

Gold Coins.

A coin of one pound sterling of which the standard weight shall be 7·98805 grams.

A coin of one half pound sterling, of which the standard weight shall be 3·99402 grams.

Appendix.

National
Bank
Concession.

Silver Coins.

A coin of five shillings, of which the standard weight shall be 28·2759 grams.

A coin of two shillings and sixpence, of which the standard weight shall be 14·13795 grams.

A coin of two shillings, of which the standard weight shall be 11·31036 grams.

A coin of one shilling, of which the standard weight shall be 5·65518 grams.

A coin of six pence, of which the standard weight shall be 2·82759 grams.

A coin of three pence, of which the standard weight shall be 1·41379 grams.

Bronze Coins.

A coin of one penny, of which the standard weight shall be 9·44984 grams.

A coin of one half penny, of which the standard weight shall be 5·66990 grams.

Art. 5. Each coin of one pound shall contain 7·3244 grams pure gold, and each coin of half pound shall contain 3·6622 grams pure gold, so that the fineness of the gold coins shall be more than 11/12 pure gold, and less than 1/12 alloy.

The fineness of the silver coins shall be 37/40 pure silver and 3/40 alloy.

The bronze coins shall be a mixture of copper, tin, and zinc.

„ 6. The following deviation will be allowed, viz:—In the weight of a pound, a surplus or deficiency of not exceeding 0·01296 grams, or 0·2 grains, in the weight of one half pound, a surplus or deficiency of not exceeding 0·00648 grams or 0·1 grains, and with regard to the fineness of all gold coins a surplus or deficiency of not exceeding 2/1000 part.

In the weight of

	Grams.
a 5s. piece, a surplus or deficiency not exceeding	0·11781
a 2s. 6d. „ Do.	0·05890
a 2s. „ Do.	0·04712
a 1s. „ Do.	0·02356
a 6d. „ Do.	0·02000
a 1d. „ according to troy weight not to exceed a surplus or deficiency of 3/1000 part, and with regard to the fineness of all silver coins a surplus or deficiency of not exceeding 3/1000 part.	

„ 7. The coins struck and issued by the said Mint shall be current in the South African Republic, and shall be a legal tender. The said gold coins for any amount, the said silver coins for an amount of forty shillings for each payment, and the said bronze coins for the amount of one shilling for each payment. The current silver and bronze coins shall be accepted by the Government Offices of the South African Republic for any amount.

„ 8. Gold coins, issued by the Mint shall remain in circulation so long as the difference in weight does not exceed 5/1000 part, unless they are reduced in value by fraud, cutting or boring. Gold coins issued by the Mint, which are reduced in value by circulation to a greater extent than 5/1000 part, shall be withdrawn and restruck at the expense of the Republic. Any coin reduced in value in such a manner, shall be accepted by all offices of the Republic, as if it were of full value, but not to be re-issued by the same offices. Coins issued by the Mint, which are reduced in value by fraud, boring or cutting, and which are presented at any office of the National Bank of the South African Republic, Limited, shall be held and kept by the official to whom it has been pre-

D. 17.—MINT LAW FOR THE SOUTH AFRICAN REPUBLIC.

(Approved and enacted by resolution of the First Volksraad, Art. 1325, dd. 7th August, 1891.)

Whereas it is desirable to make provision for the coinage of gold, silver, and bronze coins for the South African Republic.

It is enacted as follows:—

Art. 1. A mint shall be erected at Pretoria.

„ 2. The mint shall be conducted by the National Bank of the South African Republic, Limited, in accordance with Article 30 of the Concession, dated Pretoria, 5th day of August, 1890, and conferred by special decision of the Volksraad, dated 9th August, 1890.

„ 3. The mint unit in the South African Republic shall be one pound sterling, divided into twenty shillings of twelve pence each.

„ 4. The following and no others shall be the coins to be struck and issued by the Mint.

