	617,028	155,348½	25	7	1·49
June 30th, 1907	2,481,987	1,539,327	375,523	24	6	5·84
June 30th, 1908	1,444,989	839,075	195,796	23	5	6·24
June 30th, 1909	Nil.	Nil.	118	...	...	
June 30th, 1910	878,775	917,175	215,671½	24	5	5·34
June 30th, 1911	2,780,070	2,335,240	495,780	21	4	7·09
June 30th, 1912	2,718,703	1,845,796	439,569¾	24	3	10·665
June 30th, 1913	2,491,235	2,330,234	554,354½	24	4	2·09
June 30th, 1914	2,513,469	2,412,679	510,651½	21	4	1·49
*June 30th, 1915	264,039	280,324	57,084½	20	4	5·2
June 30th, 1916	Nil.	108,597	21,290¼	20	...	
June 30th, 1917	135,650	1,957,335	387,584½	20	6	1·366
June 30th, 1918	2,200,843	2,178,132	433,866½	20	3	8·8
June 30th, 1919	1,389,883	1,066,465	185,782½	17	4	9·39
June 30th, 1920	1,796,573	1,892,558	313,691	17	6	8·48
June 30th, 1921	861,651	830,424	136,010¾	16	9	7·90
June 30th, 1922	335	...	242½	...	...	
June 30th, 1923	Nil.	Nil.	382½	...	...	
June 30th, 1924	748	489,615	82,303¾	17	...	
June 30th, 1925	1,168	1,154,131	206,589¼	18	...	
June 30th, 1926	665,839	1,469,916	265,386½	18	5	6·95
June 30th, 1927	1,655,353	1,630,958	261,642½	16	5	1·45
June 30th, 1928	1,642,511	1,632,646	265,010½	16	4	11·67
June 30th, 1929	1,609,688	1,596,821	250,317	16	5	2·72
June 30th, 1930	1,623,270	1,603,691	256,534	16	4	7·83

*Productive operations suspended 8th August, 1914, owing to the war.

TABLE No. 6.

TAILINGS.

YEAR ENDING.	Loads Washed.	Metric carats of Diamonds found.
June 30th, 1901	265,239	51,477½
June 30th, 1902	1,151,816	208,209
June 30th, 1903	1,347,115	233,509½
June 30th, 1904	1,881,090	409,648¾
June 30th, 1905	1,616,030	263,877
June 30th, 1906	2,200,964	314,311
June 30th, 1907	4,370,221	572,692¾
June 30th, 1908	2,986,778	396,090
June 30th, 1909	632,857	62,744¼
June 30th, 1910	1,394,641	175,452¼
June 30th, 1911	2,359,021	263,437
June 30th, 1912	1,440,914	126,705
June 30th, 1913	1,705,938	186,860
June 30th, 1914	765,880	84,675¾
*June 30th, 1915	3,956	422
No operations since 1915.		

*Productive operations suspended 8th August, 1914, owing to the war.

TABLE No. 7.

KIMBERLEY REEF AND BLUE MIXED.

YEAR ENDING.	Loads Washed.	Metric carats of Diamonds found.
June 30th, 1914	1,104,577	96,776½
June 30th, 1915	153,257	12,542½
June 30th, 1916	...	38½
No operations since 1915.		

GENERAL MANAGER'S REPORT.

To the Directors,

De Beers Consolidated Mines, Limited.

Gentlemen,

I beg to submit for your consideration my report for the year ended 30th June, 1930:—

DE BEERS MINE.

No mining was done during the year.

Pumping was continued throughout the year, the average quantity of water pumped from the mine being 3,131 gallons per hour.

Quantity of Blue Ground in Sight.—The quantity of blue ground in sight above the 2,040 foot level is estimated to be 2,750,000 loads.

The depth of No. 1 Shaft is 2,640 feet.

The depth of No. 2 Shaft is 1,728 feet.

No blue ground was washed during the year, and the stock remains at 48,396 loads.

KIMBERLEY MINE.

The stock of reef and blue mixed remains at 571,176 loads.

WESSELTON MINE.

Output of Blue Ground. The output of blue ground was 1,608,670 loads, as follows:—

860 foot level	36,854	loads
900	284,001	..
940	402,404	..
980	298,384	..
1,020	251,356	..
1,050	223,286	..
1,080	112,385	..
Total	1,608,670	..

1,787 loads of reef or waste ground were also hoisted.

Hoisting was done through No. 2 Shaft from the 1,600 foot level.

Quantity of Blue Ground in Sight.—It is estimated that there is in sight above the 1,600 foot level 30,500,000 loads.

Water.—The average quantity of water pumped from the mine was 35,315 gallons per hour.

Development Work.—The following development work was done during the year:—

Tunnels in rock and reef ...	3,681 feet
Tunnels in blue ground ...	17,212 ,,
Passes in rock and reef ...	166 ,,
Excavations—rock	13,940 cubic feet

A new Shaft has replaced the caved portion of the old No. 1 Rock Shaft from the surface to the 500 foot level.

The depth of No. 2 Shaft is 1,756 feet.

The stock of blue ground at the end of last year was 340,676 loads; 1,608,670 loads were hoisted from the mine, and 1,612,042 loads were washed, leaving a stock of 337,304 loads.

Costs per Load:—

	Year ended 30th June, 1930.	Year ended 30th June, 1929.
	s. d.	s. d.
Mining ..	2 10.16	3 1.44
Washing	1 7.22	1 7.99
Total ..	4 5.38	4 9.43

BULTFONTEIN MINE.

Output of Blue Ground.—The output of blue ground was 1,630,233 loads, as follows:—

840 foot level	306	loads
880	5,577	..
920	130,094	..
960	145,726	..
1,000	307,098	..
1,030	325,378	..
1,050	304,235	..
1,080	242,302	..
1,120	143,782	..
1,150	8,791	..
1,180	5,870	..
1,220	7,597	..
1,250	3,477	..
Total	1,630,233	..

2,931 loads of reef or waste ground were also hoisted.

Hoisting was done through No. 2 Shaft from the 1,600 foot level.

Quantity of Blue Ground in Sight.—It is estimated that there is in sight above the 1,600 foot level 25,000,000 loads.

Water.—The average quantity of water pumped from the mine was 18,319 gallons per hour. This quantity includes all Dutoitspan Mine water, which flows through a connecting tunnel from the 1,350 foot level, Dutoitspan Mine, to the pumping station on the 1,600 foot level, Bultfontein Mine.

Development Work.—The following development work was done during the year:—

Tunnels in rock and reef	..	720 feet
Tunnels in blue ground	..	19,306 ..
Passes in rock and reef	..	27 ..
Passes in blue ground	..	2,302 ..
Excavations—rock ...	...	468 cubic feet

The depth of No. 1 Shaft is 708 feet.

The depth of No. 2 Shaft is 1,715 feet.

The stock of blue ground at the end of last year was 148,796 loads; 1,630,233 loads were hoisted from the mine, and 1,621,896 loads were washed, leaving a stock of 157,133 loads.

The stock of cylinder lumps remains the same as at the end of the previous year, viz., 220,655 loads.

