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No. 21

# RACE AND ECONOMICS IN SOUTH AFRICA

W. G. BALLINGER



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# RACE AND ECONOMICS IN SOUTH AFRICA

W. G. BALLINGER

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## PUBLISHER'S FOREWORD

THIS brief but comprehensive survey of the Labour position in South Africa has been written by the man who has had, perhaps, a better opportunity than any other of understanding what has really happened. After working in the British trade union and Labour movements, extending his education at the International College, Elsinore, and gaining experience of local administration on the Motherwell municipal council, Mr. Ballinger went to South Africa in 1928 at the invitation of the Native Trade Union known as the I.C.U. (Industrial and Commercial Workers' Union). He has remained there ever since, working as technical adviser to the Black trade union movement, in constant contact with the white T.U.C., the Workers' Educational Association, and the more recently formed Native Co-operative movement. His reports upon the condition of the Natives in the British Protectorates have been of unusual value, and in a time of increasing tension and suspicion he has won and maintained the confidence of the black industrial workers, whose artificial confinement to the bottom of the labour market has created an economic situation of grave danger to South Africa, of considerable imperial importance, and of profound and immediate relevance to the whole international Labour movement. In this pamphlet he describes the South African dilemma against its historical and international background, and reveals with authoritative insight its full significance.

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# CHAPTER I

## THE UNWANTED OBSERVER

THERE are few notions more mistaken than that which confuses knowledge with familiarity and identifies sight with insight, and yet there are few more prevalent. In South Africa to-day, the attitude towards outside investigators of domestic conditions and problems, particularly those connected with the presence of a large native population in the midst of a comparatively small group of Europeans, is one of scepticism, if not of open contempt and hostility. To have lived a large part of one's life in South Africa, coming into contact with the native peoples in the ordinary routine of one's work, to have a speaking knowledge of a native language or to be proficient in "Kitchen Kaffir," these would seem to be the essential and the only qualifications necessary to render their possessor an infallible authority on native matters; and without these, training and special knowledge are of no avail.

This point of view, which exalts familiarity at the expense of training and experience, has obvious implications. It aims ultimately at retaining the control of the process of racial accommodation in the hands of one of the race groups most vitally concerned in the ultimate issue. It further implies that the problems involved in the method and the ultimate character of the accommodation are unique, and that the outside world has nothing to offer in the way of guidance and assistance. These implications involve obvious dangers. Personal interest is never conducive to dispassionate consideration; and where an issue has raised such strong emotions as has the native

issue in South Africa in this last century since the trekkers went out from civilization rather than accept the doctrine of the right of the native to civilization, the possibilities of such consideration are correspondingly reduced.

The conception of the unique character of the problem also has its dangers. It raises psychological barriers to solution, since the thing that has never been done before offers so much more resistance to the human mind than that which has been accomplished often or even once.

## ISOLATIONIST TACTICS

It is not without its significance that South Africa has, more and more of recent years, tended towards an isolationist policy at the very time when the interdependence of nations has been increasingly stressed from all sides. In Europe, in the last half-century, the wage-earning classes of all countries have been increasingly conscious of their common interests, and they have felt increasingly, with the expansion of international trade relations, the necessity of extending their activities beyond national frontiers if they are to maintain their national gains; while more recently the growth of economic imperialism, with its exploitation by capital of the less-developed and therefore cheaper labour-markets of the West and East, has faced them with a new menace and the necessity of still further extending the fields of their solidarity.

It may be, indeed, that it is the very realization, even subconscious, of this fact that Europe as a whole is vitally interested in the solution of South Africa's native problem that has inspired this isolationist policy. It is a generally recognized fact that the standard of living of the European wage-earner in South Africa is considerably higher than that of the European wage-earner in Europe, and it is an undisputed fact that this is the result of the presence of a large native population which provides cheap unskilled labour. It is natural that those who enjoy this comfort and advantage should be anxious to retain them, and that they should fear all modifying influences which might jeopardize

them, as the idea of bringing up the level of the lower social strata which is behind the international labour movement would obviously do unless countered by some unexpectedly large increase in production.

STREET-CORNER PHILOSOPHY

The desire to maintain the existing standard of comfort cannot be condemned ; the question is simply : Can it be maintained, and if so, how? The tendency is to try to secure it at the expense of the native, by maintaining the *status quo* whereby he continues to provide cheap unskilled labour to subsidize the wages of European skill. Some who advocate this policy genuinely believe that the present position of the native is the one for which he was designed, and that any change from it would be against the order established by Nature. Others believe that the rise of native competition must bring down the European standard of living, and they frankly confess that, in opposing all progressive and ameliorating work among the native population, they are pursuing a policy of exploitation, although they endeavour to justify it on the would-be moral ground of protecting the interests of their children and of white civilization. These people would be genuinely pleased if they could see any means towards the elimination of the native population, and would foster racial feeling in the knowledge that if recourse were had to force, the white population would prove overwhelmingly superior. Their point of view is that of a great many others who are too timid to know and to speak their own minds.

All of these groups alike, while benefiting by the present conditions, are haunted by a vague fear for the security of their foundation. Yet they cling tenaciously to the existing situation, and hope to possess both the present and the future by putting every obstacle, legal and social, in the way of change. Can they succeed in their object ? Is it not simply another case of the typical South African practice of " putting it on account " ? To the observer

whose emotions are not engaged, it is obvious that the native population is not going to die out to please the exterminists; it is also obvious that behind all the restrictions imposed upon it, it is piling up vast stores of unexpended energy that can find no outlet at present, but must ultimately break its bonds. It is certain that somebody will have to foot the bill. It is true the street-corner philosophers scoff and talk glibly of the progress of evolution in terms of thousands of years, refusing to realize that the rate of evolutionary change is itself subject to external forces. In this instance the account may not be presented to either the present generation or its children, but there is no certainty that the third generation may not find itself in bankruptcy. What can be done to avoid such a consummation which, even the opportunists would admit, is too high a price to pay for immediate self-interest? This, I venture to think, is where the unwanted outside observer might be given a hearing, since he can offer a dispassionate view of the forces engaged in the struggle towards eventual accommodation; while an appeal to the wider field of human experience, though it may provide no exact parallel, may contribute some guidance towards the achievement of a solution not diametrically opposed to the broad lines of human progress.

## CHAPTER II

### The Machinery of Government

South Africa, according to its last census, taken in 1931, has a population of 1,828,000 Europeans. Non-Europeans were not counted on grounds of economy, but according to the census of 1921 they numbered 4,697,513 Bantu, or African natives; 165,731 Asiatics; and 545,548 mixed or coloured. According to the census returns of 1911 and 1921 the European population increased in that decade from 1,276,000 to 1,519,000, or by 19 per cent. of its 1911 value. In the same period the Bantu increased from 4,019,000 to 4,698,000, or by 16·9 per cent. of its 1911 value; that is, the increase of the European population within its own group was larger than that of the Bantu population in relation to its own group in the period. There is no reason to suppose that the rate of increase has changed in the succeeding decade, so that the increase of the European population between 1921 and 1931 is not likely to be balanced by a proportional increase in the Bantu population.

The distribution of the European population is in the ratio of 6 to 4 between town and country, the drift to the town being an increasingly marked feature of the last two decades. The distribution of the native population is in three and not in two groups, as in the case of the European, and the ratio is less definite, owing to the absence of recent statistics. It would seem to be approximately half a million permanent town-dwellers, about two millions on European farms and the remainder in native reserves. The native has either in tribal or private ownership some 26,821,383 acres, or approximately 9 per cent.

of the land of the Union; the other nine-tenths of the area of the country is either in European ownership or is reserved for European ownership. In the circumstances not only do the half a million inhabitants of urban locations, and the natives on European land earn their livelihood in dependence on European industry, but a great proportion of those natives who nominally belong to the native reserves are also dependent upon the European for the means to meet their obligations—both public and private. The Native Economic Commission, which between 1930 and 1932 investigated the conditions of natives in the Union, were informed on the authority of the representative in the Transkei of the Native Recruiting Corporation that every able-bodied male in that reserve spends at least one term of employment outside the reserve in every two years, and that term involves his absence for at least eleven months at a stretch.*

The close interdependence of black and white in South Africa is revealed by these facts. There has been an increasing outcry about it in recent years. In earlier days, when the European population was smaller, and industrialism had scarcely touched South Africa, everything was done to encourage the native to abandon his rural seclusion for the labour market of the towns and of the farms, and the broad division of South African society was between skilled white labour with a high wage rate, and unskilled black labour earning a pittance. In more recent times South Africa has undergone important changes in its social structure which have destroyed this simple stratification, and have created new problems both in labour and in race accommodation. The most important of these changes has resulted from the final passing of those frontier conditions which, in the past, largely determined the character of the South African population. Fixed and inelastic boundaries have at last forced the older South African population to try its strength with the demands and the economic values of a civilization the pressure of

* See Report (U.G. 22, 1932), p. 64, addendum.

which they have always been able to evade in the past by moving away. Many have not been able to stand the test. They have failed to maintain themselves on land which has acquired a new value, and from which new demands have been made by increasing numbers, and they have consequently drifted into the towns, where something in the nature of an industrial revolution in the last twenty years has created new demands for labour and tempted them by the prospect of a livelihood. This drift of Europeans from farms to towns has created a new division in South African society, which has tended to alter the relationship of the older group in the labour market by accentuating their racial as well as their economic differences. The European has begun to look askance at the native labourer, because his occupation of the field of unskilled labour at a wage level on which life is impossible to the white man has shut the door in the face of the unskilled white worker, and has created a problem in European poverty and possible racial deterioration through unemployment. At the same time, and almost more important, the skilled white worker has increasingly felt his own position menaced by the growth of skill among the native labourers as their experience has grown. This growth of skill represents a menace, not only to wage rates, but even to employment.