- sent, and payment of the real value of such a coin shall be made to the person, who has represented the same, after the true value of the same has been ascertained. The decision of the Mint directorate shall be final in the matter of and to what extent, coins circulated by the Mint have been cut or pierced with intent to defraud.
- Art. 9. Private persons shall have the right to bring gold to the Mint, which shall be coined into sovereigns and half sovereigns at a charge not exceeding 3 per cent., subject to the following conditions:—
- (a) If the Mint has too much work, the Mint directorate can postpone coining for private persons, subject to the approval of the Government.
 - (b) Any gold not of the fineness of 11/12 pure gold and 1/12 alloy, and any gold which is unfit for coining can be refused by the Directorate.
 - (c) If the Mint directorate is of opinion that there is too much gold coin in circulation, the Government can direct that coining for the State as well as for private persons shall be discontinued for a certain period to be decided by the Government.
- „ 10. The Government with the advice and consent of the Executive Council (for subsequent approval of the First Volksraad) shall give further directions with reference to the coinage of gold presented by private persons.
- „ 11. No piece of gold, silver, copper or bronze or other metal shall be made or brought into circulation as coin or medium of exchange, except by the Mint. It is further forbidden to issue or bring into circulation any coin, medal or ornament in gold, silver, copper, bronze, or any other metal which has the appearance of having been issued by the Mint. Any one contravening this Article shall be punished with a fine of not more than £1,000, or imprisonment with or without hard labour of not more than 5 years, or both a fine and imprisonment as above.
- Art. 12. The Government shall point out offices where gold coins can be exchanged for silver coins issued by the Mint; but silver of the value of £5 shall be the least amount which can be presented for change.
- „ 13. The form, image and superscription of the coins shall be determined by the Government.
- „ 14. The Government shall appoint the necessary officials for the purpose of supervising the management of the Mint, to arrange their duties and to fix their salaries with the approval of the First Volksraad. The said officials shall have access to the Mint and coining, and to such books of the National Bank of the South African Republic, Limited, as relate to the Mint, and shall exercise effectual control over the Mint.
- „ 15. The Government may negotiate (subject to the approval of the First Volksraad, and conclude agreements with the Government of a foreign State or Colony regarding the acceptance of coins struck in accordance with this law, and concerning the acceptance as legal tender of the coins of such a State or Colony in this Republic, and if advisable, may agree and allow the representative of such State or Colony to be appointed together with the officials mentioned in Article 14. to inspect the working of the said Mint.
- Art. 16. An examination can be ordered as often as the Government may deem fit in order to make sure that the coins issued by the Mint are manufactured in accordance with the regulations of this law.
- „ 17. This law shall come into operation immediately after publication in the "Staats Courant."

(Signed) S. J. P. KRUGER,
State President.

(Signed) Dr. W. J. LEYDS,
State Secretary

Government Office,
Pretoria, 20th August, 1891.

The above "Law" was published in the "Staats Courant" of 26th August, 1891.

MINT ACCOUNTS FURNISHED BY THE MANAGER OF THE NATIONAL BANK, WITH SOME EXPLANATIONS.

STATEMENT OF COINS MINTED from 1892 to 31st August 1900.

Figures in *italics* show amount of sovereigns minted by the Government (late South African Republic), during hostilities, the total cost of which was provided by them.

	GOLD.						BRONZE.		SILVER.	
	£1.		10s.		TOTAL.		Bronze 1d.		5s.	
	Value.	Pieces.	Value.	Pieces.	Value.	Pieces.	Value.	Pieces.	Value.	Pieces.
1892 . . .	£ 15,650	15,650	£ s. 5,075	10,150	£ s. 20,725	25,800	£ s. d. 116 1 10	27,862	£ s. 1,081 15	4,327
1893 . . .	61,926	61,926	—	—	61,926	—	228 5 1	—	* 11,500	46,000 *
1894 . . .	317,723	317,723	19,593 10	39,187	337,316 10	356,910	44 17 5	—	—	—
1895 . . .	336,000	336,000	67,487	134,974	403,487	470,974	—	—	—	—
1896 . . .	235,000	235,000	51,800	103,600	286,800	338,600	—	—	—	—
1897 . . .	310,980	310,980	37,537	75,074	348,517	486,054	74 - -	—	—	—
1898 . . .	—	—	—	—	—	—	56 - -	13,440	—	—
1899 . . .	137,000	—	—	—	—	—	60 - -	14,400	—	—
1900 . . .	788,000	—	—	—	—	—	905 2 6	217,230	—	—
	1,277,279 <i>925,000</i>	1,277,279	181,492 10	362,985	1,458,771 10	1,678,338	1,484 6 10	272,932	4,581 15	18,327

SILVER—continued.