Costs per Load:

	Year ended 30th June, 1930.	Year ended 30th June, 1929.
	s. d.	s. d.
Mining ...	2 7.49	2 9.22
Washing ...	1 9.46	2 0.43
Total ...	4 4.95	4 9.65

DUTOITSPAN MINE.

Output of Blue Ground.—The output of blue ground was 1,623,270 loads, as follows:—

550 foot level	... ...	23,230 loads
590	... ...	81,191 ..
630	... ...	205,304 ..
670	... ...	337,585 ..
710	... ...	563,510 ..
750	... ...	253,710 ..
780	... ...	148,538 ..
815	... ...	7,437 ..
850	... ...	2,765 ..
Total	... ...	1,623,270 ..

5,639 loads of reef or waste ground were also hoisted.

Up to and including Saturday, 24th August, 1929, hoisting was done through No. 1 Shaft from the 750 foot level, and from Monday, 26th August, from the 1,350 foot level.

Quantity of Blue Ground in Sight.—It is estimated that there is in sight above the 1,350 foot level 31,000,000 loads.

Water.—No water was pumped during the year, all water being gravitated to the Bultfontein Mine, 1,600 foot level.

Development Work.—The following development work was done during the year:—

Tunnels in rock and reef	...	2,452 feet
Tunnels in blue ground	...	20,846 ,,
Passes in rock and reef	...	21 ,,
Passes in blue ground	...	824 ,,
Excavations—rock ...	...	13,300 cubic feet
Water shaft sunk ...	...	138 feet

The depth of No. 1 Shaft is 1,476 feet.

The depth of No. 2 Shaft is 768 feet.

The stock of blue ground at the end of last year was 283,965 loads; 1,623,270 loads were hoisted from the mine, and 1,603,691 loads were washed, leaving a stock of 303,544 loads.

The stock of cylinder lumps remains the same as at the end of the previous year, viz., 610,804 loads.

Costs per Load:—

	Year ended 30th June, 1930.		Year ended 30th June, 1929.	
	s.	d.	s.	d.
Mining ...	3	0.83	3	6.61
Washing ...	1	7.00	1	8.11
Total ...	4	7.83	5	2.72

SUMMARY OF OPERATIONS.

LOADS BLUE GROUND HOISTED.

	Year ended 30th June, 1930	Year ended 30th June, 1929.
Wesselton Mine	1,608,670	1,621,996
Bultfontein Mine	1,630,233	1,489,092
Dutoitspan Mine	1,623,270	1,609,688
Total	4,862,173	4,720,776

LOADS BLUE GROUND WASHED.

	Year ended 30th June, 1930.	Year ended 30th June, 1929.
Wesselton Mine	1,612,042	1,618,226
Bultfontein Mine	1,621,896	1,578,233
Dutoitspan Mine	1,603,691	1,596,821
Total	4,837,629	4,793,280

STOCKS—LOADS.

	BLUE		LUMPS		TOTAL	
	30th June, 1930.	30th June, 1929.	30th June, 1930.	30th June, 1929.	30th June, 1930.	30th June, 1929.
De Beers Mine	48,396	48,396	—	—	48,396	48,396
Wesselton Mine	337,304	340,676	—	—	337,304	340,676
Bultfontein Mine	157,133	148,796	220,655	220,655	377,788	369,451
Dutoitspan Mine	303,544	283,965	610,804	610,804	914,348	894,769
Total	846,377	821,833	831,459	831,459	1,677,836	1,653,292

REEF AND BLUE MIXED.

	30th June, 1930.	30th June, 1929.
Kimberley Mine ...	571,176	571,176

AVERAGE YIELD PER LOAD OF BLUE GROUND WASHED.

	Year ended 30th June, 1930.	Year ended 30th June, 1929.
Wesselton Mine ...	.23 ct.	.23 ct.
Bultfontein Mine ...	.31 ct.	.31 ct.
Dutoitspan Mine ...	.16 ct.	.16 ct.

GENERAL REMARKS.

Tramways.—In addition to the Company's employees, who travel free of charge to and from work, and school children, who are conveyed at reduced fares, 4,267,892 passengers were carried during the year, as against 4,289,389 for the previous year. The total number of passengers carried was 6,255,643.

Electric Lighting of Kimberley.—The current supplied to the Kimberley City Council during the year amounted to 2,966,446 units, as against 2,631,466 units for the previous year.

Rainfall.—The rainfall for the year was 17.68 inches, as compared with 14.31 inches for the previous year.

The rainfall for the last seven years was as follows:—

Year ended 30th June,	1924 ...	12.08	inches
,, ,, ,, ,,	1925 ...	23.36	,,
,, ,, ,, ,,	1926 ...	10.48	,,
,, ,, ,, ,,	1927 ...	14.16	,,
,, ,, ,, ,,	1928 ...	15.08	,,
,, ,, ,, ,,	1929 ...	14.31	,,
,, ,, ,, ,,	1930 ...	17.68	,,

Du Toit's Pan.—The water in Du Toit's Pan on the 30th June, 1930, was approximately 308,000,000 gallons, as compared with approximately 313,000,000 gallons on the 30th June, 1929.

Retirements and Appointments.—After many years of valuable service to the Company, Mr. J. Harbottle, Consulting Mechanical and Electrical Engineer, retired on the 1st July, 1930.

Mr. A. Gardner Williams was appointed Acting Superintendent of Mines as from the 1st January, 1930.

Mr. P. T. Easton was appointed Chief Land Surveyor as from the 10th February, 1930, vice Mr. L. McBean, retired.

Mr. T. P. Stratten was appointed Assistant Electrical Engineer as from the 22nd January, 1929.

Mr. R. Becker was appointed Superintendent, Convict Station, as from the 18th January, 1930, vice Major R. Kemp, retired.

Employees.—The number of white employees at 30th June, 1930, was 1,562 men and 166 lads, as compared with 1,634 men and 178 lads at 30th June, 1929.

The number of natives employed at 30th June, 1930, was 5,913, as compared with 6,666 at 30th June, 1929.

In conclusion, I beg to thank the various heads of departments and the men under them for the loyal support they have given me at all times during the year.

ALPHEUS F. WILLIAMS,

General Manager.

Kimberley,

1st October, 1930.

De Beers Consolidated Mines, Limited.

Forty-Second Ordinary General Meeting.

