

KIMBERLEY DIAMONDS FOR AMERICA

The United States Takes Three Fourths of the Precious Stones of South Africa

BY FRANK G. CARPENTER.

THE manager of all the great diamond mines lying about Kimberley is an American. His name is Alpheus Williams, and he is the son of Gardner F. Williams, who took charge of the mines at the time the De Beers Company was organized, and who managed them until three years ago. During Gardner Williams' control the mines became the chief source of the diamond supply of the world. He had charge of them for about 20 years, and in that time they produced almost \$300,000,000 worth of diamonds and paid out \$118,000,000 in dividends. Since his son has been handling them they have been yielding in the neighborhood of \$5,000,000 a year, and the prospect is that they will produce millions annually for many years to come.

Manager of the De Beers Company.

It is a big thing to be the manager of a company like this. It means the control of an army of wage workers greater than that which Xenophon led on his march to the sea, and equal to the standing army of the United States before our war with Spain. During the past two years Mr. Williams has had on his payroll in the neighborhood of 25,000 men. This number has been reduced since the American paid, but still it runs up close to 25,000 and it will be increased as the times improve. All of the men have to be fed, and the supplies which they consume cost millions. The five great diamond pipes, which are now being mined here, are operated with the most expensive machinery. They have vast works connected with them, and the washing fields, with their miles of cable cars, cover 11,800 acres, or over 17 square miles. Most of you can realize the size of a 160-acre farm. The diamond floors and washing works and mines of the De Beers Company here would cover just about 72 such farms, and every square yard of that area is humming with industry. Nearly every square of it yields more or less value; it has to have guards to watch it, and the greatest economy is required to keep the millions from leaking away. In the year 1906 the wages paid amounted to over \$10,000,000 and the food necessities of the native laborers almost \$1,500,000 more. Supplies for the men who have to be fed in walled compounds would tax the capacity of our largest department stores. They used last year almost 5,000,000 loaves of bread and something like 2,000,000 pounds of fresh meat. They drank 1,000,000 bottles of milk, smoked 2,000,000 cigarettes and were supplied with 44,000 new shirts and 55,000 pairs of trousers. The items for mining supplies are even larger. It took 700,000 pounds of candles to light the men at work in the tunnels and more than 1000 miles of steel wire rope to haul the cars. The new timbers for the mines, which came from San Francisco, amounted to more than 18,000,000 feet board measure, and the iron and steel bars, brass castings and bolts and nuts ran high into hundreds of thousands of pounds.

In addition to the mines, the company has a number of other institutions in and about Kimberley. It has 200,000 acres of land, a great farm for raising its horses and mules, an electric railroad, a hotel, and hospitals and clubs. It practically controls the town of Kimberley, which has a population of 30,000, so that altogether the mine manager has little time to spare.

A Talk About Diamonds.

It was in the offices of the De Beers Company that I had a talk with the man who controls all the institutions. Mr. Alpheus Williams is not yet over 35 years of age. He was born in the United States, and educated at Cornell and the University of California before he came out here some years ago to be his father's assistant. When the latter retired in 1905 he was elected in his place, and since then has been in charge of all the De Beers Company's properties here. During my talk with him the subject of the diamond demand came up, and he replied that it had been excellent until our great panic occurred. Up to that time the world was taking the whole of the Kimberley output, and the diamond demand was comparatively few diamonds on hand. The people were everywhere prosperous, and they were buying diamonds as never before. This was especially so in the United States, which was taking almost three-fourths of all the diamonds produced here. Then the panic came, and our demand dropped. Fortunately the De Beers Company had an enormous amount of blue ground on the floors; and it has been able to reduce its expenses without any danger of being unable to supply the demand of the near future. Today the mines are running with a much decreased force, and they will be operated on a very conservative basis until the times improve.

The American Market.

In talking with Mr. Williams about the American market, I asked him what kind of stones were purchased by us. He replied:

"The very best. The finest and purest of our diamonds go to the United States, and within past years that country has been by far our best customer. For some time it took two-thirds of all the diamonds we mined, and during the past year or so it has bought even more. We send also many ordinary stones there. There is a great demand in this country for diamond jewelry, and in fact we are about the only people among whom every young man thinks he must give a diamond ring to his sweetheart, and every woman thinks she must have a diamond ring to her betrothal. This is so much the custom that many prospective grooms are now buying such rings on the installment plan, and there is a regular business of selling them on long time, at so much paid and so much per month, until paid. Diamonds are also used largely as wedding presents and as birthday gifts."