### CRY FOR SEGREGATION

The result of these new conflicts of interest has been a rising cry for segregation of the two races. The cry has not, however, been very convincingly raised, since not all sections of the European community have been equally prepared to dispense with native labour, or to provide the land necessary to make segregation a reality. There has, therefore, been a compromise on the issue, which like all compromises carries its origin on its face. This compromise has expressed itself, perhaps not unnaturally, in the emphasis upon the differences between black and white and the implication that those differences are essential and

permanent. An outstanding example of the way in which the suggestion of this difference is conveyed is in the use of the expression "Kaffir Work." In actual fact, the use of the expression is particularly insidious in its effects on white youth, for it inhibits much that might be useful in early training and tinges the whole character in its outlook on work and life; but it does establish the impression of the essential inferiority of the native, a spiritual inferiority reflected in the economic sphere. Another phrase used with telling and derogatory effect is "Native Psychology." The implication of these words is twofold. First there is the suggestion of something separate and isolated which divides the native from all other peoples: and secondly there is the suggestion of something not merely homogeneous in itself, but uniform, a suggestion which denies the individuality of the native and thus prevents the higher grades of native intelligence from receiving just recognition. Incidentally, it serves to hide the incontrovertible fact that certain sections of the native people are mentally and morally superior to certain sections of the white. The chairman of the Wage Board had occasion recently to remark that an investigation into the dairy industry had revealed the ability of employers to get natives at native wages who have studied sufficiently in their leisure time to be able to read and write and keep milk records for customers from day to day, while white people could not be obtained at double the wage who could do the work with half the accuracy and neatness shown by the natives.*

### LEGISLATIVE MAINTENANCE OF INFERIORITY

That the contention of native inferiority is not really true to fact seems to be implicit in the necessity which has been found to use legislative enactment to check the rise and competition of the native worker. The outstanding example of this is the famous Colour Bar Act of 1926, which specifically excludes natives from skilled or semi-skilled

* *Star*, Johannesburg, October 12th, 1933.

occupations on the mines; but the operation of the Masters' and Servants' Acts, which render trade union activity illegal for natives, and the exclusion of the native from the operation of the Wage Act and the Industrial Conciliation Act, have the same effect. The Apprenticeship Act of 1922 operates in the same direction, since, in practice, the inclusion of an education qualification for apprentices rules out natives, for whom the necessary educational facilities are not provided.

### THE POLITICAL FIELD

As might have been expected, the policy of differentiation between black and white finds its fullest expression in the field of politics and administration. A self-governing dominion within the British Empire, the Union of South Africa does not generally admit the native people as part of the self-governing community, or even potentially so. It is significant that the Minister for Native Affairs, in opening the Native Conference of 1930, found occasion to remark: "You must bear in mind throughout that it is not only your own people who are concerned in the resolutions you may adopt, but that the Europeans are also interested, and *that this being a constitutional country after all the final say rests with them.*"* In two out of the four provinces alone is any provision made for a share by people with coloured skins in the work of ordering the State within which they live—in the Cape Province and in Natal, and with a significant difference in each. In the Cape Province, since 1854, when the Cape Colony received its first measure of self-government, there was, until 1931, no differentiation between European and non-European males in the matter of franchise and property, and, since 1892, an educational qualification being demanded of each. In 1931, subsequent upon the extension in 1930 of the franchise to all European women in the Union of twenty-one years and over, the first wedge was driven in the uniformity of the Cape male franchise with the

* Report of the Native Affairs Commission, 1927-31 (U.G. 26, 1932).

abolition of all qualifications other than age for European men, while the old qualifications were retained for non-Europeans. Non-European women were not enfranchised with their European sisters.

In Natal, while uniform conditions control the franchise for European and coloured (Indian or mixed breed) males, the native can only achieve enfranchisement by a long and uncertain route. He must have resided for twelve years in the Colony, and have been exempt from the operation of native law for seven years. He must also possess certain property qualifications, and must present a certificate of good character signed by three Europeans of repute and endorsed by a Justice of the Peace, and having fulfilled all these conditions he may be granted the franchise, but it is a grant of grace, and not of right. Four times only has the grant been made.

In the Transvaal and the Orange Free State, where white women and men are alike enfranchised at the age of twenty-one, non-Europeans as a whole are not eligible for the franchise.

### LOCAL GOVERNMENT

In the sphere of provincial and local government, the same discrimination exists, except that in the Cape Province non-Europeans may sit on as well as vote for the provincial council and local governing bodies. The numbers, however, who have been able to avail themselves of this right are negligible. At the present time there is one non-European, a Malay named Dr. Abdurahman, on the City Council of Capetown, and in the past the same man has been a member of the Provincial Council.

### SPECIAL MACHINERY

The conception of the native as different does, however, receive positive as well as negative recognition in the Union. In the Senate, the upper house of the legislature, provision is made for the inclusion of four members who shall be nominated by the Governor-General " on the

ground mainly of their thorough acquaintance—by reason of their official experience or otherwise—with the reasonable wants and wishes of the coloured races of South Africa." Again, under the Native Affairs Act, No. 23 of 1920, there was established a permanent commission, to consist of not less than three, and not more than five, members appointed by the Governor-General and presided over by the Minister of Native Affairs, to advise the Government on matters affecting natives, while the same Act provides for the summoning of an annual conference of native persons and bodies representative of native opinion, to discuss proposed legislation and other matters affecting natives, for the guidance of the Government.

In the sphere of local government, the Urban Areas Acts, which provide for residential segregation of natives within the urban areas, provide also for the establishment of Native Advisory Boards in the native locations or townships, while under the Native Affairs Act of 1920 an attempt has been made to provide a medium for a degree of self-government in rural areas, by making provision for the establishment (in specific native areas) of local councils, which, "while independent of official or European control in their deliberations, will have as chairman Government officials with advisory duties conversant with the necessities and obligations of local governments."* In the largest of the Union's native reserves, the Transkeian Native Territories, there exist not only local councils but a Central Council, or somewhat misnamed Parliament, commonly known as the Bunga.

Although all these institutions represent an attempt to deal with the native as something separate and apart, two claims to justification have been made on their behalf. In the first place, regarding the question of race accommodation as a problem, the Government claims to have provided specialist knowledge to guide the country towards a solution in the special senators and in the permanent Native Commission; while by the establishment

* *Union Year Book*, No. 11, p. 959.

of special machinery whereby native opinion may express itself on proposed Government action, or through which the local affairs of natives may be administered in specifically native areas, it claims to have paved the way for the training of the native people in the work of governing themselves under the guidance and direction of European Civil Servants, so that the policy of territorial segregation may be of benefit not only to the European, but to the native himself.

### SENATE AND NATIVE COMMISSION

The policy of territorial segregation is comparatively recent in South Africa, and so, therefore, with the exception of the franchise position which was defined at the time of Union in 1910, is the provision of special machinery for governing the native population. So far, however, the experience of the system in operation does not lend much encouragement to the hope that ultimately the native will gain something in political experience and social development in spite of his exclusion from citizenship. The Senate has generally proved an ineffective and unimpressive body, providing less a check upon the Legislative Assembly than a pale reflection of that body, and it is significant that the four special senators have counted for nothing in the history of the stream of legislation, which, since 1911, has raised one barrier after another to the economic advance of the native. The permanent Native Commission, whose function is to advise the Government, has been even more obviously disappointing, although its dependence upon the whim and caprice of the party in power from the beginning offered little hope of anything else. It is significant that while the policy of successive governments has consistently been to approach black interests through white, the members of the Commission, while having the power to place on the table of Parliament recommendations which the Government has refused to accept, and which it yet feels are essential to the well-being of the

native population, has never on any occasion availed itself of this right of appeal to the Legislature. It is perhaps scarcely surprising, therefore, that European and native alike tend to regard the Commission as a department of the Government in power rather than as an independent body entrusted with the safeguarding of the future of the native. So far as the Native Conference is concerned, its first meeting took place at Bloemfontein in 1922, and in the following years it was summoned at Pretoria. The meetings of 1926 and 1927, however, severely criticized General Hertzog's Native Bills, which were designed still further to separate European and native within the body politic, with the result that, under cover of the contention that there was an " absence of matter for discussion," no further meeting was convened until 1929. Since that date, the Conference has met once only, in December 1930, in spite of the fact that General Hertzog's Bills are still before Parliament, and that the increasing pressure of the economic depression, aggravated so far as the native is concerned by the white labour policy, which aims at substituting European for non-European unskilled labour, has given the native a more vital interest than ever in making his views heard and his needs felt. The Conference depends for its personnel on the Government itself, which invites to attend, through its Native Affairs Department, such natives as it regards as representative of native opinion, and it should not be afraid of hearing anything that might be said, since only the most moderate views are likely to be represented.

### LOCAL GOVERNMENT AND THE BUNGA

In the sphere of local government, the record is scarcely more encouraging. In the rural areas, the growth of the council system has been slow. Where the tribal system survives with any vigour, the chiefs are suspicious of a scheme which threatens to limit their own powers by widening the field of advice which they are called upon to consider ; where it has already fallen to pieces the

difficulty is to find a leadership strong enough to subdue the personal jealousies which make common action peculiarly difficult to achieve.

The real training-ground, however, should be the urban areas, since every such area has a location and every location includes a number of the better-educated people, as well as the most enterprising, who might be expected to develop the idea of Native Advisory Boards. In a growing number of locations or native townships, such Native Advisory Boards already exist, but the prospects of their development into real centres of local self-government for the native urban community are dimmed in most instances by the way in which they are constituted and controlled. Although machinery exists for democratic elections, in practice the majority of the Boards are nominated by the European location superintendent. In the few cases where there is either partial or complete election, technical infringements of the law, such as failure to pay rent and imprisonment for civil offences, debar large numbers of members of the location from standing as candidates for the Board, or even from exercising their votes. But even were popular election effectively established, the Advisory Board as a political and administrative training-ground for natives is still incomplete in so far as the practice generally is that the European superintendent of the location is the chairman of the Board. This anomalous situation is justified on the ground that the European chairman is better able to control discussions than a native would be. If stultifying discussion is control, it is a justified claim, but a claim without merit, when it is considered that the location superintendent is imposed upon a body the fulfilment of whose functions may involve criticism of his own methods and actions, and that native opinion in such cases as in all others can only reach the municipal authorities, who are ultimately responsible, through the superintendent. The anomaly of this situation has been pressed home by the recent Native Economic Commission, and the practice adopted in Capetown of choosing a

chairman from the outside community has been strongly recommended both for its obvious wisdom and its success.