The Forty-Second Annual General Meeting of Shareholders of De Beers Consolidated Mines, Ltd., was held at the Office of the Company, Stockdale Street, Kimberley, on Monday, 15th December, 1930, at 11 a.m. Sir Ernest Oppenheimer, Chairman of the Company, presided. The following Deferred Shareholders were present: Colonel Sir David Harris, K.C.M.G., V.D., Mr. A. G. W. Compton, M.C. (and q.q. Mr. G. W. Compton and Mr. S. E. Compton), Mr. S. B. Joel, J.P., Mr. R. Philipson-Stow, Mr. W. Pickering, D.S.O., J.P., Mr. H. P. Rudd, Mr. A. Abrahams, Mr. C. Anhaeusser, Mr. M. M. Aronson, Mr. J. Buck, Mr. H. A. J. Black, Mr. J. A. Bodley, Mr. L. H. Brailey, Mr. M. E. Doherty, Mr. P. Denman, Mr. W. D. Fynn, Mr. J. H. Gratton, Mr. M. Hodgson, Mr. W. B. Humphreys, M.P., Mr. H. J. Lancaster, Mr. C. E. H. Langley, Mr. R. D. Lawrence, Mr. D. Moore McBean, Mr. T. G. McLennan, Mr. G. McKenzie, Mr. W. Meinke (q.q. Mr. H. Feldman), Mr. John Orr, M.B.E., Mr. E. Ortlepp, Mr. S. Peachey, Mr. T. G. Peacock, Mr. E. S. Passmore, Mr. E. H. Raynham, Mr. A. J. Robins, Mr. G. M. Robertson, Mr. H. E. Seccull, Mr. Wm. Sagar, J.P., Mr. P. Sussman, Mr. W. H. Snedden, Mr. H. Solomon, Mr. A. Silverston, Mr. J. van Praagh, Mr. J. C. Vos, Mr. P. R. Ward, Mr. T. J. Woodburne, Mr. Alpheus F. Williams, Dr. S. Zweiback, Mr. C. E. Hertog (the Company's Solicitor) and Mr. A. V. Drake (Secretary).

Sir Ernest Oppenheimer held proxies representing 188,412 shares.

Mr. S. B. Joel held proxies representing 90,767 shares.

Mr. R. Philipson-Stow held proxies representing 6,330 shares.

The Chairman declared the meeting properly constituted.

The Secretary read the notice convening the meeting, and afterwards the Minutes of the last Annual General Meeting of Shareholders held on Friday, 20th December, 1929, which were confirmed.

The Secretary further read the Report of the Auditors attached to the Balance Sheet, and laid on the table the Auditors' Report as required by Sub-section 5 of Section 99 of the Companies Act of 1926.

Mr. Van Praagh moved that the Directors' Report and Accounts, having been circulated among the Shareholders, be taken as read. Mr. Langley seconded, and it was carried.

The Chairman prefaced his speech by welcoming Mr. Joel to Kimberley. He was quite sure, he said, he was speaking for his Colleagues and himself, and he was quite sure he was speaking for all the Shareholders present also, when he said they were delighted to see him among them. They were particularly glad to see him because they had heard alarming reports of his health. He had been seriously ill, but he had made an excellent recovery. They hoped he would be spared many years, and experience prosperity and happiness and help them to guide the destinies of this Company. (Applause.)

The Chairman, in moving the adoption of the Report and Accounts, said: The Chairmanship of the De Beers Company is regarded as one of the most important positions the South African mining world has to offer; the position confers distinction upon the holder, a fact of which I am keenly sensible, and I take this opportunity of expressing my gratitude to my Colleagues for electing me to the Chair of this Company. I know that the occupant of this Chair must be prepared for hard work, and, at times, anxiety and worry, but I face the future and whatever it may hold with equanimity born of the knowledge that my responsibilities and cares will be shared by my fellow Directors.

Speaking for the Board of Directors, I can say that we have a full realisation of the varied nature of our responsibilities, which comprise, in addition to our obligations to Shareholders, officials and employees, the responsibility which goes with a great primary national industry. It is, and always has been, our aim to conduct the Company's operations in harmony with the interests of the country.

Here, perhaps, I may interpose a purely personal note. I am, as you know, a Member of Parliament as representative of the City of Kimberley; nevertheless, I realise that our industry as such must have no politics. This fact, however, does not deprive us of our rights of criticism should any Government neglect the legitimate interests of our huge industry which has done so much for the revenues of the State and the prosperity of its people. The Government, as an owner of diamond fields, has the same direct interest in the diamond industry as any other diamond producer, in addition to indirect interests that are greater still.

Since the promulgation of the Precious Stones Act of 1927 the Government has vested in itself very wide powers to assist the diamond industry through the regulation of the quantity of diamonds to be put upon the market from time to time; nevertheless, in consonance with that very wise maxim which says that it is the duty of a Government to govern, it was clearly the intention of the law that these powers would be utilised only if and when the industry was faced with a difficulty which it could not overcome alone. As regards the Conference Producers it must be remembered that the law gives them the opportunity to regulate their operations by mutual agreement, and for this reason and because of the confidence which comes from long years of experience, we should shoulder our own burdens and invoke the assistance of the Government as a last resort only. It should be our definite policy to rely to the greatest possible extent upon our own resources, our knowledge of the trade and our energy and enterprise.

These views will, I believe, commend themselves to the Directors of the other Conference Producers, but history and tradition impose upon us the duty of setting an example; we are the oldest and largest diamond producer and—I say this without any desire to question the mining life of the properties of the other Conference Producers—the most permanent one. Our position is rendered still stronger by the fact that our product comprises practically every size and quality of diamond, which alone places us in a unique position amongst diamond producers, though at the same time imposing upon us as a special responsibility the prosperity of all branches of the trade.

This being our outlook we shall endeavour to foster such close co-operation between Conference Producers that by pooling our knowledge not only shall we bring about the greatest efficiency in working our various properties and be better equipped to watch diamond discoveries in the Union and elsewhere, but also, acting togther, we shall be able to deal effectually with any problems that may menace the stability of the diamond trade.

I have said that the Directors have to work hard and face anxiety and worry. If, after perusing the Balance Sheet and Accounts, which later I shall ask your to adopt, you wonder what we have been anxious and worried about, I shall not be surprised, but you must remember that the year under review ended on 30th June last, and therefore the Accounts before you do not reflect to any appreciable extent the effects of the depression in the diamond trade. Before I resume my seat I shall tell you something of our worries and anxieties, but in the first instance I shall deal with the Accounts.

If you will refer to the Balance Sheet, you will observe that there has been no change in the amount of Capital issued, and that there remain unissued 9,486 shares of the nominal value of £2 10s. each.

The "Debenture Redemption Reserve" was increased by £110,855, being the nineteenth and final payment in accordance with the redemption table to £1,635,495. The Debentures, having been redeemed on 1st January, 1930, are expunged from the Balance Sheet, and the Reserve has been applied for the time being to reduce the value of "Property Account," but no definite allocation of the amount has yet been made.

The liquidation of our Debenture Liability will result in an annual saving of £73,597 in respect of interest. The annual charge for Sinking Fund which this year was £110,855 will also disappear.

The Appropriation for the Stabiliment of the Diamond Trade has been increased to £3,394,586 by the transfer of £820,744 from "General Fund," which amount has been invested in the acquisition of shares in the Diamond Corporation, Ltd. This Corporation, the formation of which was foreshadowed by Sir David Harris at the last Annual Meeting of this Company, was registered with a Capital of £2,500,000. A short reference to the principal objects of the Corporation appears in the Directors' Report, which I shall supplement by a more extended reference later on this morning.

Our cash reserve, the General Fund, amounts to £2,224,514, which is invested in practically equal amounts in 5% British War Loan 1929-47 and Union of South Africa Treasury Bills. The net decrease in the Fund, as compared with the Accounts as at the 30th June, 1929, was £804,309, due principally to the acquisition of the Company's interest in the Diamond Corporation, Ltd.