American Diamond Cutters.

"In what shape do the diamonds go to the United States, Mr. Williams?" I asked.

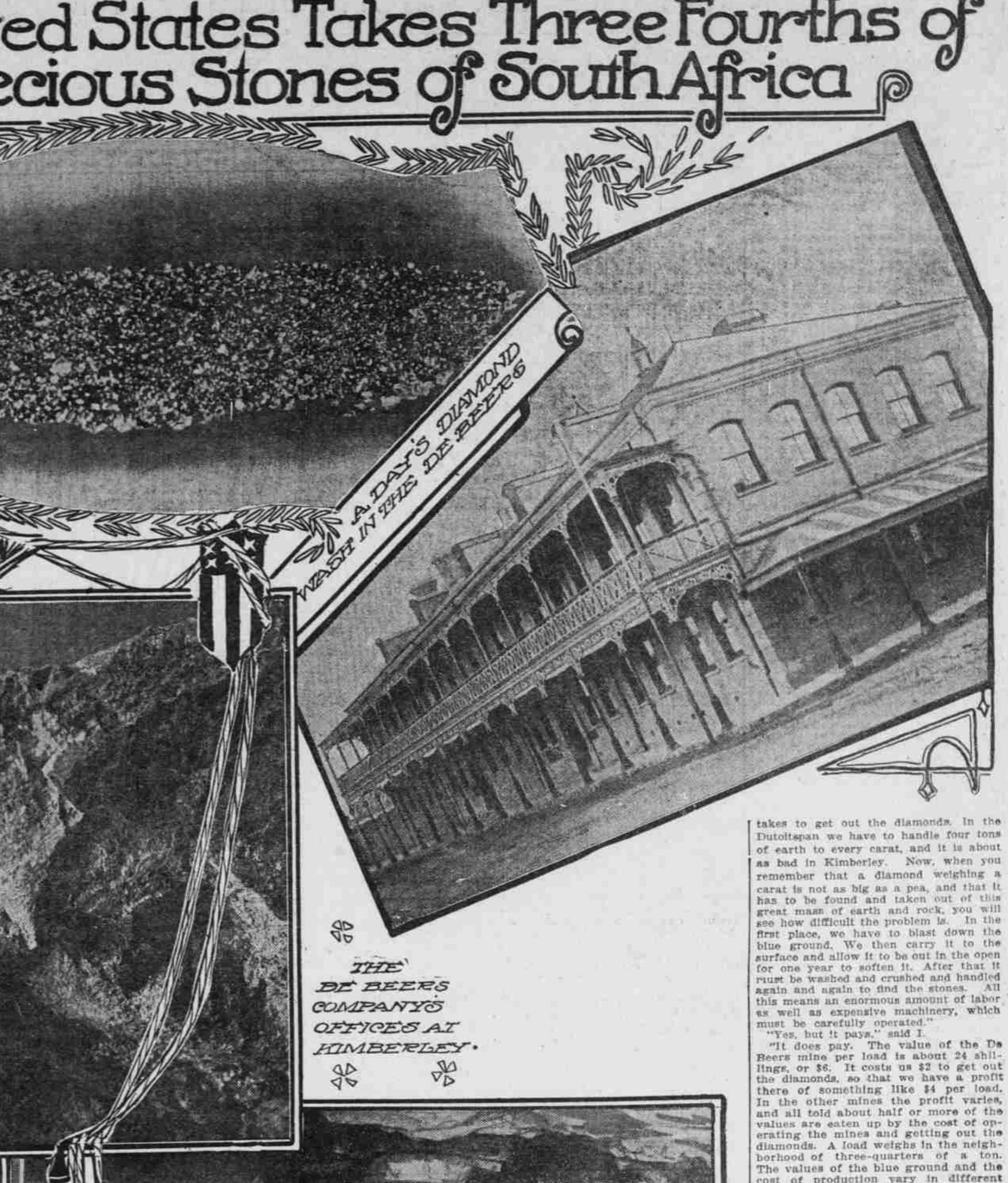
"The most of them are first cut in Europe," he replied. "We have a duty of 30 per cent on cut diamonds which is levied to protect the American diamond-cutting industry, but the fact that more than two-thirds of the importations are in the shape of cut stones shows that the tariff is not high enough to protect the American diamond-cutting industry. In 1906 the United States imported about \$4,000,000 worth of diamonds, and of these only \$30,000,000 worth were cut in the rough, while \$3,970,000 worth were cut stones. Rough diamonds are free of duty."