	SILVER.											
	2s. 6d.		2s.		1s.		6d.		3d.		TOTAL.	
	Value.	Pieces.	Value.	Pieces.	Value.	Pieces.	Value.	Pieces.	Value.	Pieces.	Value.	Pieces.
1892 . . .	£ s. 2,037 10	16,300	£ s. 5,520 12	55,206	£ s. 6,481 7	129,627	£ s. 707 10	28,300	£ s. 303 15	24,350	£ s. 16,132 9	258,110
1893 . . .	16,850	134,800	10,695 2	106,951	6,873 12	137,472	2,388 5	95,530	1,693 1	135,444	42,000	624,197
1894 . . .	16,876 10	135,012	17,323 10	173,235	18,300	366,000	4,200	168,000	1,300	104,000	58,000	946,247
1895 . . .	22,792	182,336	14,961	149,610	16,369	327,380	4,466	178,640	1,412	112,960	60,000	950,926
1896 . . .	35,595	284,760	35,348	353,480	21,839	436,780	5,137	205,480	2,081	166,480	100,000	1,446,980
1897 . . .	950	7,600	—	—	4,500	90,000	5,500	220,000	2,507 10	200,600	13,457	518,200
1898 . . .	—	—	—	—	—	—	—	—	—	—	—	—
1899 . . .	—	—	—	—	6,650	133,000	—	—	—	—	6,650	133,000
1900 . . .	17,696	141,568	14,750	147,500	5,715	114,300	2,360	94,400	—	—	40,521	497,718
	112,797	902,376	98,598 4	985,982	86,729 19	1,734,559	24,758 15	990,350	9,297 6	743,834	336,760 19	5,375,428

* Less £8,000 remelted and made into shillings.

Approximate figures.

NATIONAL BANK CONCESSION "MINT."

1895.	PROFIT ON SILVER AND BRONZE, GROSS AND NET.				1895.
	Value.		Pieces.		
	£	s. d.	£	s. d.	£ s. d.
COINAGE DELIVERED IN 1895:					
GOLD	336,000	- -	1 - -	336,000	
	67,487	- -	- 10 -	134,974	
	403,487	- -		470,974	
SILVER	22,792	- -	- 2 6	182,336	
	14,961	- -	- 2 -	149,610	
	16,360	- -	- 1 -	327,380	
	4,466	- -	- - 6	178,640	
	1,412	- -	- - 3	112,960	
	463,487	- -		950,926	
				1,421,900	
SILVER:			£ s. d.	£ s. d.	
Stock on hand			5,343 19 7		
Purchases			30,321 3 5		
Coins Delivered			—	60,000 - -	
Sales			—	168 9 -	
Stock of silver on hand			—	7,471 13 10	
			35,665 3 -	67,640 2 10	
GROSS PROFIT on silver			31,974 19 10		
			67,640 2 10	67,640 2 10	
					DIRECT EXPENSES:
					Charges on silver
					Interest
					Transport, English silver
					„ Transvaal silver
					„ Bronze coin
					GENERAL EXPENDITURE
					Amount written up
					Less rent portion Erf 321 £200
					„ parting materials which concern gold £ s. d.
					coinage only 757 16 3
					General Interest
					Interest on portion, Erf 321, £2,500 at 6 per cent.
					Total Expenditure on a total coinage of 1,421,900 pieces the proportion for 950,926 small pieces being
					NET PROFIT
					GROSS PROFIT ON SILVER
					Due to Government, 30 per cent on

Approximate Figures.

NATIONAL BANK CONCESSION "MINT."

PROFIT ON SILVER AND BRONZE, GROSS AND NET.

4328.

1897. 1897.