Current Liabilities amount to £1,393,317, which includes no less a sum than £302,588 in respect of Union Income Tax. These liabilities are covered rather more than twice over by "Debtors" and "Cash Assets" amounting to £2,797,946. Apart from this we have our Reserve Fund to which I have already referred.

Our contingent liability under the guarantee in respect of the repayment of the Cape Explosives Works 5½% First Mortgage Debentures and interest thereon has been reduced by £78,400 to £984,100. The Imperial Chemical Industries, Ltd., have indemnified De Beers Company to the extent of 50% of this contingent liability.

Reference to Assets in the Balance Sheet will show that "Claims and other Mining Interests" and "Estates and Farms" have been grouped together, the total value being £5,004,082, which sum was reduced to £3,368,588 in the manner I have already explained by deducting the South African Exploration Debenture Reserve of £1,635,495. This total represents a very conservative—I might say a nominal—valuation, as the Assets include our Mines and Estates, and in addition valuable farms in the Union and in Rhodesia.

Here perhaps I may be permitted to digress for a minute in order to make a few remarks regarding the magnitude of our farming operations.

In the Union we are actively farming 87 separate holdings aggregating 406,000 acres. On these farms we have valuable herds of Friesland and Shorthorn Dairy cattle, and have quite recently established an extremely modern dairy, which we trust will be an instructive and inspiring object lesson to other dairy farmers.

We also breed horses, and it has been acknowledged by the Police that our remounts are the best obtainable. Sheep farming is also being experimented with, as the Company wishes to see whether Griqualand West can be made a wool-growing centre.

In addition, we are applying scientific principles to the solution of the problem of providing foodstuffs for stock in a semi-arid district by the cultivation of drought-resisting plants suitable for fodder.

We are sole proprietors of the Rhodes Fruit Farms, which have played and will continue to play a leading part in the development of the South African fruit industry. When I tell you that our exports alone increased from 3,139 boxes in 1905 to 160,620 boxes during the past season, you will appreciate the progress which has been made.

In Rhodesia we are ranching on a large scale, and are now considering the establishment of a subsidiary ranch on the Limpopo River in order to facilitate the landing of stock in good condition on the Union markets.

These activities are our practical and tangible acknowledgement of the debt we owe to the country, the mineral wealth of which has made this Company what it is, but our achievements in these directions are, I think, sometimes overlooked by the general public.

The other main item under the heading of Property is now styled "Investments in the Diamond Corporation, other Diamond Mining Companies, and Kindred Interests," and at present amounts to £4,044,690 as against £3,223,946 at the 30th June, 1929, the increase of £820,744 of course representing the acquisition of the important interest in the Diamond Corporation to which I have already referred. The total of Property Account is now £7,413,279.

"Investments in Stocks and Shares," £624,207, comprises our half interest in the African Explosives and Industries, Limited, some Cape Explosives Works Debentures, and our holding in the Rhodes Fruit Farms, together with sundry small items.

The interest in the African Explosives and Industries was acquired in conjunction with Imperial Chemical Industries, with whom we subscribed the entire capital of the Explosives Company, and Shareholders will be glad to know that this investment is a very profitable one. The importance and magnitude of the undertaking will be realised when I tell you that it employs 1,157 Europeans and 3,415 natives, that its wage bill is £600,000 per annum, and that it pays about half a million per annum to the Union Railways.

Lord Melchett, the Chairman of the Imperial Chemical Industries, who recently visited South Africa, when presiding at the Annual Meeting of his Company, referred at some length to the excellent prospects of the African Explosives Company and to the importance of development of Imperial Economic co-operation. As the result of Lord Melchett's visit, the Explosives Company is erecting at Modderfontein, near Johannesburg, plants for the production and oxidation of synthetic ammonia. At Somerset West an oxidation plant will also be installed. The cost of the plants is estimated at £585,000, and when in operation they will, of course, provide remunerative employment for a large number of Europeans.

The actual value of our interests in the African Explosives Company is many times the value at which it has been taken into the Balance Sheet.

The item "Reserve Investments" is, as you will observe, a contra entry.

"Debtors, Special Investments and Cash" amount to £2,797,946. In the details of this Account appearing in the Balance Sheet is an item "Open Accounts and Loans to affiliated Companies." This title was adopted to cover loans to the Diamond Corporation and the Kimberley Diamond Cutting Company, which are, in effect, companies affiliated to us.

The "Profit and Loss Account" calls for some comment. I would draw your attention to the welcome reduction of £90,000 in Mining Expenditure, the total under this heading being £1,140,371. This reduction was the result of sustained efforts to achieve the greatest possible economy without detriment to efficiency. This effort has been maintained since 30th June last, and will, I believe, result in still further savings; in fact, I am hopeful that it will be possible to work the three mines on the present scale at a total expenditure in the neighbourhood of £1,000,000.

As all Shareholders may not have time to study the report of the General Manager, I shall give you a short summary of the mining position.

The present hoisting level at the Wesselton Mine is 1,600 feet below the surface, and the reserves above that level are estimated at 30,000,000 loads, equal to 15 years' output at the present rate of hoisting.

The main haulage equipment in the Bultfontein Mine is on the 1,600 feet level. Developed reserves above that level are estimated to be 25,000,000 loads, and of this total probably 20,000,000 loads will be dealt with through the existing level giving an indicated output for 12 to 13 years on the current scale of operations.

At the Dutoitspan Mine the new haulage plant at the 1,350 feet level was brought into commission in August, 1929. There are in sight above this level 31,000,000 loads, equal to a 15 years' output at the present rate of production.

These, gentlemen, are short particulars of the mining position on the operating properties of our Company, and I think you will agree that they indicate a very satisfactory state of affairs. Our development is well ahead, and no money will be required in connection with development or equipment for many years. Furthermore, the fact that we have these enormous reserves above what are after all very moderate depths must clearly show you the very long lives of our mines. I may add that should the diamond business expand sufficiently to warrant such a course we could double our output without any capital expenditure at any one or all of the operating mines by inaugurating a two-shift basis in place of the one shift at present working. In addition, work could be resumed at the De Beers Mine, which is now out of commission.

The net expenditure on " Farms, Landed Property and the Kimberley-Alexandersfontein Electric Railway " amounted to £59,537 as against £6,768, the increase of £52,769 being due to the heavy depreciation in the value of livestock.

" Charges " amounted to £228,686, as against £249,985 for the previous year. This total, although showing a reduction, might create the impression that administration expenditure is unduly large. Reference to the details in the Account will, however, show that a large part of this sum was spent for the benefit of our employees.

I particularly direct your attention to the items " Employees' Provident Fund," "Allowances to Retired Employees," "Pay to Employees on Leave," and "Compensation"; also to the item " Donations and Relief."

Needless to say, however, every effort will be made to reduce the purely administrative expenses included in this Account.

Expenditure in respect of " Interest on the Capital of Leased Companies " was unchanged at £96,392, whilst Debenture Interest was only half of the amount shown in the Accounts at the 30th June, 1929, due, of course, to the fact that, as I have already informed you, the Debentures were redeemed on the 1st January last. This latter charge, as also the charge in respect of principal, will not recur.