The Bunga, or Transkeian General Council, is in a class apart—both as regards conditions and possibilities. The large uniform area of the Transkeian Territories lends itself more easily to experiments in local government than do the scattered reserves of the rest of the country. So far, the criticism against the system in operation is that the chairmanship of the Chief Magistrate and the fact that the recommendations of the Bunga are subjected to revision by a magistrates' conference, have taken the responsibility off the shoulders of the members of the Council, and therefore destroy the value of the Council as a training-ground for natives. The local authorities, however, are conscious of these criticisms, and are insistent that the controls exercised over the Bunga are of a temporary nature, and that gradually the system will be modified to admit of real self-government. In view of these facts it is probably too early to judge the system which, with a real willingness on the part of the European to acknowledge changes in native society and progress among natives in the art of living, may yet develop into an effective experiment in local self-government. This is particularly the case if it is frankly and freely recognized that the influences at present at work in the Transkei must increasingly produce a differentiated society. The invasion of industrialism in the form of extensive recruitment for the mines of the Reef, the sugar estates of Natal, and the public works of all parts of the country is undoubtedly modifying the character of Bantu society in this supposedly rural area, a process which must be immensely speeded up if the recommendation of the Native Economic Commission is adopted, to modify the old system of landowning, derived from the Glen Grey Act, which enshrines the principle of one man one lot of four morgen, and the acquisition of at least fifty morgen by any one individual allowed !*

* *Native Economic Commission*, par. 145.

## CHAPTER III

### Political Rights and Real Power

Political power in South Africa, that is real power and not political rights, is in the hands of two classes. It is divided between the industrial-capitalist class and the farmer employer.

The peculiar characteristic of South Africa is that it is an agricultural country in which there is a highly developed capitalism. This peculiarity is due to the fact that capitalism did not grow up in South Africa as it did in Europe. It was transplanted to the country in an already highly developed form. It has not, however, been distributed over the length and breadth of the country in such a manner as to transform completely the older social relations, but has been concentrated in particular industries of world importance, such as gold-mining. Indeed, it is so highly localized as to resemble an alien body in the social organism.

The intrusion of this new force into the midst of an agricultural community was the root cause of the Boer War, out of which, in due course, the Union of South Africa arose. That war, however, did not result in an unconditional domination of the country by the new order, if only because it was an uitlander influence whose interests were so localized. It left the rural community practically intact in character and in organization. The result has been a balance of power in the Union in which neither the industrial capitalists nor the farmers could rule alone. In the past, the political advantage, the fruits of office, have fallen to the class best able to exploit the racial passions, the prejudices, ideals and cupidity of the

European electorate, but there has been a tacit understanding, based on fundamental common interest, that in the competition for political power, the source of the wealth and the economic power of both classes should not be tampered with. This understanding has been reflected in the cry: "The native question must not be made a matter of party politics." And yet the very nature of their interest in that question has more and more forced both parties to depart from their explicit rule. While joint interest in maintaining an adequate supply of cheap native labour has brought together the dominant classes, rivalry for the control of the limited supply has driven them apart, and in the issue—in spite of the assumption that native affairs can be put into a watertight compartment—they have really constituted the essential driving-force in the political life of the Union. All affairs are ultimately native affairs, since the whole economic life of the country—both in its national and its international aspects—revolves ultimately round the question of productivity in relation to production costs, which means ultimately in relation to labour.

The native industrial force of the union is recruited from the country-side as well as from the reserves and the British protectorates. The rural native, learning new needs with the increasing intercourse between town and country, grows daily more dissatisfied with the unchanging conditions of rural labour, which in any case cannot provide him even with the necessaries of life and the wherewithal to pay his tax. The farmer views with alarm the drift townwards, and instead of raising wage levels, demands a stricter pass law, a harsher vagrancy law, a labour contract registration law, the attachment of the farm labourers to the farm—in short, the extreme limitation of the fluidity of labour. The consequent immobility in the labour market would, however, be detrimental to the interests of the industrial-capitalist, who in his turn presses for the removal of the ban on recruiting of indentured labour in the regions north of 22° of latitude, a ban

originally imposed because of the death rate among these more tropical natives when transplanted to the conditions of the mines. Freedom to import such indentured labour would increase the importance of industrial capital in the economic system of the Union out of all proportion to its dependence on the resources of the Union. Without it the latent antagonism of farmer and industrial capitalist remains highly inflammable material which may one day catch alight and wreck the equilibrium of the political system. Already part of the bargain that brought the Nationalist–S.A.P. Coalition into being has been implemented by the decision to import into the Union, " as an experiment," 2,000 Rhodesian natives as mine-workers, and at the present time there are, according to the Johannesburg *Star* of March 5th, 1933, 10,000 unemployed Union natives in the Witwatersrand. The rural Nationalist exchanges the promise of no unreasonable obstacle to the extension northward of the recruiting area for indentured labour in return for industrial support for the establishment of semi-serfdom in the country-side.

### THE LABOUR-NATIONALIST PACT

Between the two major parties has stood, in the past, the Labour Party. This party has consisted primarily of skilled workers lured from overseas by the bait of wages high in comparison with wages in Europe. It has been a homogeneous group, capable of organizing to maintain its original wage levels and to perpetuate its indispensability by limiting the number of black workers in relation to the number of Europeans in the premier industry of the country, gold-mining. European labour has been skilled labour ; skilled labour has been European, and the labour movement of South Africa has, singularly enough, been the movement of a privileged minority siding with the industrial capitalist against the unskilled worker whose exploitation it has encouraged and has sought to share with the employing classes. It was this attitude to the native worker which formed the basis of the pact between

Labour and the Nationalist Party in 1924, which gave the Nationalists the control of the Government in that year and helped them to retain it until last year, and it has only ceased to be of vital importance because of the agreement of the two major parties to acknowledge their common interests and to exploit them in co-operation instead of in competition.

### A JUST NEMESIS

The Labour Party has been steadily disintegrating since its alliance with the Nationalist Party. This might be regarded as a just Nemesis, and to some extent it is, although the sin goes back beyond that alliance to the very foundations of the party itself, when it adopted an exclusive basis and was concerned only to protect the interests of a section of the working class. However, the changes already noted in the social structure of the country, and particularly in the wage-earning groups, have cut away those foundations. The mole who has been undermining the stronghold has been none other than that familiar figure in privileged communities based on servile labour, the poor white, who without land and the landowner's position as an employer of labour, finds himself forced into the labour market, where he cannot maintain himself at the standard of the privileged. In short, European labour is no longer necessarily skilled labour. Nor, on the other hand, is native labour necessarily unskilled labour. The essence of unskilled labour is that anyone in the labour force may equally well undertake it; but, at an increasing rate, the native is acquiring such familiarity with semi-skilled work, that this "boy" is a tin-worker, that one a motor mechanic—no longer merely an unskilled labourer.

The old simple stratification of labour has given place to a new situation, which, while inheriting the complications of the race division of the old, is still further complicated by a fresh racial division. While the old skilled

European worker was mainly an English-speaking importation from overseas, the new unskilled European worker is mainly an importation from the rural areas of South Africa, and he tends, therefore, to be Afrikaans-speaking. He tends also to have a stronger tie with the Nationalist Party, the traditional party of the country-side, than with the Labour Party with its overseas traditions. But while this newcomer to the urban labour market is for the most part an unskilled worker, the ranks of semi-skilled and skilled work are also being increasingly recruited from the Afrikaans-speaking population. Already there are Unions on the Reef in which 90 per cent. of the members are Afrikaners.

### ORIENTATION OF POLITICAL PARTIES

This is a situation which not only the Labour Party, but all parties in South Africa will have to face. The old division into an English-speaking urban industrial-commercial population, securely founded on a quiescent primitive native population and an Afrikaans-speaking rural landlord class equally securely founded, has gone, and with it the simple basis of the two older parties, the South African party, predominantly English and imperialist in sentiment, and the Nationalist Party, predominantly Dutch and Republican. The new character and the new economic interests of the Afrikaans-speaking community cut sharply across the old racial division, and the Afrikaner of the towns must be ever less and less concerned about flags and cultures and constitutions, and more and more concerned about bread and butter.

The party which stands to gain most by the change is the Labour Party, and already one section at least of the party is making a bid for the support of this rapidly growing Afrikaans-speaking portion of the wage-earning population. It is prepared to modify its own exclusive character to meet the growth of a European working-class population which is unskilled and semi-skilled as well as skilled. That section has realized that labour can no

longer continue on its old foundation, that it must widen its basis and become in truth a party of labour, if it is really to find a purpose and a justification. But can it ever achieve such a consummation unless it also includes the great mass of the workers of the country ? Yet the Colour Bar Act remains on the Statute Book, and the aspiring native working class is left to work out its own salvation, repudiated alike by all parties.

## CHAPTER IV

### Repressive Colour-Bar Legislation

In spite of the growth in South Africa of a European labour force which covets the control of all grades of wage-earning employment, the great mass of the wage-earners in the country are still men of black skins, with low wage rates, and the impossibility of ousting this class of worker from the field has been amply demonstrated in recent years. Even if South African industry could carry the wage levels demanded by European labour, even if South Africans were prepared to provide the native with sufficient land on which to sustain a separate existence, the European population could not supply the demands of the labour market, nor is it likely to be able to do so for a very long time, if ever. The European labourer in South Africa must, therefore, face the fact that his position in industry must be made with, and not without, the black worker. The raising of native wage levels to something nearer the level of that at which a European standard of living can be maintained is thus of vital importance to him, if his own levels are not to be brought down to those of the native. So far he has steadfastly refused to open his eyes to this situation, and has shown himself most determinedly opposed to any measures which might make the upward trend possible. With the consent of all grades of white labour, the native labourer finds all avenues to the improvement of his conditions closed against him, and he remains an underpaid worker dragging down the standards of his competitors, and a poor consumer giving no stimulus to a market which, with an increased demand on his part, might provide work for all at a wage on which any might

live. Masters and Servants Acts deprive him of the right of collective bargaining, by making breach of contract a criminal offence for the servant, although only a civil wrong for the master, while exclusion from the operation of the machinery provided under the Wage Acts and the Conciliation Acts deprives him of constitutional means of redress of his economic grievances.

### THE PASS LAWS

But it is not only legislative enactment specifically designed to control his economic freedom which closes the road to advancement. That road is also barred by the operation of the pass laws, which, while designed to secure administrative control, curtail the native's freedom of movement and so limit his ability to make the best of the labour market on which he depends for a livelihood. In the Transvaal every native has to carry at least three documents always on his person, his labour service contract, or monthly pass, his poll-tax receipt, and his travelling pass. If he move abroad after 10 p.m.—that is, curfew—a night special pass must also be carried. Failure to produce any one of these on the demand of a police officer means immediate arrest.