1897.		1897.	
Value.		Pieces.	
COINAGE DELIVERED, 1897 :			
GOLD	£ 310,980 - -	£ 1 - -	310,980
	37,537 - -	- 10 -	75,074
	<u>348,517 - -</u>		486,054
SILVER	950 - -	- 2 6	7,600
	4,500 - -	- 1 -	90,000
	5,500 - -	- - 6	220,000
	2,507 10 -	- - 3	200,600
	<u>13,457 10 -</u>		518,200
BRONZE	74 - -	- - 1	-
			17,760
			<u>1,022,014</u>
			535,960
SILVER AND BRONZE			
			<u>535,960</u>
SILVER :		£ s. d.	£ s. d.
Stock on hand at 31st December 1896		10,714 2 11	
Purchases during 1897		20,049 13 2	30,763 15 1
Coins delivered during 1897		13,457 10 0	
Sales during 1897		118 17 5	
Stock on hand 31st December 1897		24,484 14 3	38,061 1 8
GROSS PROFIT for 1897	£		7,297 5 7
DIRECT EXPENSES FOR YEAR 1897 :			
Charges on silver	£	s. d.	£ s. d.
Interest on silver	459	- -	1,447 4 8
Transport English silver	461	12 1	461 12 1
„ Transvaal silver	898	18 6	898 18 6
„ bronze coin	2	5 6	2 5 6
Charges on bronze coin	7	1 5	7 1 5
Paid National Bank, Orange Free State, at 250 <i>l.</i> per annum for acceptance of Transvaal silver	250	- -	250 - -
			3,526 2 2
GENERAL EXPENDITURE			
Amount written off	10,098	7 6	10,098 7 6
	12	12 -	12 12 -
			10,920 19 6
Less Parting materials (Gold expenses.)	708	9 2	708 9 2
			10,212 10 4
General interest	2,098	9 3	2,098 9 3
Interest on portion, Erf 321, 2,500 <i>l.</i> at 6 per cent. to 12 May 1897	54	5 -	54 5 -
			12,365 4 7
TOTAL on a coinage of 1,022,014 pieces, the proportion for 535,960 small pieces being			6,484 10 4
			6,484 10 4
RECEIPTS :			
GROSS PROFIT on silver	7,297	5 7	7,297 5 7
„ „ on bronze	55	1 8	55 1 8
			7,352 7 3
Due by Government, 30 per cent. on	2,658	3	2,658 3
			Loss— 797 10 6

Approximate figures.

F r

NATIONAL BANK CONCESSION "MINT.

1898.		PROFIT ON SILVER AND BRONZE, GROSS AND NET.				1898.	
		Value.	Pieces.				
		£	d.			£	s. d.
COINS DELIVERED, 1898 :							
BRONZE		56	1	13,440	—		
SILVER :			£	s.	d.	£	s. d.
Stock on hand 31st December 1897			24,484	14	3		
Purchases during 1898			2	7	2		
Coins delivered			nil.				
Sales during 1898					26	5	-
Stock on hand 31st December 1898					24,471		
			24,487	1	5	24,497	5 -
Gross Profit			10	3	7		
		£	24,497	5	-		
					DIRECT EXPENSES :	£	s. d.
					Interest on silver	1,468	1 8
					Transport English silver	336	10 10
					" Transvaal silver	544	3 2
					" bronze coin	2	4 10
					Charges on	47	8 5
							2,398 8 11
					GENERAL EXPENDITURE	3,408	7 7
					Amounts written off—		
					Bank premises	89	14 1
					Stamps and dies	106	10 9
						3,604	12 5
					Less—Parting materials (Gold expenses.)	10	12 11
						3,593	19 6
					General interest	2,445	18 4
							6,039 17 10
					TOTAL on a Coinage of 13,440 small pieces	£	8,438 6 9
					RECEIPTS :		
					Gross profit on silver	10	3 7
					" " bronze	41	15 6
							51 19 1
							8,386 7 8
					Due by Government, 30 per cent. on	8,386	7 8
					Plus 250l., being payment to National Bank, Orange Free State, for acceptance of Transvaal silver coin	250	- -
						£	8,636 7 8
							Equivalent to 2,590l. 16s. loss.

Approximate figures.

NATIONAL BANK CONCESSION "MINT."

4328.

1899.

PROFIT ON SILVER AND BRONZE, GROSS AND NET.

1899.