The credit to " Diamond Account " amounted to £3,262,665 as against £3,255,791 for the previous year.

" Interest and Dividends on Investments " showed a drop of £28,986, the total revenue under this heading being £503,168 as against £532,154.

The other items in the Profit and Loss Account are small and do not call for comment.

If you will refer to the " Appropriation Account," you will see that the credit balance of £650,029 as at the 30th June, 1929, was reduced to £377,401 by the payment of the final dividend of 5s. per share on the Deferred Shares, which absorbed £272,628. The profit for the year under review was £2,126,905, which, together with the balance of £377,401 brought forward from the previous year, made a total of £2,504,306, which was dealt with as follows:—

Union Income Tax	£302,588
Preference Dividend	800,000
Balance unappropriated ...	1,401,718
	£2,504,306

You will perceive that the balance of profit unappropriated is such that we could, apart from making our usual allocation to reserves, have paid a substantial deferred dividend, but we were in the middle of a very severe economic depression, which unfortunately is still with us. The crisis in the United States of America, which started in October, 1929, was naturally accompanied by a shrinkage in the Syndicate's sales of diamonds until by June this year they had become negligible. As our contracts are based on the replacement system (that is to say the Syndicate's purchases during any six months are based on its sales during the previous period), we knew that, in turn, our sales for the current six months would be insignificant, and we were therefore faced with a very difficult problem.

During the year under review, 1929-30, we continued to work one shift of eight hours at Wesselton, Dutoitspan and Bultfontein Mines, paid our Preference dividend and had money in hand for a Deferred dividend, but after mature consideration your Directors came to the conclusion that it was in the best interests of all concerned to withhold the Deferred dividend, and continue operations without curtailment.

Before deciding on this policy we made certain that our fixed liabilities, namely, rental of the leased Companies and the Preference dividend for 31st December, 1930, could be met. It would have been unreasonable to expect the Deferred shareholders to forgo their dividend if by spending money on the production of diamonds that were not required for the moment, our fixed engagements could not be discharged.

The present position is that the Preference dividend due this month is assured, as also, with a moderate revival of sales, is that of June next.

Having dealt with the individual affairs of De Beers, I now pass to the broader aspects affecting the diamond industry, which recently has been passing through such a disturbed and critical period. The present depression of this particular industry is a direct consequence of the general world-wide commercial stagnation. The economic condition of practically all the countries of the world to-day presents an almost uniform picture of a severe depression following the prosperous trade cycle which began with the recovery in 1922. This is not the place to enter fully into the causes of the present depression, a matter on which opinions differ. As is usual in the case of wide fluctuations in economic conditions people pass from extreme optimism during a period of prosperity to extreme pessimism in the subsequent reaction. Judging, however, by past experience we may assume that what has happened during previous periods of depression will happen again, namely, that the decline in stocks of commodities and diminished speculation, coupled with easy money rates, will in due course prepare the way for a gradual revival.

Despite signs of political trouble in various parts of Europe and Asia, the general position of the world is sounder to-day than it was in 1921 when the world was, owing to the effects of the Great War, in a far from stabilised condition.

An examination of the conditions affecting the diamond trade during the periods immediately following previous depressions shows that contrary to what might be expected diamonds are among the first commodities to come into demand, and we are, therefore, I think, justified in expecting that as soon as trade revives the diamond industry will again come into its own.

What is needed at present is that the trade and public generally should be reassured and satisfied that the control of production is effective, that it is in competent and experienced hands, that sales are limited to the market demands and carried on through one channel, and that the financial resources of those in control are adequate. I hope we will be able to convince you that as regards these points the diamond industry as a whole is on a firmer foundation than ever before in its history.

However severe and prolonged the present economic crisis may be, it will come to an end; prosperity will return and money will be again available for luxuries. Whether a large or small part of this money will be invested in diamonds will depend on the judgment formed by the public of our conduct of the diamond trade in the last few years of exceptional difficulties, and during this crisis. If proper use is made of the experience accumulated over many years and the existing machinery of the trade is strengthened we will inspire even greater confidence in the intrinsic and stable value of the diamond, and when the clouds of depression have passed we shall attract a larger proportion of the money available for luxuries than before.

To those who hold diamonds as an investment I would draw attention to the remarkable stability of the value of diamonds as compared with that of other commodities. Examination of the average annual value (corrected for changes in the general price level) of diamands shows that since 1920 diamond values have fluctuated far less than lead, copper, coffee and even wheat.

The reason for the stability achieved in diamond values is undoubtedly due to the policy pursued in controlling diamond sales. The Syndicate has never attempted to force up the price of diamonds above that warranted by the condition of the general price level. It has exercised the function of adapting supply to demand so that values should fluctuate as little as possible.

At this point I think it advisable to survey briefly the alluvial diamond position and the important discoveries of recent years at Lichtenburg and in Namaqualand. Prior to 1926 our experience of more than 50 years of Union river alluvial had created a feeling amongst the big producers that mines alone were the real source of diamond supplies, alluvial fields being considered as so poor and limited in extent that there was no need to control production from this source. Not even the discovery of a different category of alluvial deposits, namely, the rich and extensive fields in South-West Africa, the Congo and Angola, served to alter this fixed idea. That the Government shared this view is made quite clear by the section in the Diamond Control Act of 1925 which expressly excluded alluvial from the operation of the Act. Four years ago came the discovery of the rich fields at Lichtenburg, which, with their uncontrolled and unlimited output of diamonds, found the Government and the big producers totally unprepared. The Government without legislative authority was not in a position to refuse proclamation of farms on which diamonds had been found. The result was the irrational and uneconomical exploitation of the new fields with its consequential disturbance of the normal diamond trade. The Lichtenburg production rose by leaps and bounds to a peak in September, 1927, during which month 223,328 carats for £507,342 were found and placed on the market. Up to the end of 1929 production from the Lichtenburg fields had amounted to the enormous total of 4,691,000 carats with a value of £10,879,000. The effect of the discovery of this field on the Union's alluvial diamond production is illustrated by comparing the average for the years 1924 and 1925 of 263,000 carats for £2,000,000 with that of the four years 1926 to 1929 (excluding Namaqualand) of 1,344,000 carats for £4,067,000, an increase of 1,080,000 carats for £2,070,000. Since the peak production in September, 1927, the Lichtenburg output has gradually declined, and the average for the first nine months of 1930 was only 58,000 carats for £100,000 per month. As a matter of interest I may state that the whole Union alluvial production (including Lichtenburg) for the first nine months of this year shows that the annual figure will be back on the £2,000,000 mark.

The serious position which arose at the time of the enormous Lichtenburg production was only saved and a catastrophe averted by the action of the Syndicate in buying the excess production, well knowing that its disposal would have to be spread over a period of years.

The Government finally realised the menace to the diamond industry of an uncontrolled alluvial production, and a Consolidated Precious Stones Bill was introduced on the 1st April, 1927, and became law in November of the same year. Under this Bill the Government brought alluvial within the provisions of the 1925 Control Act. Moreover, while under the old legislation alluvial ground could only be disposed of to individual diggers, and had, practically speaking, to be proclaimed within three months of a discovery being made, the new law gave the authorities discretion as to the date of proclamation, and the additional right of leasing the ground, selling it or working it themselves.