These passes represent burdens of various kinds. The labour service contract has to be franked with a 2s. stamp every month. This 2s. stamp is a cost of industry, and is, in the nature of things, an unpaid part of the native's earnings. The poll-tax receipt is not in the strict sense of the term a " pass," but failure to produce it on the demand of pass-hunting police or officials will result in immediate arrest. The native is liable to poll-tax at eighteen years of age; the European escapes direct taxation until he reaches the age of twenty-one. Failure on the part of a European to pay his tax results first of all in a summons, and only after the failure of protracted negotiations and compromise is the extreme penalty of prison resorted to; yet the native goes to prison merely for failing to produce the receipt of a tax duly paid. The

travelling pass, which is essential to a native moving off the premises on which he is employed, is peculiarly open to abuse. It is often refused by farmers in order to prevent natives from attending meetings of their organizations. The night special is claimed to be a protection against the criminally minded native, but when the real native criminal is apprehended, the night special and other passes are almost invariably in order. There is a lucrative trade in forged passes.

Although these burdens are specially heavy outside the Cape Province, even in that province the irksomeness of the pass system is not unknown. There a curfew curtails the night movements of natives as it does in the supposedly less liberal North, and the educated native who wishes to move about after dark must be prepared to produce papers to vindicate his character and standing, usually his educational qualifications, if he wishes to avoid a night in the charge office.

From time to time modifications of the pass laws have been mooted. Up to the present, however, suggestions such as one lifelong identification document have been vetoed ; as the Minister for Native Affairs has said : " It is a matter for the education of European opinion."

### THE IMPACT OF INDENTURED NATIVES

Possibly the most wide-reaching of the wage-depressing influences from which the native town-dweller suffers is derived from the character of native society itself. This is the introduction into the town of great numbers of rural natives whose conditions in over-populated native reserves and on European farms, where the labour tenant system makes it almost impossible for them to obtain ready money, forces them into the urban labour market to find the wherewithal to eke out their resources and meet their obligations. This type of native, with his bare existence secured from the land, and concerned, therefore, only to procure the additional necessities which the land cannot give him, is a serious factor in the life of the town

natives of all parts of the Union, pressing down wage levels by the subsidization of industry from the resources of the land. This influence is most easily detected in the Transvaal, where the gold-mines employ a large quantity of this type of labour, recruited not only from the native reserves of the Union but from the British Protectorates and from Portuguese East Africa. The majority of these native mine-workers are remunerated on the basis of the requirements of one individual, their families being provided with at least a subsistence living by the tribal lands or reserves. The daily wage of the native mine-worker in money and in kind is approximately 2s. 6d. per day. This includes an estimate of approximately 10½d. per day for food and shelter. The native mine-worker attests to a voluminous document, printed in English, which even if read and translated to him is not likely to be understood by him, although acceptance of it binds him for periods of from nine to twelve months. These contract periods are in effect for longer periods than the months specified, as a nine months' contract is two hundred and seventy shifts, and a twelve months' contract three hundred and sixty shifts. An analysis of the shifts on the basis of a six-day week shows that two hundred and seventy shifts will take forty-five weeks or eleven months to complete. The native recruit has little or no choice as to the nature of his occupation, and the wage schedule which he accepts with his contract is an amazing medley of base and piece rates, with diminishing remuneration for increased output.

On the whole the mine native, despite these imperfections in the agreements by which he is bound, is better cared for than the majority of natives engaged in other industries, but his wage rates set the standard for other industries where the worker is not so well cared for, and that not only for other natives, who like himself, have still a base on the land, but for those who no longer have any interest in the reserves and must obtain in the labour market the means to meet all the needs of life. Inevitably such natives will have a hard struggle to make ends

meet on a wage which leaves little or nothing for social and educational improvement. It is estimated that the average wage of a native location dweller in Johannesburg is something like £3 10s. per month. Out of this he has to provide first of all a rent of 25s. per month for a house of two rooms, in which he and his family must find what privacy they can; then, as most locations or native townships are situated on the outskirts of the municipal area, he has many miles to travel to his employment, which means a considerable outlay expended in transport. Analysis of the basic costs of a number of families in the Johannesburg area revealed the fact that, when these costs were deducted from the man's earnings, the family were lucky if they had 17s. 6d. over in the month with which to purchase food. As this is an almost impossible position, means have to be found to increase the family revenue. How is it done? Native women do domestic chores such as washing, and as this means absence from home it means also that the children and the home are inevitably left to look after themselves. Many native boys assist the family income by selling newspapers, and other jobs of an unexacting kind, but what the streets gain in service the schools lose in attendance and the future of the race is lost in its youth. However, at least these are law-abiding occupations. Too often, easier and more remunerative means of augmenting the family income are found in illicit liquor selling, Kaffir beer brewing and even by theft, and a positive criminal spirit is thus bred out of the poverty of the race to the detriment of all classes alike.

### EMPLOYERS ADMIT WAGES INSUFFICIENT

While the tendency of rural labour to compete with and depress urban wage levels seems inherent in the present condition of native rural society, the native of the towns, by being refused the right of effective organization, is refused also the power to check this competition, and European employers, seeing their own advantage in the existing situation, are not prepared to encourage its

modification. A pointed illustration of this is provided by the following correspondence. In November 1929 the native organization known as the Industrial and Commercial Workers' Union of Africa (I.C.U.) wrote to the Transvaal Chamber of Industries and Commerce in the following terms :

In view of the African native unrest, which we contend is all centred on the low wages paid by industries and commercial undertakings all over the Union, we respectfully suggest that the Chambers of Industry and Commerce convene a meeting to discuss :

1. An agreed minimum wage for all African native adult workers, i.e. those over 18 years of age.

(*a*) The minimum to be based on figures given in Budgets supplied by the Joint Council, I.C.U. of Africa and other native organizations.

(*b*) A committee to be appointed and report on a minimum for all African workers of the ages 14 and under, 14 to 15 years, 15 to 16 years, 16 to 17 years, 17 to 18 years.

2. Hours of employment.

(*a*) An 8-hour day and 48-hour week.

(*b*) Increased remuneration for hours worked in excess of 48 hours per week.

(*c*) Week-end and Sunday work.

3. Living conditions.

(*a*) Travelling long distances to places of employment and inadequate transport facilities.

(*b*) Clearance of areas and no provision for evicted people.

4. Compensation for injury and the incidence of occupational diseases.

We suggest that the Mayor of Johannesburg be asked to preside.

That organizations covering the whole range of the African peoples' activities be asked to send two delegates. The bodies whom we consider represent in some form or

another the points that should be discussed under the four headings referred to above are :

(i) The Industrial-Political sections—African Transvaal Congress ; Native Federation of Trade Unions ; South African Trade Union Congress and I.C.U. ; S.A. Indian T.U.C.

(ii) The Johannesburg Joint Council ; Transvaal Missionary Association ; Institute for Race Relations ; Native Ministers' Association.

(iii) Johannesburg City Council ; Chambers of Commerce and Industries.

We would appreciate an early reply.

(Sgd.) BENNETT GWABINI.
Administrative Secretary, I.C.U. of Africa.

Letter dated January 24th, 1930.

*To* ADMINISTRATIVE SECRETARY OF THE I.C.U. OF AFRICA.

Your letter dated November 27th, suggesting that the Johannesburg Chamber of Commerce and the Chamber of Industries should convene a meeting in Johannesburg to discuss the question of native wages, hours of employment, living conditions, etc., etc., has been carefully considered by the Joint Committee of these Chambers.

We are instructed to say that each of these Chambers is of opinion that no good purpose would be served by meeting your Association to discuss these questions, as neither Chamber has the power to bind its members.

There are also a large number of traders and manufacturers who are not members of either of these organizations.

The members of these Chambers are not unmindful of the difficult position in which de-tribalized married natives with families living in the town, or in the locations contiguous thereto, are placed as regards the remuneration they are able to obtain in relation to their cost of living. *These natives have to compete in the labour market with natives coming to town from native areas, who are employed in one form or other of commerce or industry at rates of wages which are sufficient to enable them to save a considerable proportion to remit to their homes or to take with them on their return after working* 12 *or* 15 *months.*

There appears to be no good reason for raising the wages

of natives living under tribal conditions and who come into the labour market at intervals. *If it were done, it is possible that, as they would be able to save as much money as they do at present by working for a shorter period, it would have the practical effect of reducing the supply of unskilled labour without material advantage to anyone.*

It is also impracticable to lay down a higher rate of wages for married natives with families living in locations than is paid to other natives doing similar work.

The committees of our Chambers would be willing to participate in a conference of those engaged in commercial and industrial pursuits in the towns if such were convened by the Government, and are of opinion that this is the only way in which it may be found possible to deal with questions affecting native employment.

(Signed) JOINT SECRETARIES OF
JOHANNESBURG CHAMBER OF COMMERCE AND
INDUSTRIES.

CONVICT LABOUR

A factor which is seldom calculated in its effects on the wage rates of natives is the extensive use of convict labour characteristic of South Africa. The statutory offences which a native is liable to commit provide an army of convicts. These convicts are hired out at prices varying from 1s. 6d. to 2s. per day, according to numbers and whether warders accompany the gang. The hiring out of these native convict gangs solves to some extent the question of how to maintain these men during the period of their sentence, and also provides a considerable revenue for the Government. It also, however, unfortunately, provides cheap labour for employers and consequently involves an unfair competition with the ordinary open labour market.

RIOTOUS ASSEMBLIES ACT

Needless to say, all these vexatious obstacles to economic and social improvement produce irritation and discontent among a native population which finds itself deprived

even of the right to ambition ; but the expression of this discontent is rigidly controlled by the operation of the Riotous Assemblies Act, which does not discriminate between agitation for better conditions of living and sedition, and tends to identify the expression of native grievances with incitement to ill feeling between black and white, which is an offence punishable by banishment. The Act has already been put into operation against a number of branch secretaries of the Industrial and Commercial Workers' Union, who have found themselves removed from their homes and the field of their employment as the penalty of their propaganda.