"But are the American diamond cutters equal to those of Europe? Can the stones be as beautifully shaped and polished at home as abroad?"

"Yes. Our diamond cutters are mainly from Holland and Belgium, and the most of them learned their trade before they emigrated. As it is now, we have over 400 such workmen in and about New York, which is the center of the industry. This is a small number com-



A DIAMOND IN THE BLUE GROUND.



ROCK DRILLING IN THE DE BEERS MINE

pared with the thousands employed in Antwerp and Amsterdam."

Sawing and Polishing Diamonds.

"The business of diamond cutting has materially changed of late years," continued Mr. Williams. "We have now diamond saws by which we can cut pieces from a diamond and make two or more diamonds out of one. Here, for instance, is the kind of saw which is most commonly used."

At this point Mr. Williams handed me a copper disc about as thick as my thumb nail and as big around as the bottom of a teacup. The metal was comparatively soft, and I could not see how it could cut a diamond, which is harder than the finest steel, until Mr. Williams said that the wheel was dipped in diamond dust and the dust did the cutting.

"It is on this same principle that all diamonds are ground and polished," said Mr. Williams. "The only thing that will cut a diamond is a diamond itself, and all polishing must be done with diamond dust. In the cutting establishments this is done on wheels of soft iron as big as a dinner plate, which are so moved by machinery that they go around at the rate of 200 revolutions a minute. These wheels are covered with a mixture of diamond dust and water, and the precious stones fastened into cement are pressed upon the wheel and ground off into the facets, which so increase their brilliancy. The splitting of diamonds is done by other diamonds, which might be called diamond knives. The latter are fixed in cement, and are used to split the diamonds at the flaws which the stones frequently have. There are something like 10,000 men and women employed in the diamond cutting and polishing industry of Amsterdam, and they handle gems worth many millions of dollars every year. The greater part of the De Beers output is cut in Europe, and the center of the industry is Amsterdam. It is said that more than \$8,000,000 is paid out in wages to the diamond workers of that city every year and that there are something like 80 factories in which the cutting and polishing are done."

The Diamond Output Not Failing.

I asked Mr. Williams whether we would ever have a diamond famine, saying that I had heard that the mines were playing out. He replied:

"Any statement of that kind is not true. We have enough diamonds in sight to keep us busy for many years, and we shall probably be supplying most of the diamonds of the world for several generations to come. As it is now, we have something like ten million loads above the 500-foot level, and in the Dutoitspan 21 million loads above the 750-foot level, while the amount in the Bulfontein mine above the 650-foot level, to which we have sunk the shaft is about 7,500,000 loads. All told, we have somewhere between 60,000,000 and 70,000,000 loads of blue ground on our floors and in sight. The total amount washed and crushed last year was over 5,500,000 loads, and that produced diamonds which realized about \$28,000,000. At the same rate of washing the blue on the floors and in sight would last for over 11 years, and

would produce considerably over \$200,000,000 worth of diamonds."

"Have you yet reached a point in any of the pipes where the diamonds have played out?" I asked.

"No. The number and value of the stones in the various pipes have not increased as we have gone down, but they hold their own. At the Kimberley mine we are now working a half-mile below the grass roots, and the blue ground there is about as rich in diamonds as it was all the way down. In the De Beers we are down 2000 feet, and in the Kimberley and the De Beers they have been working almost constantly for 26 years, and it is believed that the mines have still a long life before them. The Wesselsfontein, Bulfontein and Dutoitspan have altogether an area about 4 1/2 times as large as the Kimberley and De Beers combined, and although an enormous amount of diamonds have been taken from them, there are still 50,000,000 loads of blue ground above the 500, 600 and 750-foot levels. There is no reason to think that the diamonds may not go as far down in these pipes as in the De Beers and the Kimberley, and the prospect is that there will be no diamond famine for many, many years to come."

Diamond Pipes.

"Tell me something about these diamond pipes. Do they occur anywhere else in the world than here?"

"Yes. There are some others in South Africa, a notable one being the Premier diamond mine, near Pretoria. There are similar pipes near Syracuse, N. Y., and elsewhere, but with the exception of South Africa, the ground within the pipes does not contain diamonds. I understand that the Brazilian diamonds are found in a sort of springy sandstone."

"Are the pipes regular in shape?"