		Value.		Pieces.				£ s. d.		£ s. d.	
COINS DELIVERED DURING 1899 :		£ s. d.		£ s. d.							
SILVER	- - - - -	6,650	- -	- -	- -	133,000					
BRONZE	- - - - -	60	- -	- -	1	14,400					
										147,400	
SILVER :		£ s. d.		£ s. d.							
Stock on hand, 31st December 1898	- - - - -	24,471	- -	- -	- -						
Coins delivered	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	6,650	- -				
Sales during 1899	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	163	16	9			
Stock on hand, 31st December 1899	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	21,279	6	5			
		24,471 - -		28,093 3 2							
		3,622 3 2		-							
		28,093 3 2		28,093 3 2							
										DIRECT EXPENSES :	
										£ s. d.	
										Transport, Transvaal Silver - - - - -	
										466 10 6	
										,, English Silver - - - - -	
										233 10 8	
										,, Bronze Coin - - - - -	
										1 6 2	
										Interest on Silver - - - - -	
										1,337 17 8	
										Paid National Bank, Orange Free State, 250l., for acceptance of Transvaal Silver - - - - -	
										See below.	
										2,039 5 -	
										GENERAL EXPENDITURE - - - - -	
										1,746 18 9	
										Less Parting Materials (Gold Expenses) - - - - -	
										8 - -	
										1,738 18 9	
										General Interest - - - - -	
										1,657 2 2	
										Total on a coinage of 147,400 small pieces - - - - -	
										-	
										3,396 - 11	
										5,435 5 11	
										RECEIPTS :	
										GROSS PROFIT on Silver - - - - -	
										3,622 3 2	
										,, ,, Bronze - - - - -	
										44 17 10	
										3,667 1 -	
										1,768 4 11	
										Due by Government 30 per cent. on - - - - -	
										1,768 4 11	
										Plus 250l., being payment to National Bank, Orange Free State, as above - - - - -	
										250 - -	
										2,018 4 11	
										Equivalent to - - - - -	
										- - - Loss	
										605 9 5	

Approximate Figures.

Appendix.
National
Bank
Concession.

APPENDIX.

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NATIONAL BANK CONCESSION "MINT."

1900 (to 31 August).	PROFIT ON SILVER AND BRONZE, GROSS AND NET.					1900 (to 31 August).			
—	Value.		Pieces.		DIRECT EXPENSES :	£ s. d.		£. s. d.	
COINS DELIVERED during 1900 (to 31 August):	£	s. d.	s. d.		Transport English silver	17	2	7	
SILVER	17,696	—	2 6	141,588	" bronze coin	7	7	—	
	14,750	—	2 —	147,500	" Transvaal silver	107	17	7	
	5,715	—	1 —	114,300	Interest on silver	506	8	—	
	2,360	—	— 6	94,400	Written off silver account	290	3	4	
				497,768	" stamps and dies	145	15	9	
BRONZE	905	2 6	1 —	—	Paid National Bank, Orange Free State, for acceptance of Transvaal silver	125	—	—	
				217,230					1,199 14 3
				714,998	GENERAL EXPENDITURE :				
SILVER :			£ s. d.	£ s. d.	Salaries	735	9	8	
Stock on hand, 31 December 1899			21,279 6 5	—	General charges	44	4	2	
Coins delivered			—	40,521 —	" interest	1,762	13	—	
Sales during 1900 to 31 August			—	2 7 —	Rent	246	10	—	2,788 16 10
Stock on hand, 31 August 1900			—	2,797 14 —	TOTAL on a coinage of 714,998 pieces	—			3,988 11 1
GROSS PROFITS on silver			21,279 6 5	43,321 1 —	RECEIPTS :				
			22,041 14 7	—	GROSS PROFITS on silver	22,041	14	7	
	£.		43,321 1 —	43,321 1 —	" " bronze	676	18	3	22,718 12 10
									18,730 1 9
					Due to Government 30 per cent. on	18,730	1	9	5,619 — —
					Deduct loss in 1897	797	10	6	
					" " 1898	2,590	16	—	
					" " 1899	605	9	5	3,993 15 11
					Approximate amount due to Government	—			1,625 4 1

Approximate figures.

RESULT to the BANK on the MINT'S OPERATIONS.

	Mint.		Government 30 per cent. on Silver and Bronze.	Bank.	
	Profit.	Loss.		Profit.	Loss.
1892	£ s. d. 496 4 10	£ s. d. —	£ s. d. 148 17 6	£ s. d. 347 7 4	£ s. d. —
1893	651 5 8	—	1,269 3 3	—	617 17 7
1894	5,953 — 11	—	4,202 5 5	1,750 15 6	—
1895	7,135 9 2	—	5,971 15 3	1,163 13 11	—
1896	30,678 11 11	—	11,777 8 9	18,901 3 2	—
1897	—	11,328 — 8	—	—	11,328 — 8
1898	—	8,437 7 3	—	—	8,437 7 3
1899	—	1,844 4 6	—	—	1,844 4 6
1900	20,859 4 11	—	2,633 — —	18,226 4 11	—
	65,773 17 5	21,609 12 5	26,002 10 2	40,389 4 10	22,227 10 —
Balance		44,164 5 —	—	—	18,161 14 10
	65,773 17 5	65,773 17 5	—	40,389 4 10	40,389 4 10

Net profit £18,161 14s. 10d. since 1892.