An enforced inarticulateness should not, however, be misunderstood by those who are ultimately responsible for the future of South Africa, and are vitally concerned with the character of that future. Contact with European civilization has effectively broken down the old tribal system of the Bantu in South Africa. Increasing numbers are learning new ways of living and new ambitions and are developing with a growing consciousness of the multiplicity of disabilities from which they suffer on account of the unalterable fact of their colour. The resultant spirit of unrest and dissatisfaction, no matter how veiled, bodes ill for the economic and social security of South Africa, unless some steps be taken to give the African worker a sense of just dealing and opportunities for social and economic advancement according to merit.

# CHAPTER V

## South African Parallels with Rise of Industrialism in Europe

> There is nothing that men are suffering in Africa and the East to-day but has happened to the peoples of Europe during the last 500 years of their tragic history.

This arresting passage occurs in R. H. Tawney's contribution to the Industrial Reports of the Jerusalem Conference of 1927. At first sight it may seem like a counsel of despair for such as the African native, when one remembers how, during those five hundred years, humanity has been used simply as the foundation upon which one privileged class after another has raised itself; but when we view the situation of our own day and see the erstwhile despised masses in Europe, in spite of all handicaps, reaching up and seizing the reins of government and the means of power, then we must feel that hope is justifiably stronger than despair. Indeed, if the new nations of the world could be induced to realize that the situations of the twentieth century are not unique in the history of mankind, that history has repeated itself to a sufficiently great extent to condemn the failure to utilize the experience of the past, then we might even hope that the repetition should cease now, and that the tragedies of the last five hundred years would be avoided in the progress of the next.

### PARALLELS AND PROBLEMS

South Africans are fond of talking of the "problems" of their national life, and they spend a good deal of time and energy in arguing about possible solutions. It might

profit them more to look to the experience of the past for guidance if only in regard to the way not to take.

In South Africa, the progressive disintegration of native tribal organization is one of the most important features of national life. This disintegration is naturally most apparent in the urban areas, where the resultant complications give rise to considerable anxiety.

But even those who are most aware of the complications for the most part fail to realize that in South Africa, within those areas, the twentieth century is merely repeating, with startling clearness and undesirable completeness, the excesses which marred the growth of the industrial state in the Old World.

Among the uninitiated there is a belief that the average urban native worker spends at least three months of the year in the kraal—that is, that he is a temporary resident in the towns with his home on the land, to which he will return when it suits him and white South Africa that he should do so. This, as we have seen, is still generally true of the houseboy and the mine native; for the rest it is hopelessly untrue. Although it is barely fifty years since the African entered the industrial vortex, the big town locations already house a generation of natives who know not the life of the kraal, whose values and sanctions are no longer those of the tribe, but those of the European, who, throughout the whole period of contact down to quite recent days, has consciously or unconsciously encouraged the native to adopt his own mode of living, his own conception of the family, of property and consequently of law. This urban native population can never, in the present circumstances, go back to the land, and never in any circumstances can it go back to the tribe. In short, there is in the towns a native working class finally and definitely divorced from the soil, and urban in outlook.

### PARALLELS

The situation which the urban native is called upon to face in this generation is little different from that which

faced the English migrant from country to town at the beginning of last century. At the time when Wilberforce and his friends were fighting the cause of slave emancipation there was developing in England, with their consent, a new type of slavery scarcely less degrading than that against which they raged—the enslavement of a dispossessed English peasantry to the power of capital and the energy of the machine. Denied the right of collective bargaining as certain to reduce the profits of industry and consequently to undermine national prosperity, denied the franchise on the ground that it would be dangerous, even fatal, to betray such power into the hands of the ignorant, denied education as certain to make them dissatisfied with their lot and to give them ideas above that station to which God in his wisdom had called them; in brief, denied all the rights of citizenship as defined by those who ruled, they passed their lives in a desperate struggle with poverty, hunger and physical strain. Low wages, slum conditions, heavy infant mortality, the general strain on family life occasioned by the entry of women as well as men into the labour market in a vain effort to earn a living, and a law which inevitably operated in favour of the enfranchised at the expense of the unenfranchised, these were all forces combining to depress the urban working class and to embitter its spirit. Ignorance, selfishness and fear united to destroy the sense of social justice in the souls of the English governing classes, and the tree of modern industrialism was fed on the bodies and souls of the people.

Ignorance might excuse the selfishness and fear of a century ago and justify a measure of pardon for those tragic pages in the history of modern civilization. But can it excuse a repetition of those pages? In South Africa, the natives drift to the towns from the overcrowded reserves or as dissatisfied evicted farm workers. Ragged and barefoot, they stand at the busy street crossings, bewildered by the rush of traffic and the unfamiliarity of the scene. Rapidly they are absorbed into the commercial and industrial life of the country as unskilled manual

workers. Their first earnings go usually in boots, which they wear round their necks rather than on their feet, in a manner familiar to English eyes from the habits of the starving Irish peasantry from whom, towards the end of the nineteenth century, was recruited most of the labour for the heavy industries of Britain—iron, steel and rolling-stock manufacture. But soon even these signs of an older way of living go, and they become completely absorbed into the society of the town ; absorbed but not identified. Urban European and urban native alike regard them with distrust and hostility, the one fearing their future economic and social advance, the other finding in their poverty and low standard of living a menace to their own hardly won and insecure small comfort.

The whole process of evolving a composite labour market has its own economic difficulties, but here again South African experience is not entirely unique. It finds some precedent in the development of British industrialism, where such confusing and wage-lowering factors as the partially industrialized Scotch crofter or peasant farmer, the Irish peasant and the Lithuanian peasant, have from time to time complicated the simple issues of the standards of living, and have each in their turn been the *bête noire* of the English worker. The inexorable pressure of the economic laws, however, led to a more or less mutual assimilation into that amazingly complex quantity, the British working man. The four groups mentioned, although considered " white," had at one time, and still to a limited extent have, differences of religion as well as social and economic barriers which, less than a quarter of a century ago, were just as acute as those that presently obtain in South Africa between white and black. The Scotch crofter came into the heavy industries at a time when brawn and muscle were valuable in the development of the steel and iron industries. He came in like the native in South Africa, as a subsidized worker in that he was not entirely dependent on his wage in industry; the croft or farm tended by his father, mother and the

younger members of the family was there when he felt the urge of the call home. He was in industry for periods varying from twelve to eighteen months. He would go home for six months and take with him the savings of his wages from his frugal requirements of food, clothing and shelter for one individual. His savings helped to carry on the life of the croft, then would come again the call of the town, but the second time the wants were less frugal. Gradually expenditure came up to income and another son of the soil had become a town-dweller and worker. He soon realized the value of taking his skill or muscular energy to the districts where scarcity values obtained. He organized into trade or industrial unions as his predecessors in industry had done, and the country's needs in time of war, or the race between the nations for the exploitation of the backward parts of the earth, was his opportunity for demanding increased remuneration. Thus he established himself on a wage level which gave him some decency. Then, in times of depression, often artificial, the inevitable happened once more; a demand by the employers for a cut in wages, resistance on the part of the employees, followed, after the strawberry-picking season and potato harvesting, by the introduction of the Irish peasant with his meagre living requirements as a new wage-lowering factor. To the old-established ranks, this new entrant into the labour market was a *déclassé* individual, undermining the position of all classes; but gradually suspicion and distrust gave way to a realization of common interests and united action once more stabilized the economic position of all racial groups. The keen competition of the Continental countries, such as Germany prior to 1914, however, led the employers to seek yet another human wage-breaking factor. They introduced into the field, particularly the Lanarkshire coal-fields, the downtrodden, illiterate and unorganized Lithuanian. He was termed a detestable alien, a foreigner, and a dago. He lived in leaky-roofed hovels with earthen floors, and stole the grease from the axle-boxes of railway trucks to spread

on his black bread. The Lithuanian again lowered the standard of living of the English, Scotch and Irish workers, already more or less homogeneous, but once again the consciousness of community of interests of the workers prevailed, and the older groups absorbed the latest comers in a new attempt to stabilize wages for semi-skilled and unskilled workers at something above the bare minimum cost of living. But all this struggle has been paid for in the outpouring of human blood and tears that has been the accompaniment of the later stages in the rise of industrialism in Europe. On the credit side is the cosmopolitanizing of the British workers and the slow dawning of the knowledge of the oneness of interests of the wage-earners of Europe as a whole, which received an unfortunate setback by the World War of 1914-18.

### THE LESSON

The history of the working class of Britain, the most insular nation in the world, while illustrating the ultimate interdependence of all sections of labour, illustrates also the power of economic interests to triumph over all those natural or traditional differences which tend to divide people of different races. This is a lesson South Africa has still to learn. Grudgingly and with difficulty she is learning it. Increasingly individuals, at least, are coming to appreciate the common economic interests which lie behind the obvious differences of colour. But the strength of the influences which have to be overcome before the majority can be induced to recognize the truth which the few have already accepted cannot be scorned because they are emotional rather than practical in their origin. Indeed, that fact lends them a peculiar strength and importance.