But just as if nature had determined that the new lesson must be properly learned, she allowed that able geologist, Dr. Merensky, to discover her Aladdin's Cave on Crown Lands near the Orange River mouth at Alexander Bay early in 1927, before the passing of the Consolidated Law, and this discovery led to a further strengthening of the new Act.

Under the then existing legislation, Dr. Merensky was entitled to certain discovery claims, but the balance of the ground which belongs to the State was proclaimed a State digging under the provisions of the new law. The very nature of the deposit and the facility with which anyone gaining access to it could help himself to the treasure, necessitated the quickest possible removal of the diamonds contained in the especially enriched areas to the strong room. This accounts for the excessive production of diamonds in Namaqualand during 1928.

In view of somewhat alarming rumours, I feel that a statement concerning production in Namaqualand will have a reassuring effect. The total production from Namaqualand up to the end of 1929 amounted to approximately 1,230,000 carats valued at £12,500,000. Of this total the Syndicate has already purchased over £8,000,000, the remainder has been substantially reduced by sales to South African cutters during the past two years, while the balance will be disposed of over a period of years in accordance with the demands of the market. Here again it is significant to note that the production from Namaqualand for the first six months of this year was, as shown by the returns of the Mines Department, only 55,191¼ carats valued at £407,359. This decrease, together with the reduction in the alluvial output previously mentioned, and the closing down of several small mines, such as West End, Phoenix and New Eland, will serve to show that given a normal market the question of over-production in the Union no longer exists.

The claims allotted to Merensky, as discoverer, have been worked out. The diamonds produced were purchased by the Syndicate.

The production from the State diggings has, as mentioned above, with the exhaustion of the rich ground become very moderate.

In addition to the Alexander Bay deposits, diamonds were also discovered on other farms along the Namaqualand Coast. These farms were practically all acquired by the Cape Coast Exploration, Limited, the Directors of which are fully familiar with the diamond trade; they are confirmed subscribers to the basic principles of limitation of sales and disposal through one channel, and will therefore work in the fullest co-operation with the Conference Producers and the Syndicate.

Briefly put the Government now possesses the power to prevent any repetition of over-production from the alluvial fields within the Union, and by their use of this power they have shown that they are determined to ensure that this production shall not again assume such unreasonable proportions as to constitute a menace to the whole diamond trade and jeopardise the prosperity of companies such as this upon which settled communities are dependent.

The statement made by the Minister of Mines on the 14th November, 1930, to the effect that the Government " intends to limit its own sales of diamonds proportionately with the sales of other big producers, and will only sell diamonds for export through the Syndicate," clearly demonstrates that the Government is fully alive to the needs of the trade and solicitous of its welfare.

I have tried to bring into bold relief two important points: firstly, that the danger which threatened the diamond trade from Lichtenburg and Namaqualand has passed; secondly, that the Government of the Union now possesses ample powers to prevent a recurrence of uncontrolled production if an emergency should arise, and has shown by its actions that it will not hesitate to use them.

You, Gentlemen, and the public in general will perhaps realise what a tremendous burden was put upon the Syndicate in maintaining the market when I say that in 1927 the alluvial production was at its highest, and in 1928 the production in Namaqualand reached its peak, while such assistance as the producers gave had perforce to be of a passive nature. In order to prevent an over-supply of diamonds reaching the market, which would inevitably have caused a heavy fall in prices and spelt disaster for the trade, they had to put up with the unpleasant experience of having to stand by and see their sales dwindle and their dividends diminish, or even disappear. There was the further problem to be solved as a consequence of the Lichtenburg and Namaqualand productions, namely, the disposal of the large stock of Outside diamonds in the hands of the Syndicate, which would quite naturally have to be liquidated when market conditions permitted, and which could not but tend to delay further the recovery as far as the Conference Producers were concerned. It was felt essential to improve the system of marketing so as to give producers a more direct voice in the disposal of the diamonds. This idea was not a new one, but it gained special emphasis through the exigencies of the situation. As a matter of fact, as far back as 1923 Mr. Ross Frames, my predecessor in the Chairmanship of this Company, when referring to the post-war crisis, said:—" The question arises at times whether some method or machinery for the sale of diamonds cannot be devised which would give results more satisfactory to the producers than those at present obtaining." As a result of the resuscitation of the idea, discussions took place between the Conference Producers and the Syndicate, the outcome of which was the formation of the Diamond Corporation, Limited, with a paid-up capital of £2,500,000 and loan facilities for a similar amount, the Conference Producers and the Syndicate each subscribing half of the funds required. The Corporation took over the accumulated stock of Outside diamonds and agreed to spread their sale over a period of years in order to ensure a reasonable share of the available trade to the Conference Producers. The formation of the Diamond Corporation marks the beginning of a new era in the diamond trade.

The existing agreements with the Syndicate expire at the end of this year, and as far back as February last negotiations for new Inter-Producers and Sales Agreements were commenced. There were no difficulties in arriving at a fair division of trade between the various Conference Producers, but nevertheless the negotiations were protracted, and as they proceeded it became increasingly apparent that the logical solution of all difficulties would be for the Sales Agreements, even if made in the first instance with the Syndicate, to be transferred to the Diamond Corporation. Ultimately this course was decided upon, and the new Sales Agreements, which will come into operation on 1st January next and cover a period of four years from that date, will be ceded to the Diamond Corporation. The terms of these Agreements are substantially the same as those of the existing Agreements, the main difference being a clause which provides for the maintenance of a ratio of not less than 5 to 3 in the sales of Conference Producers diamonds to Outside diamonds. The effect of this clause will be to ensure to the Conference Producers their fair proportion of whatever volume of trade is available. It affords me much pleasure to announce the completion of the Agreements, and in that connection I should like to add an expression of our great appreciation of the full co-operation of the Minister of Mines and the Administrator of South-West Africa.

To ensure that the finances of the Corporation would be adequate to meet its increased liabilities, the capital is being increased to £5,000,000, and in order to pay for the stock of Producers diamonds in the hands of the Syndicate on the 31st December, an issue of £5,000,000 Debentures, bearing interest at 5½%, is being made, which will be allotted to the Syndicate. The Debentures are redeemable in five equal annual instalments commencing in 1935, which means that during the currency of the new Sales Agreements no provision for the redemption need be made.

The right of appointing the Chairman of the Corporation is vested in the De Beers Company, and as the appointment carries a casting vote, the Producers will, in effect, control the Corporation from the outset. I should like you to realise the extraordinarily favourable position in which the Producers are placed in this matter. Through the control of the Corporation they will have the full benefit of the financial resources of the Syndicate, and, in addition, they will have at their disposal the accumulated knowledge and experience of the experts who have conducted the affairs of the Syndicate over a long period of years. In other words, without payment or consideration of any kind they find themselves with a big share in an established business.

As regards production outside the Union, the most cordial relations exist with the various Producers in Angola, the Congo and West Africa. They too have subscribed to the policy of limitation of production and sales through one channel.