"No; they vary as they go downward. The Kimberley mine at the top is shaped like a pear. At a depth of a few hundred feet it becomes somewhat like

Has Outlived Rivals for 240 Years

Famous Hudson's Bay Company That Started With a Capital of \$42,000.

THE history of the famous Hudson's Bay Company dates from 1670, when a license to trade in furs in Hudson (now Hudson) Bay was granted to a company which included several men of high rank. The Duke of York, the Duke of Albemarle and the Earl of Shaftesbury were among them.

The capital was \$42,000, not a great amount with which to fight the rival companies and the intrepid individual agents, chiefly French, whose competition was hard on the new enterprise. But the conquest of Canada helped it a good deal. English traders learned the ways of the Indians and their system of the exchange of goods.

Toward 1684 some merchants of Montreal combined to explore the fur country and founded that powerful Northwest Company, which soon became the center of the fur trade. In 1793 the new company shipped furs to the value of no less than \$120,000, and the existence of the Hudson's Bay Company was again threatened.

In "Conjuror's House" Stewart Bay White has given us glimpses of the picturesquely high-handed methods of "the company," which nowadays has but one meaning, the Hudson's Bay Company. But according to a writer in Fur News, its early rival was no better.

"It shrank from no act, however iniquitous," says the account. "Its agents imposed on their own employes and speculated on the misery of the Indians, consequently realizing immense profits in spite of the competition of new Russian and American companies."

The American Fur Company, for instance, was founded in 1803 with a capital of \$1,200,000 and operated west of the Rocky Mountains. The competition of all these rivals put the Hudson's Bay Company into greater danger than it ever had been.

But in 1821 a treaty was made amalgamating the Hudson's Bay and Northwest companies under the title the Hudson's Bay Fur Company. At present it has only one rival of importance, the American St. Louis Fur Company.

The Hudson's Bay Company has posts scattered over a domain covering 2,700,000 square miles. Its principal establishments are on James Bay and toward the frontiers of upper Canada, on lakes Athabasca, Winnipeg, Methy and near the Columbia, Mackenzie, Saskatchewan and Assiniboine Rivers. Fort York, commanding the course of the River Nelson, is the headquarters of the company and contains its principal depot.

In 1842 it took a lease of all the Russian establishments in North America at an annual rent of \$40,000, so that it is now working on its own account the vast tracts of country between the Mississippi and the Pacific Ocean.

The following is a list of the quantities of skins and furs dispatched to Europe by the Hudson's Bay Company

in respect to the diamonds of this part of the world," continued Mr. Williams. "The mining of them is a low-grade proposition, and it pays well only because it is scientifically and economically handled and that on a large scale. Indeed it is wonderful how much work it

Not long ago a would-be diamond thief got the idea that if he could cut out this steel plate a million dollars' worth or more of diamonds would drop into his pocket.

He prepared for his work by crawling under the car before it started. He had a board under him and lay there on his back during the first part of the journey, while he drilled 49 different holes up through the safe. He had the floor plate just about loose, and was sawing with a steel saw from one hole to another when he discovered a little hole which he had discovered and he dropped out and ran. The alarm was a false one, and he might easily have got the diamonds had not his nerve failed him.

That attempt was made many years ago, and since then the safes have been so improved and fortified that it would be impossible to cut through them. It would seem, however, that they might easily be held up by train robbers and would suffice to carry their contents bare to thieves. It is very rare that such enormous values in diamonds could not be regularly carried over the western parts of the United States without great danger.

Half pound powder

Four pounds shot	1
One six	1
Six knives	1
One pound glass beads	1
One lead coat	1
One coat not lead	1
One pound of tobacco	1
One box of powder	1
One comb with one looking glass	1
But a few years ago beaver skins became so scarce that the currency had to be changed. Bison furs are now the medium of trade. When an Indian presents himself at the fort the agents of the company give him as many pieces of wood as his pieces skin, and he exchanges these pieces of wood for many necessaries on the premises, and as the company fixes the price of the articles it buys and sells it cannot fall to realize large profits.	
A "Beachline."	
(A California fruit specialist has invented a fruit that is even finer than the peach. It is called the peachberry and it is said to be the peachberry variety lately when Betty had me write her verses lately. (She knew that I was harsh in my speech.)	
I found the safest—if not the most stable—Metaphor for a handkerchief that I had seen. But fashion's change, and now, it seems, I have been hit on; whence I rather ween That—in addressing these few lines to Clara— I'd better say she is a "Beachline."	
—The Bystander.	