Societies pass from stage to stage, apparently in response to economic forces, but economic forces are not the whole story. Moral values, conceptions of the goal of life, what the Hammonds after Mazzini call " collective intentions," what we may call the social urge, are a very large factor in the process. If it were otherwise, situations would not

develop such as that of 1914-18, where we witnessed the spectacle of people belonging to the same classes, though of different nations, people for a generation increasingly conscious of their common wants and common needs, killing one another by every means in their power, and in the process suffering the ghastly horrors of modern warfare because their sense of right and wrong had been outraged. But " collective intentions," having to be pursued in the complex field of human activity, are peculiarly open to misdirection by selfish or misguided interests, and where material insecurity is a factor in the situation, integrity of purpose is not always sufficient guarantee of honest and disinterested action. In the clearer light of to-day we see events prior to and during 1914-18 as having been much influenced by a controlled Press, a Church and pulpit influenced by the power of Mammon, and political and cultural institutions prostituted by a false patriotism. So in South Africa to-day there is evidence to show that the social urge is being harnessed to the economic urge without any long vision in regard to either. Despite the changes of the last generation, as a result of which manual work is now done by black and white alike, the wage-earning population is still divided along the colour line, " white " claiming that his standard is endangered by " black." This is the economic urge strengthened by the high wage standards which white labour could command in the past, owing to the existence of cheap black labour. But it calls to its support the social urge by identifying its standard of living with its civilization, and through the emotional cry of " white civilization in danger " it has rallied to its cause nearly all the other ranks of white society, many of whose real economic interests could best be served by developing the purchasing and consuming capacity of the natives. It is perhaps ultimately not unimportant that the civilization which has to be so carefully protected against the possible modifying influence of a primitive race often manifests itself in ways which would discredit the least civilized. The diggings, with their general lack

of the decencies of life, reveal European civilization without the trappings, and exhibit it as an achievement in squalor, sordidness and vice rather than in honest and honourable living. Much of the night life of some of our cities is only different in its setting from the ribald native beer-drinking, which is itself a product of native contact with European ways and is regarded with shamed amazement by respectable native society; and who with any sense of decency can look at the placards on our streets, carried by native newsboys, bearing such captions as "Johannesburg's six most immoral men"; "Maritzburg's dirty undies," etc., without a feeling of shame and a conscious knowledge that gutter journalism of this type holds the much-vaunted claims of Western civilization up to derision and contempt. But if we admit that these corruptions are merely local and incidental, and do not affect the essential character of our civilization, if that civilization is all we would wish it to be, a cultural inheritance enshrining the principle of the spiritual value of the individual, can it live and thrive on the conscious exploitation of those less fortunate in their inheritance? Must not its principle, to have any virtue, be universal in its application? Western civilization to be true to itself must repudiate the attempt to identify it with material standards, and so make it exclusive; its foundation and justification is a moral principle which of its very nature must be inclusive, sharing its inheritance with all comers, and so enriching both them and itself. It must recognize behind differences of race and creed and colour a common humanity with common needs and common aspirations, and it must make room for them all. In South Africa it must accept the claims of blacks as well as of whites, as in Britain it has provided a common meeting-ground for Englishman and Scot, and Irishman and Pole. Everywhere it must recognize not the equality of all men but the equal right of all men to the opportunity to realize the best that is in them.

## CHAPTER VI

### The Real Community of Interests

It is one thing to accept the principle of equal rights, it is another to apply it. No one with any knowledge of industrial history and with the interests of all sections of the population at heart would advocate unrestricted competition between European and non-European at this stage. Such competition would merely smash European labour with a present gain but no permanent advantage to the native. On the other hand, to insist immediately on the general application of the wage levels regarded as essential for the maintenance of a European standard of living would be either to put an unendurable strain on industry under which it must collapse, or to induce a great contraction of the field of labour, with a corresponding expansion of poverty and all its attendant social ills. The wage levels of the natives must be gradually approximated to those of the European during a period of transition, in which industry may have time to adjust itself and to expand through increased efficiency and the increased consumption of the population to meet the increasing wage demands made upon it. But European labour should set itself to see that the period of transition shall be as short as it safely can be, since every successive change in the organization of industry weakens the position of the white worker and hardens that of the native. Neither the native nor the European in South Africa has any real future as a skilled worker. This is the machine age, and already many a highly skilled artisan finds himself a drug on the labour market. The skill which at one time made him an aristocrat of labour now handicaps him in competition

with the more speedy mass-production worker. In the industrial world to-day, it is the worker who can work at speed on nearly foolproof machines who are wanted, and the psychologists who are studying the industrial native worker in South Africa are agreed that he is one of the best types for mass-production manufacture. His long-stored-up energies, denied individual expression by the conditions of tribal life, added to his well-known aptitude for imitation, make him an admirable worker for repetition tasks. During the next phase in South Africa, the really highly skilled workers will be very few in number; they will be required to set the machines as a few engineers did for the thousands of women munition workers during the war of 1914-18. They will be white. The rest of the workers will be mass-production workers in a labour market in which the black man, if his present social and economic position remains unaltered, will have every advantage over the white. Already the natural tendency, only slightly modified by the artificial aid of a "white labour" policy with Government backing, has been for natives to replace Europeans in cases where the skill hitherto demanded of the worker is now being provided by the machine. Saw-mills all over the country are being run with one or two white men and large staffs of natives, while in all stages of iron and steel production machines tended by natives are being increasingly substituted for white labour. In these circumstances, the raising of native standards is an increasingly urgent condition of the maintenance of European standards in the future. How is the gap between the two to be bridged with the greatest possible speed?

The first necessity, as the Native Economic Commission saw, is to stabilize the urban native labour market. This can only be done by the development of the native reserves and the improvement of conditions in the rural areas outside of the reserves which would have the effect of checking the flow of wage-reducing subsidized labour to the towns. The first part of this programme requires the

expenditure of a good deal of money, while the second involves not merely the general reform of European farming to enable it to provide improved conditions for farm labourers, but also the generosity on the part of the European population to modify the restrictions of the 1913 Land Act in order to admit of native leasehold as well as of extended rights of land purchase. But these things are essential if progress is to be made.

### WAGE ACT USED AS COLOUR BAR

In a labour market thus stabilized the native worker should be freed from the restrictions of discriminating legislation. He should be subject only to the legislation which regulates the European worker. The Industrial Conciliation and Wage Board Acts should be extended to cover his activities, even though it is admitted that these Acts are full of anomalies and imperfections. For some time to come, no native organization will function effectively as an industrial negotiating body, hence it is necessary that the machinery which already exists for the regulation of conditions of labour should be used in a broad and just way to adjust native economic grievances. At present, the native regards the Wage Board as in the nature of an additional colour bar. This attitude is not without justification, since not only has the Board tended to fix wages for skilled and semi-skilled occupations at levels quite unattainable by the native under existing conditions, but has also in many instances raised the rates of pay for unskilled work hitherto done by natives to a level which encourages their displacement by Europeans. A recent example of this is to be found in the " determination " for assistants engaged in the native trade on the Witwatersrand. A considerable number of these assistants have in the past been natives, who have found in this trade an important and legitimate field of employment. The " determination " made by the Wage Board in respect of certain occupations in this trade commonly known as " Kaffir work," those of floor-sweepers and errand boys,

fixed wage rates approximately 350 per cent. higher than those prevailing in similar occupations in European shops in the recognized shopping-centre. The native assistants contended that this pay was an attempt to force them out of employment and the " determination " was subsequently modified.

CONSTITUTIONAL ACTION REBUFFED

Provision exists in the Wage Board Act for the regulation of native wages, but the way in which it has operated has not encouraged the native to put his confidence in the efficacy of constitutional means of improving his economic situation. An appeal may be made to the Board for the hearing of a claim to increase wages ; if the Board cannot recommend a civilized wage, no award can be made without specific instructions from the Minister of Labour. The Minister, however, has the power to authorize the fixing of such a wage rate as the Board thinks just and possible for industry to maintain. Unfortunately, the tendency of the Minister has been to withhold this authorization rather than to grant it, and the natives are then left without any alternative means of achieving their ends.

An illustration of this sort of situation is to be found in the attempt made in 1929 by the I.C.U. of Africa to secure a wage award in respect of certain native workers in Kroonstad in 1929. Following upon the effort to reconstitute that organization on lines similar to the Transport and General Workers' Union of Britain, it was decided to try to prove the value of constitutional action for the adjustment of native grievance, as opposed to indiscriminate mass incitements. An application was, therefore, made to the Wage Board by the I.C.U. for the hearing of a demand for a £7 10s. minimum for certain classes of Kroonstad workers. The Board granted the request, and the application was heard in August 1929. Up to the present time, no determination has been given. The Board could not recommend a civilized wage, a decision which was not unexpected. It was thought, however, that the Minister

of Labour would refer the matter back to the Board for a determination which would establish the minimum native wage at something from 3s. to 3s. 6d. per day instead of the 2s. to 2s. 9d. current in the district. That has not been done in spite of repeated requests, and the natives have ceased to regard the Board as of any value to them.

Yet it should be of value both to them and to the European, who is so clearly affected by their wage scales. If the white trade unions had the sense to follow the advice of their all too few enlightened leaders, they would press for the amendment of the Wage Board Act so that the Board might become an effective instrument for the regulation of native wages on a so-called "uncivilized" basis, but with a progressive approximation to "civilized" standards.

In addition to encouraging the extension of the function of the Wage Board to include the regulation of native wages, the white trade unions should organize the non-Europeans engaged in the various industries, and bring them into their own trade and industrial unions. They would then be able to use not only the Wage Board but also the Industrial Conciliation Act, both to protect their own skilled craft interests and to grade the advance of the working, living and wage conditions of the non-Europeans on apprenticeship lines over a period of years. In the operation of the Conciliation Act no trade union should be regarded as representative of the workers in any trade or industry, nor should any trade union be registered unless it can be shown that it includes not only the Europeans but also the native, coloured and Indian workers engaged in the trade or industry. Where trades are almost exclusively native in personnel, those engaged in them should be encouraged to organize themselves into unions of their own. In such cases, however, the protection at present afforded to the trade unions by law in respect of their funds should be extended to these organizations to prevent a repetition of such gross mismanagement and the possibility of such defalcations as were revealed in Justice Tatham's summing-up in the Champion *v.* Lenono libel

actions, which arose out of the conduct of the affairs of the I.C.U. By encouragement to organize and by protection in and responsibility for the management of their own affairs, the natives would be provided with a means to a general development of their capabilities which must increase their value to the community and hasten their approximation to European standards.

### EDUCATIONAL AND TAXATION ANOMALIES

Finally, it is not enough to encourage the native to acquire skill and a European standard of living by the protection of his economic interests. Even that encouragement can only be effective if it is based on an educational foundation which will enable the native to think and to reason and so to take an intelligent advantage of the opportunities offered to him. One of the least defensible features of South African life is the neglect and starvation of native education. It is estimated* that at the present time 1,100,000 native children are receiving no education whatsoever. For the 300,000 who are being educated the sum of £2 3s. 6d. *per capita* is spent by the State, as against a sum of £25 13s. *per capita* for the 384,000 European children for whom education is provided. Yet from every native male of eighteen years and over the State collects a direct tax of at least £1 per annum, although all other races are exempt from direct taxation until the age of twenty-one, when they are taxed according to their means, and are not expected to bear the burden which falls on the native. There can be no solid and no sound advance that is not grounded on the cultivation of the youthful mind. A few may rise superior to the handicap involved in the absence of an early education ; neither a race nor a class can do so ; and if white labour in South Africa is to save both the native and itself, it must insist upon the extension to the native of a right which it won for itself with so much difficulty in the not very distant past.