Current contracts expiring at the end of the year have been renewed recently for a period which will run concurrently with the Sales and Inter-Producers' Agreements. The terms of these contracts cover the purchase of a maximum value of diamonds while the Producers bind themselves to sell to no outside parties.

This rationalisation of production and marketing will, I am sure, be welcomed by the European diamond cutting centres, who will be inspired with a fresh confidence as to the intrinsic and stable value of the diamond. Moreover, the understandable desire of the Government of the Union of South Africa to establish diamond cutting in South Africa has not been lost sight of, and as you will have seen from the public statement made by the Minister of Mines and Industries, arrangements under which South African diamond cutters will be supplied with rough diamonds have been placed on a satisfactory basis, and without detriment to the trade as a whole. As further evidence of the Government's sympathy with the diamond trade, I may again mention its intention, as announced by Mr. Fourie, to limit the sale of State diamonds proportionately to the sales of Conference Producers' diamonds, and that Union Government sales other than to South African cutters will be made only to the Diamond Syndicate.

I do not wish to weary you with too long a speech, but I feel that it is desirable that I should summarise the present position in regard to world production and sales. The sales of the big South African Producers are dependent on the volume of world trade, while practically all other sources of production are limited on the basis of a maximum yearly figure. This happy position has been reached as the result of the wholehearted and far-sighted co-operation of those in control of production outside the Union, coupled with the firm attitude taken up by the Union Government in regard to alluvial production.

When it is remembered that all future sales of Conference Producers diamonds will be effected by a South African Company, the old accusation that South Africa was being exploited by overseas diamond interests should be silenced once and for all.

Having created machinery to put the selling of diamonds on an eminently sound basis, the Conference Producers turned their attention to the question of the effect upon their own production of possible further discoveries.

During the last five years, particularly as a result of the Lichtenburg and Namaqualand discoveries, most intensive prospecting for diamonds over a large part of the Union and even beyond the borders of the Union has taken place, aided in no small measure by the better transport systems now available. The negative results of this prospecting give grounds for believing that the risk of further discoveries is small. Nevertheless, the Producers have not forgotten the lessons taught by recent experience, and they are not prepared to allow themselves again to be lulled into a false sense of security. It is true that the Government now has the power to control all production and would undoubtedly come to the assistance of the industry in an emergency, but it would not be reasonable or even dignified for Producers to rely solely on Government assistance. It should be their duty to collect and tabulate all possible information in connection with diamonds, to do which the establishment of a Joint Geological Department is essential in order that a vigilant eye may be kept upon developments and generally to ensure the closest collaboration amongst all Producers.

Feeling convinced that the diamond trade the world over would welcome this close co-operation amongst Union Producers, and that it would be for the benefit of all concerned, it remained only for someone to take the lead and give practical effect to the suggestion. Obviously history, tradition and prestige marked out this Company as the leader amongst the Producers, a responsibility which your Directors were proud to accept. They felt, however, that they could the better fulfil the important functions devolving upon them, and at the same time acquire the greatest amount of influence with the other Conference Producers, if they had a definite and material interest in those Companies. This they propose to bring about by the acquisition of substantial shareholdings believing that such acquisition will prove to be profitable and will make for the protection of the trade. As you are aware, we already possess a very large shareholding in the Premier Company, and it therefore remains to acquire the necessary interests in the New Jagersfontein and Consolidatel Diamond Mines of South-West Africa Companies, and arrangements are being made to secure these shareholdings upon the satisfactory completion of the further steps involved in the reorganisation of the industry as I have described to you.

Large funds are required for the acquisition of these shareholdings as well as for our interest in the Diamond Corporation, Limited, and the Board feels it is not equitable as between the holders of our Preferred and Deferred shares that the money should be provided solely from profits or current funds. In this connection I would like to refer to the speech delivered at the 32nd Ordinary Meeting of Shareholders of this Company in 1920 when the late Sir Carl Meyer presided. In a reference to the support given by the Company to industrial enterprises in South Africa, he stated that as most of the concerns were on a paying basis he thought the time had arrived when they should be capitalised. Furthermore, at the Extraordinary General Meeting of Shareholders held on 29th December, 1922, Sir David Harris, who presided, stated, inter alia, "Your Board has for many years past found it necessary to spend large sums of money in buying interests in other Diamond Mining Companies . . . which have all been defrayed out of profits, no new capital having been raised for the purpose. This policy might be subject to criticism in that the Deferred shareholders have been deprived of dividends, whilst the Company was extensively increasing its assets. In fairness to the Deferred shareholders we cannot continue this policy." Because your Directors are in full sympathy with the opinions expressed by the late Sir Carl Meyer and also by Sir David Harris, it has been decided to ask for powers enabling the Directors to increase the Capital of the Company should they consider it to be in the interests of the Company to raise funds in that manner, and the necessary resolutions will be placed before an Extraordinary General Meeting to be held at the conclusion of this one. In any case, the present cash resources of the Company will not be depleted for this purpose.

With regard to the proposed increase in the number of Directors, I am confident that Shareholders will appreciate that this is made necessary by the large volume of additional work which will devolve upon the Board of this Company.

To sum up I would go so far as to say that we have established an ideal selling organisation, which is so necessary to the diamond trade, and by acquiring shareholdings in the other Conference Producers Companies our interests are now so closely allied that in future we shall present a united front to any danger which may threaten the trade.

I must refer to the death of our Colleague, Mr. L. Breitmeyer, who for many years was so closely connected with the diamond industry, both as a Director of Producing Companies and formerly as a partner in the Diamond Syndicate. His counsel and experience will be sadly missed at De Beers Board Meetings.

Before closing my remarks I wish to record the Board's appreciation of the services rendered by the General Manager, Secretary, Chief Accountant, and Staff and Employees generally. (Applause.)

Sir Ernest concluded by moving the adoption of the Directors' Report, Balance Sheet and Profit and Loss Account for the year ended 30th June, 1930.

Mr. R. Philipson-Stow said: In seconding the motion proposed by the Chairman, I know you do not expect or wish me to say much. But I feel I must congratulate Sir Ernest upon the manner in which he has placed before you the position and prospects of the Company, and the industry as a whole, in terms not too glowing and not too black. If there were a vein of optimism running through the speech, I am confident that it will be fully justified if all of us who control the conduct and policy of the Company face our task with the determination of making the future as successful as the past at times has been. (Applause.)

Questions were asked by Dr. S. Zweiback, Mr. M. M. Aronson and Mr. S. Peachey, and were replied to by the Chairman.

The motion for the adoption of the Directors' Report and Accounts was then put to the Meeting and carried.

The Chairman reported that in terms of Clause 82 (e) of the Company's Articles of Association, Mr. S. B. Joel, Sir Ernest Oppenheimer and Sir Basil Blackett retired from office as Directors of the Company, but were eligible and offered themselves for re-election.

Mr. Humphreys moved, and Mr. Orr seconded, that Mr. S. B. Joel, Sir Ernest Oppenheimer, and Sir Basil Blackett be re-elected Directors of the Company, and it was carried.