NATIONAL BANK, CONCESSION "MINT."

STATEMENT OF ASSETS and LIABILITIES 31ST AUGUST 1900.

ASSETS.		LIABILITIES.	
	£ s. d.		£ s. d.
Library	108 16 4	National Bank	39,124 5 1
Premises	19,771 19 9		
Furniture and Fittings	1,321 7 3		
Laboratory Utensils	668 18 2		
Machinery	9,082 18 10		
General Utensils	1,216 16 5		
General Materials	1,101 11 6		
Mint Collection of Coins	30 7 6		
Smelting Utensils	424 12 10		
Laboratory Utensils	124 2 10		
Smelting Materials	402 — —		
Silver Account	2,507 10 8		
Gold Account	974 3 —		
Bronze Account	36 3 1		
Parting Works	848 1 8		
Parting Materials	470 2 3		
Copper Alloy	34 13 —		
TOTAL £.	39,124 5 1	TOTAL £	39,124 5 1

Approximate figures.

Explanatory Statement on above accounts by Mr. J. Henderson of October 27th, 1900.

Appendix.

National
Bank
Concession.

NATIONAL BANK.

We have still a small balance to settle with the government from end of 1896. We still owe your account 1,625*l.* 4*s.* 1*d.* by our statement.

Up to the end of 1896 the government have been paid and have accepted payment. We had an arbitration over the transport of English silver; we succeeded in the arbitration and have filed the award.

We exported English silver from the Transvaal.	{	1892-97	£232,000
		1898	16,000
		1899	15,000;

we charged the government the whole cost of this.

Charges on silver, 459*l.* (Mr. Henderson will explain this.)

Interest 1,447*l.* 4*s.* 8*d.* This is the interest on cost of silver purchased for minting before it goes into circulation. Transport English silver, Transvaal silver, Transvaal bronze was cost of displacing English silver and replacing with Transvaal coins. This was claimed by Bank and allowed by government after discussion.

250*l.* is a commission paid to National Bank of Orange Free State for circulating Transvaal silver.

General interest 2,098*l.* 0*s.* 0*d.* is roughly the interest on 40,000*l.* as to cost of mint (*see* Liabilities and Assets). The proportional distribution of cost is according to the number of silver and gold coins. It is assumed that it costs an equal sum to coin a silver and a gold coin. That distribution has been accepted by the government and payment made accordingly.

Accounts of 1900. Written off silver account 290*l.*, being depreciation in value of silver in stock.

Written off stamps and dies 145*l.* is for old stamps out of date.

Account No. 3. Mr. Henderson is unable to give an estimate of probable cost of working. He can give particulars of a past year, 1896 or 97, and will send it to Cape Town.

No one brought gold to the mint for mintage. The gold that was minted was so done by the bank at its own choice and no 3 per cent. was levied. This cost the bank 40,000*l.*

AWARD of the Arbitrators in the case of the Government of the South African Republic and the National Bank of the South African Republic.

Re MINT ARBITRATION.

In this case we are requested in pursuance of certain Deed of Submission signed by the respective parties to decide upon the correctness of certain entries brought forward in certain profit and loss accounts, drawn up by the National Bank of the South African Republic in its capacity of lessee of the State Mint, the said accounts being dated respectively 31st December, 1893, and 31st December, 1894.

Having heard the evidence and the arguments of both parties, and having examined the balance sheets and the documents handed in and keeping in view the conditions upon which the said State Mint is worked and managed by the said National Bank of the South African Republic, we give our decision and award in the matter above mentioned, as submitted to us for arbitration, as follows:—

Entries 1 and 2 appearing in both accounts as marked A and B. (Transport of English Silver and Transport of Transvaal Silver.)

In terms of Article 30 Section H of the Bank Concession the Government is entitled to 30 per cent. of the net profit made on the coinage of token money, and it is alleged by the Government of the South African Republic that the entries of transport on silver (entries 1 and 2) cannot be brought forward against the profit account. It is admitted by both parties that the profits shown in the respective accounts have not been made from the actual coinage of the token money, or rather, do not result from changing the raw metal into coins, but have been made by the sale and putting into circulation of these coins at a rate largely above their intrinsic value.