* Address by Rev. Enock Carter, Johannesburg Rotary Club, reported in *Star*, Johannesburg, November 1st, 1933.

## CHAPTER VII

### Co-operation in South Africa

In his book, *People's Banks, or the Use and Value of Co-operative Credit for African Natives*, Father Bernard Huss, the Principal of St. Francis' Native Training College, Marianhill, Natal, quotes the expressive Zulu phrase "*Mayibuye I Africa*" (Let Africa come back). It is the heart-felt cry of a people who have been thrown willy-nilly into the vortex of industrialism, and who find the individualism represented by that phase of civilization completely foreign to their conceptions of life.

Father Huss has devoted the first chapter of his book to a brief description of the Bantu or native collectivism that obtained before the white man came to Africa. On page 2 he has written the following:

> We can already notice in the native a strong tendency to become rich even by exploiting his poorer black brother, and history tends to repeat itself in Africa, the rich becoming richer because they are rich and the poor becoming poorer because they are poor.
>
> If natives are shown that this is wrong, then they say the European has taught them to do so by their example, thus undermining the old structure of Bantu collectivism. No wonder the native wishes that the old Africa would come back.

These are significant paragraphs, for they sum up in a few words the whole gamut of the clash of Western civilization with Bantu collectivism. But the old Africa will not return, for, even if the white man left Africa, the intelligent-thinking native would not return to the primitive collectivism of his forefathers. The majority of

natives no more desire a return to the days of tribalism than do the people of Europe to the days of feudalism, and for much the same reasons. Bantu collectivism was at its best when, in the interests of the tribe, it discouraged individual initiative, controlled the passions and anti-social appetites of the group, curbed the acquisitive instinct, and thus preserved a healthy primitive community. It was at its worst when it failed or did not try to extend its influence beyond the tribe, for although theft within the tribe was a mean crime, it was an act of bravery when practised at the expense of others. These conflicting tendencies give proof, if such is necessary, that the black man is only different in colour from the white man, for can we deny that within our white civilization, there are many otherwise eminently respectable citizens who would scorn to do in private life or to the members of their own families, the things they do in the professional and commercial spheres ?

Father Huss is a pioneer of vision. He has, through the written and the spoken word, by precept and by example, urged the native to put into a modern setting the best aspects of the collectivism which was such a marked feature of his tribal days. To his religious appeal he has added an economic-social message, warning the native of the dangers of the individualism that the white man has brought to Africa. In season and out of season he has preached the co-operative principle, urging as a first simple step the setting-up of People's Banks or Co-operative Credit Societies. Much of the seed that his propaganda has sown is germinating. It will, in the course of time, and in spite of legislative and political barriers, produce a rich harvest of co-operative self-help.

### CO-OPERATION FOR AFRICA

Native society in South Africa offers a fairly suitable field for co-operative enterprise, while the co-operative principle offers a possible means of preserving that society against the impact of European life and its demands

which threaten to crush it—to preserve it not unchanged but effectively adapted to the new conditions and new needs. At present, political power, consequent upon contact with Western civilization in South Africa, is in European hands, and that power, backed by the possession of nine-tenths of the land, is used to keep the native a helot on the farms and an " uncivilized " wage-earner in the towns, that is, a labourer to whom all tasks but those carrying an " uncivilized wage rate " are debarred. All native social progress is thus blocked by economic barriers, and the native himself is deprived not only of the means of improving his material status but also of the hope of learning to manage, both for himself and for others, by participating in the ordinary duties of citizenship. On the other hand, his territorial position offers certain peculiar advantages for the development of co-operative enterprise, whereby the worst features of his condition in European society may be counteracted, by providing him with the means of increased material well-being within a sphere of activity in which he may learn for himself the business of administration and self-help, which his exclusion from participation in public life now denies him. The very refusal of the European to recognize him as a member of the body politic has led to the establishment on the one hand of native rural reserves, and on the other of large native locations in the urban areas. So that the native population of South Africa is divided into two fairly well-defined and homogeneous units, which have only to perform their own economic services to become something in the nature of a self-contained community. The native of the town can trade with his own people, while the native of the country should find his best market among his town-dwelling brethren. This can only be done on a basis of co-operative enterprise, the full possibilities of which have not yet been recognized, though they are now being glimpsed by those who sincerely desire to see the native of South Africa benefit by his contact with Western civilization.

So far as can be ascertained, the first mention of co-operative enterprise for natives in South Africa occurred in 1907, when, in a meeting of a group of natives of the Transkeian Territories with some of the officials of the Government, a suggestion of the possibilities of co-operation for natives was made. Subsequently a pamphlet was published. However, no more was heard of co-operation as a practical proposition until 1926, when Father Huss, in addressing a meeting of the Bunga, or General Council of the Transkeian Territories, urged upon the assembled chiefs and magistrates the advantages of co-operation among a poor peasantry like that of the Territories. As a result of his address, a Select Committee was appointed to consider the matter, and this Committee reported in April 1926 in favour of the principle of co-operation. On their recommendation a lecturer was appointed to tour the Territories, to explain co-operative ideas to the native people and, if possible, guide them into practical effort of a co-operative nature.

The first practical result was the formation of a co-operative society at Qumbu, in the Territories, in October 1926. This society did not grow rapidly; after three years its membership was only 412. By 1932, however, thirty-six co-operative credit societies had come into existence in the Transkei, with total deposits amounting to £25,000. In the opinion of competent observers, this is a slower growth than might have been anticipated, and in some of its features it has been disappointing. Some of the societies, in lending their money to assist in the purchase of farming machinery, have tended to charge high rates of interest, and have consequently led some critics to regard them as usury societies. This perversion of the co-operative principle is, however, a passing phase, for which a parallel can be found in the dividend-hunting propensities of the members of a number of co-operative societies in the older countries. The co-operative movement in the Transkei is passing through its infancy surrounded

by an intensely acquisitive European community. The usurious tendencies of some of its Credit Societies may serve as a valuable lesson and a warning. A reason for believing in the spread of the true co-operative principle is to be found in the existence to-day in the Territories of several groups of native farmers who have adopted co-operative methods of buying seed and implements and, in spite of great difficulties, of marketing their produce.

While the Transkei has been the main field of co-operative effort, the idea of co-operation has in the past been exploited, but always in a warped form and therefore without success. In the course of its meteoric career, the I.C.U., or, to give it its full title, The Industrial and Commercial Workers' Union of Africa, tried to float several co-operative ventures in the urban areas, such as native eating-houses and clothing factories. However, the inexperience of the officials and the unscrupulousness of many of the people associated with the undertaking, who rendered accounts to the I.C.U. while diverting the gross receipts to their own uses, brought early disaster. Again, smaller efforts were tried by individual natives who endeavoured to exploit the racial appeal. A typical example of this kind occurred in a Johannesburg location, where two natives subscribed £76 and £56 respectively, and set up a so-called co-operative store. The name was merely a disguise for a private venture, which foundered early on the attempt of one of the assistants to appropriate part of the gross receipts as his share of the supposed " profits."

### THE WESTERN NATIVE TOWNSHIP CO-OPERATIVE SOCIETY.

The co-operative principle in South Africa has, however, received a new impetus in the last two years from the establishment and progress of the most recent, the soundest, and, so far, the best effort of its kind. This is the Western Native Township Co-operative Society, launched entirely by natives in Johannesburg's largest native township, which houses 14,000 native people. It is the joint creation of a Transvaal native named P. J. Moquerane

and a Zulu named Lovedale J. Mfeka, who are its manager and secretary. They are real Bantu patriots. In telling the story of how they came to start the store, Mfeka mentions that they were each propaganding co-operative principles in the township without the knowledge of the other. They eventually met, pooled their ideas and combined their activities. They both pay tribute to the inspiration gained from reading the articles and books written by Father Bernard Huss, the propaganda literature and books of the British Co-operative Movement, the talks of a Negro preacher and a Zulu girl who has been in America. For years they have brooded, like many Bantu patriots, over the ever-deepening degradation of the detribalized, urban-dwelling, native people. Control of the political machine in the interests of a European employer and *entrepreneur* class, who maintain their political and economic power by arranging that white or civilized standards of life shall be maintained through a combined exploitation of the natives by nearly all sections of the European population, has long ago shown them that there is very little hope of either economic, educational or social advance for the native in South Africa so long as the present system continues. They have also noted with sorrow that a small minority of their fellows have become apt pupils of the white man's individualism. To them the huge profits made from " Kaffir Truck " are a source of intense irritation and disgust. They claim as examples of the white man's cupidity, the demand of the white Shop Assistants' Union engaged in the Reef Native Trade for a civilized wage for supplying the wants of a people who are remunerated on an uncivilized wage basis, without at the same time making a demand for better conditions for their customers. The inquiry into this demand revealed that Concession Stores catering for " Kaffir Truck " carry a " goodwill " of anything from £10,000 to £30,000. The Government gets a small percentage of the spoils, by means of a special licence for all shops engaged in the " Native Trade."

Although intensely conscious of the fact that white civilization in South Africa decrees that the black man shall be an inferior, Mfeka and Moquerane knew that they had a number of sympathetic European friends. They consulted those friends, but pointed out that they did not want a guidance that would amount to virtual control. They said " we cannot survive as a nation unless we learn to stand on our own feet."

Coming into the field of appeal to the natives, as they did, after the comparative failure of such huge mass organizations as the African National Congress and the I.C.U., which between them had squandered huge sums of money in mismanagement and costly litigation, they had not only to brave the incredulity which is the lot of those who propound the doctrine of " all for each and each for all," but also the jeers, taunts and ribald jests of those who have seen promising organizations fail for obvious reasons, but also for reasons which they but dimly understood. They were not, however, discouraged, and they ultimately succeeded in getting together a group of interested people. The first public meeting was held on July 29th, 1931, when a draft constitution was read and adopted. Subsequently three native ministers joined the Society, one of whom brought in his choir. This choir did yeoman service, as native residents of the location coming in to listen to the spirituals, hymns and impromptu songs that are so marked a feature of native meetings, stopped to hear the co-operative message.

## INITIAL DIFFICULTIES

It was early realized by the promoters that they were on trial, and that until they could produce some evidence of the soundness of their venture, few of the people would become founder shareholding members of the Society. The consequent initial difficulty of stocking the Co-operative Store which they proposed to open was overcome by a departure from ordinary co-operative practice, several of the members lending sufficient money to purchase stock.