Mr. Woodburne moved that Messrs. Howard Pim and Hardy and Messrs. Salisbury, Beaton and Raynham be reappointed Auditors of the Company for the ensuing year at a remuneration of £1,700; Mr. Doherty seconded, and it was carried.

This closed the business of the Ordinary General Meeting.

Extraordinary General Meeting of Shareholders.

An Extraordinary General Meeting of the Shareholders of the Company was held immediately after the termination of the General Meeting for the purpose of considering and, if thought fit, passing with or without modification in the manner required for the passing of extraordinary resolutions in accordance with the Companies Act, 1926, all or any of the following resolutions, viz.:—

(a) That the Capital of the Company be increased from £4,750,000 divided into 1,100,000 Deferred Shares of £2 10s. each and 800,000 Preference Shares of £2 10s. each to £5,500,000 divided into 1,400,000 Deferred Shares of £2 10s. each and 800,000 Preference Shares of £2 10s. each by the creation of 300,000 Deferred Shares of £2 10s. each, and that the Directors be empowered to dispose of the aforesaid new Shares, or any of them, for any purpose they may deem advisable.

(b) That Article 82 (a) of the Articles of Association of the Company shall be altered by substituting the word "sixteen" for the word "twelve" where it appears in that Article.

(c) That Article 82 (g) of the Articles of Association of the Company shall be deleted and the following Article inserted in its place, namely:—

> (g) The Directors shall have power at any time and from time to time to appoint any qualified person as a Director either to fill a casual vacancy or as an addition to the Board, but so that the total number of the Directors shall not at any time exceed the maximum number fixed. In the case of a Director being appointed to fill a casual vacancy, he shall retain his office so long only as the vacating Director would have retained the same if no vacancy had occurred.

The Chairman said: Having dealt very fully in my speech at the Ordinary General Meeting with the proposals which will be submitted to you at this Meeting, I do not wish to detain you any longer than is necessary for me briefly to explain those proposals.

Before doing so I should like to mention that since the Notice was published it has been found necessary in order to comply with the regulations of the London Stock Exchange, to modify the terms of the proposed new Article 82 (g), so that it will read as follows:—

(g) The Directors shall have power at any time and from time to time to appoint any qualified person as a Director either to fill a casual vacancy or as an addition to the Board, but so that the total number of Directors shall not at any time exceed the maximum number fixed; but that any Director so appointed shall hold office only until the next following Ordinary General Meeting of the Company, and shall then be eligible for re-election.

The alteration involves no material divergence from the intention of the new Article as it originally appeared in the published Notice, and when putting the resolution, therefore, I shall put it to you in its modified form.

As you will have gathered from my remarks at the Ordinary General Meeting, the Board, in pursuance of their past policy of acquiring interests in other diamond mining concerns, are making arrangements to acquire substantial shareholdings in the New Jagersfontein Mining and Exploration Company, Limited, and the Consolidated Diamond Mines of South-West Africa, Limited, and have decided to convene this meeting to ask for powers enabling them to increase the Capital of the Company should they consider it to be in the interests of the Company to raise the necessary funds in that manner. I may say that, in any case, should the Capital be increased the new shares issued will be offered to existing shareholders.

As regards the proposal to increase the Directorate of the Company, I shall not dwell upon this at length, as I have already explained that the step is rendered necessary by the large volume of additional work which will devolve upon the Board by reason of the expansion of the Company's activities, including the Diamond Corporation, which will, in future, handle Conference Producers diamonds as well as Outside diamonds, as I have already explained.

I shall now put to you the Resolutions which I shall ask the Secretary to read.

The Secretary then read the Resolutions separately to the Meeting.

Resolution (a) was proposed by the Chairman, seconded by Mr. Philipson-Stow and carried.

Resolution (b) was proposed by the Chairman, seconded by Mr. Philipson-Stow and carried.

Resolution (c) was proposed by the Chairman, seconded by Mr. Philipson-Stow and carried.

Mr. Aronson proposed a vote of thanks to Sir Ernest Oppenheimer for presiding.

Sir Ernest, in acknowledging, said he hoped when they met again the clouds would have lifted from the diamond trade and they would be able to look forward to more prosperous times.

This concluded the business of the Extraordinary General Meeting.

Further Extraordinary General Meeting of Shareholders.

A Further Extraordinary General Meeting of the Shareholders of De Beers Consolidated Mines, Limited, was held at the Office of the Company, Kimberley, on Tuesday, 30th December, 1930, for the purpose of receiving a Report of the proceedings at the Extraordinary General Meeting held on Monday, 15th December, 1930, and of confirming, if thought fit, as special resolutions all or any of the resolutions passed at the said Meeting.

Sir Ernest Oppenheimer, M.P. (Chairman) presided, and the Deferred Shareholders present were: Sir David Harris, K.C.M.G., V.D.; Mr. A. G. W. Compton, M.C.; Mr. W. Pickering, D.S.O., J.P.; Mr. H. P. Rudd; Mr. R. Philipson-Stow; Mr. M. M. Aronson; Mr. G. McKenzie; Mr. E. Ortlepp; Mr. T. G. Peacock; Mr. S. Peachey; Mr. H. E. Seccull; Mr. W. H. Snedden; Mr. P. Sussman; Mr. Alpheus F. Williams; Mr. T. J. Woodburne; Mr. T. Bawden (representing the Company's Solicitors); and Mr. A. V. Drake (Secretary).

Sir Ernest Oppenheimer held proxies representing 188,207 shares.

Sir David Harris held proxies representing 90,767 shares.

Mr. R. Philipson-Stow held proxies representing 6,330 shares.

The Secretary read the Notice convening the Meeting, and also the Report of the proceedings at the Extraordinary General Meeting held on 15th December, 1930, which was confirmed.

The Chairman said they had just had read to them a Report of the proceedings at an Extraordinary General Meeting of Shareholders of the Company held on the 15th inst., and arising out of those proceedings there were two Resolutions which, being special resolutions, required to be confirmed by this Meeting. He proposed that the following Resolution, passed at the Extraordinary General Meeting of Shareholders of the Company held on 15th December, 1930, be confirmed as a special Resolution:—

(b) That Article 82 (a) of the Articles of Association of the Company shall be altered by substituting the word "sixteen" for the word "twelve" where it appears in that Article.

Mr. Philipson-Stow seconded, and the motion, on being put to the Meeting, was carried.

The Chairman then proposed that the following Resolution, passed at the Extraordinary General Meeting of Shareholders of the Company held on 15th December, 1930, be confirmed as a special Resolution:—

(c) That Article 82 (g) of the Articles of Association of the Company shall be deleted and the following Article inserted in its place, namely:—"(g) The Directors shall have power at any time and from time to time to appoint any qualified person as a Director either to fill a casual vacancy or as an addition to the Board, but so that the total number of Directors shall not at any time exceed the maximum number fixed; but that any Director so appointed shall hold office only until the next following Ordinary General Meeting of the Company, and shall then be eligible for re-election."

Mr. Philipson-Stow seconded, and the motion, on being put to the meeting, was carried.

The Chairman said this concluded the business of the Meeting, and thanked those present for their attendance.