No evidence has been offered that the parties had agreed upon a standard price for production expenses of every coin, in order to be enabled to determine whether profit or loss will be made on the manufacture of every coin.

The profit calculated could not have been made simply by changing raw silver into specie and then keeping the latter in the safes of the bank or mint; we are therefore decidedly of opinion that the large circulation and sale of token money with the profit accruing therefrom are made possible by the withdrawal from circulation, and the export of foreign token money over the borders of the South African Republic. It is this deed of the bank, as lessee of the mint, which caused the expenses shown under headings 1 and 2.

As the position now is, the Government of the South African Republic demands a larger share of the profits than allotted to it in the two accounts referred to; but, by its claim and by its proclamation and other actions, it has clearly shown its wish to assist the bank, the lessee of the mint, in order to establish a market for its own token money. The making of the profit shown in the accounts, or at least the largest portion of the profit, must therefore be ascribed to that circumstance.

Our finding is therefore that the headings 1 and 2 accounts A and B, with regard to transport on silver, must be admitted, and that they can be included in the manner they have been in the statements drawn up by the bank, now under discussion. The remark has been made by the representatives of the Government, during the hearing of this arbitration, that the Government on its part has also had certain expenses, when giving its assistance, both in the distribution and the sale of the token money coined by the mint. If the Government on its part really incurs expenses, coming under this heading of the accounts, it is clearly stipulated that the Government also is entitled to bring such costs forward; seeing that no specified statements of such expenses incurred are submitted to our decision, we cannot now go into this claim.

Entries 3, appearing in the accounts marked A and B under the heading Amortisation.

Article 30 of the Bank Concession clearly says, *inter alia*:—

1. That the mint will be established at the expense of the National Bank of the South African Republic, and will be the property of the State.

2. That the mint will be let to the said Bank for a certain period.

3. That on the lapse of the specified period, the Government shall refund to the bank the expenses incurred for the establishment of the mint, the amount to be fixed by two valuers.

4. That the valuation thus obtained shall not be less than the cost price of the mint "less amounts written off."

There is no stipulation in the concession regulating the way in which such amounts shall be written off, nor is a time fixed when such amounts should be written off. Although not clearly expressed, the words "amounts written off," as appearing in the article referred to, cannot be meant to convey anything else than "amounts written off for deterioration." In the absence of clear stipulations in the matter, it is reasonable to follow the practice of such commercial enterprises to which an institution like the mint must be reckoned to belong.

From the evidence laid before us it may be deduced that in such commercial undertakings amounts are usually written off for wear and tear of the establishment, machinery and buildings, on the balance-sheets either yearly or half-yearly, according to their being made out.

Article 30, Section M, of the Concession, clearly shows that it was the intention of the contracting parties to leave open the opportunity to write off on the cost price of the mint. If we follow the general rule above stated, it appears to us that the interests of both parties will be well kept in view by allowing that reasonable amount be written off annually for amortisation. Seeing that the amounts appearing in the accounts are admitted by both parties to be correct, the entries 3 as appearing in the accounts A and B must be considered to be correct also, and these are therefore hereby admitted, but on the understanding that the amounts so written off for amortisation will fall under the "amounts written off" mentioned in Article 30, Section M.

The correctness of the amounts in the accounts A and B, as stated by the bank, is admitted by both parties, and the statement thereof must be therefore considered correct.

In terms of Article 8 of the Deed of Submission we are requested to decide which of the two parties shall pay

the expenses of this arbitration, or in what proportion they shall be paid.

This arbitration finds its origin in the mutual desire of both parties to obtain a fixed rule, according to which the balance-sheets of the State Mint shall be made up, and in accordance with which the profit and loss account shall be fixed. This is not only the case with the two accounts referred to us, but the rule laid down shall also apply in future, during the currency of the lease of the

mint (vide Article 6 of the Deed of Submission), and we therefore think to decide rightly, that each party will pay its own costs, as we hereby decide.

Thus done at Pretoria, South African Republic, on this the 13th day of August, 1898.

(Signed)

S. J. BLUMLEIN.

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H. A. AMESHOFF.
Arbitrators.

Appendix.
National
Bank
Concession.