Eventually the store and café were opened with a capital of £127 9s. 6d., ten members and four assistants. The opening was greeted with much shaking of heads and many forebodings of disaster, since so few ventures organized and managed by natives have achieved any measure of success. The established storekeepers in the township, representatives of many and diverse nationalities, looked on and smiled indulgently. They had visions of a selling-up auction in the not-distant future. A few only wondered if the new enterprise was a portent. The organizers, however, not only had supreme confidence in themselves, but faith that their ideal would grip the imagination of their people. They were encouraged by the popularity which the store immediately achieved with a small section of the people of the township, even though the café was at first a failure. This popularity of the store soon helped them to overcome one of their greatest difficulties, namely the problem of the purchase of goods from the wholesalers; for in South Africa, many wholesale dealers charge natives higher prices than those charged to Europeans, while, incredible as it may seem to those who do not know the country, others are prepared to sacrifice their economic interests to their prejudices to the extent of refusing to sell to natives on any terms. Ready cash overcame this obstacle, however, and, with the store established and offering trade on a sound basis, and the café revived and bringing in satisfactory returns, European salesmen and agents now call weekly to show their goods and bargain with the native manager and secretary.

### STOCKTAKING AND PAYING A DIVIDEND

In spite of all difficulties, the first annual stocktaking of the venture disclosed a very heartening state of affairs. With an initial capital of £157, sales for the year totalled £4,352 10s. 8d., while there was stock in hand that would easily liquidate liabilities, and assets which were more in value than the actual capital invested in the store. There was an actual profit of £249 10s. 8d. The auditors state

in their report that " 85 per cent. of the sales have been on a cash basis, thus enabling the Society to discharge its liabilities in the same way." The directors decided to use the major portion of the profits for development purposes, to pay a 5 per cent. dividend on capital and a further 5 per cent. dividend on purchases; and, by a flash of inspiration, it was further decided to hold a public meeting for the purpose of distributing the dividend.

The meeting was a revelation of native initiative, indicating a degree of imagination and enterprise that augurs well for the success of the venture. There were about 300 natives present, and a small group of invited Europeans. The non-members of the Co-operative Society were the real audience, since there is no doubt that the meeting was intended, not so much to encourage existing members as to stimulate the interest and the support of those who had so far stood aloof. A brass band, conducted by a location veteran, had been engaged for the evening to enliven the proceedings, the efforts of the musicians making up in enthusiasm what they lacked in proficiency. The proceedings opened with a presentation to Mr. Howard Pim, the principal of the Johannesburg firm of accountants and auditors, which has given its services gratis to the Society. The presentation, which was made by the secretary of the Society, took the form of a copy of a remarkable novel, *Chaka*, by a native author. A number of speeches were made which were interspersed by assurances from the secretary to the more impatient among the audience that " the money " would soon be forthcoming. Eventually the *pièce de résistance* of the evening was reached when the secretary opened an important-looking bag which had reposed on the table throughout the proceedings, and extracted from it a number of envelopes. These envelopes contained the dividends of those who had either become members of the Society or had purchased goods from its store. The reading of each name together with the amount of money to be received was greeted with the greatest interest and

enthusiasm by all present, and the honours of prize-winners were accorded to the recipients as one by one they mounted the platform to sign their receipts and receive their envelopes. Altogether, forty-nine people received dividends, ranging from 1s. to £2 6s. 1d. It was an epoch-making evening that set the seal on a remarkable achievement—the payment of a dividend on purchases in its first year of working by a co-operative store owned and managed solely by natives.

The history of the venture is not, of course, one of steady and unfailing advance. Mistakes have inevitably been made. The people responsible for conducting the store have had to learn many aspects of their business from the beginning. It is significant that the stocktaking at the end of the first month " took us the whole night," as Mfeka says. Yet at the end of three months, good, sound and honest management produced a surplus of £100. The managers got the permission of the Committee to invest £25 of this surplus with a building society paying 7 per cent., against the advice of the writer, who endeavoured to explain to them the dangers of high interest, as well as the difference between " fluid " and " frozen " capital, and the value to a young venture of the former as against the latter. Shortly after the transaction had been made, the building society collapsed. Its assets and liabilities have since been taken over by another society, but it will be several years before the native co-operative society will recover the final instalment of its deposit.

### A SHARP AND COSTLY LESSON

A few weeks ago, there seemed a more serious cause for alarm. The audit for the last six months of 1933 indicated, indeed, a steady progressive trading increase, but the profits had almost vanished. It seemed that the fore-bodings of the sceptical were to be justified, that the Bantu had once again proved their inability to manage a business for any length of time, or to take care of money. Investi-gations, however, produced sufficient evidence to show

that trading and management factors alone are at the root of the trouble. Fluctuations in the price of mealie meal, the store's principal article of sale, coupled with the end-of-year liquidation of coupons, the use of which the management contend, in spite of advice to the contrary, is necessary, and the giving of sweets to native children as a " bonsella," have played an uncalculated part in the costs of the business. The consequent dissipation of their profits, however, has given the native co-operative society a sharp and costly lesson in something less than two years from the date of the opening of the store.

In spite of these obstacles, however, the business is a good-going solvent concern, and will probably before the end of this financial year be able once more to show a fair profit. And an encouraging feature of the whole enterprise has been the ability of the promoters to learn by experience and their capacity for visualizing expansions and carrying increasing responsibilities. Already the growth of the business has necessitated an increase in the staff, which has grown from the original four to nine. Plans have been passed for an extension of the premises, and the managers are certainly badgering the officials of the Johannesburg Municipality, who are the owners of all property in the township, for a display window, the lack of such a facility being, as they rightly contend, one of their greatest handicaps. By clever anticipatory propaganda, they warned their members of the real intentions of a bazaar organized by a group of private traders, and opened near the premises of the Co-operative Store, and they had the satisfaction of seeing the bazaar closed within a few months of its opening.

## THE FUTURE

The venture has certainly excited considerable interest in native circles, and among that small group of Europeans in South Africa who measure the real progress in the country in terms of the " greatest good of the greatest

number," and not, as at present obtains, in the enrichment of small groups of people in gold-production, Stock Exchange share speculation and various kinds of subsidized European forms of employment. The native co-operators are already making inquiries as to how they can establish trading relations with native tobacco, grain and cattle raisers in the British protectorates and the reserves. The promoters of the Western Township Society and the writer have addressed many meetings during the last twelve months of natives who are anxious to emulate the achievement of their fellows. Articles on co-operation, how to form co-operative societies and the literature of the British Co-operative Movement are read with avidity. Groups of European trading and certain legal interests have discovered a new interest in the natives. They want to start central buying agencies and to protect the budding native co-operators from legal pitfalls, which are mostly imaginary.

But those who have the real interests of the Bantu at heart want to retain, so far as is possible, the control of their present and prospective co-operative ventures in their own hands. They will welcome European advice that does not seek to control, for they see in real co-operation a reply to the Government's " white labour " policy, and the economic salvation of their people. They want to see native educational institutions train and equip natives for service as organizers of native co-operative production, accountancy, exchange and general distribution. At the end of June or the beginning of July a study course in co-operation and its prospects in South Africa, of about a fortnight's duration, will be given in the Mbumbulu Reserve in Natal. The native Co-operative Movement is a great movement that has vast potentialities, but has many difficult obstacles to surmount, the chief of which are the rawness of its adherents, over-enthusiasm and the hazards of an ever-changing world.

## CHAPTER VIII

### The Way Out

Education and the removal of artificial barriers to economic advancement must result in a general rise in the standard of living of the native which in its turn must react to the benefit of the European. The ultimate future of both black and white, however, must depend on much wider-reaching changes than these things involve.

Everywhere to-day the old organization of society is being challenged on the ground of its inability to provide the basic minimum of material goods to keep body and soul together in a self-respecting efficiency, or of the willingness of those who support it to allow it to do so. Everywhere the mass who have for so long been content to minister to the desires of the few, are now demanding a new consideration for the needs of the many; and the economic dislocation consequent upon the upheaval of 1914-18 gives point and force to this demand.

In the evolution of the new society which is everywhere foreshadowed, South Africa will not lead, but she will have to follow. It is true she has suffered less than most countries from the effects of the war, but she is as insecure as any in an insecure world. She depends for her very existence to-day on her ability to sell to the great industrial and commercial countries her one really marketable commodity, gold. Her agricultural and pastoral products can only be put on the foreign market with the aid of a subsidy derived in the last resort from the gold-mining industry, while the very process of farming is subsidized by the wages which rural natives can earn in periodic employment on the mines. All this means that, in the last

resort, the maintenance of the present order in South Africa depends on the retention by the greater powers of their present values and the organization which they support; it depends more specifically on the retention by Europe of gold as a necessary and reliable medium of exchange. But in the nature of the case that cannot be counted upon, and the prospect before South Africa is that of being thrown back upon herself to find the means of sustaining her population without outside assistance.

### THE TASK OF YOUTH

South Africa is a country undeniably circumstanced to practise that national self-sufficiency which even the greater nations are increasingly regarding as the only escape from the present chaos, as the only means of security. It is of vast dimensions, with a small population, by far the greater portion of which is at present forced to live below the level of subsistence. Its non-European population, which is in the ratio of about seven to two Europeans, is on the whole a virile, manageable community eager to take advantage of every educational facility that offers, and with economic wants the satisfying of which would keep all sections of the community fully employed for many years. But in order that advantage should be taken both of the resources of the country and the consuming capacity of the people, there must be a conscious social and economic reorganization which will make possible the development of the resources of the country for the benefit of all. With this end in view, the mineral wealth of the country should be progressively nationalized, while such a redistribution of the land of the country as would make peasant proprietorship under co-operative method a reality, instead of, as it now is, one of the platform stunts of aspiring politicians, should be the goal of all sane reformers.

In this work of reorganizing the life of the country, the non-Europeans can be induced to play a useful part, for, in view of their own tradition of co-operative effort, it would

be simple to teach them to shun the individualism that has marred the rise of industrialism in the past and to substitute for it the ideals of the co-operative commonwealth; and the task of freeing South Africa from the curse of racialism and putting it on the paths of economic and spiritual progress is one which should appeal to all the thinking youth of the country, disillusioned as it must be by the tortuous manœuvring of the politicians, the spectacle of a world teeming with the necessaries of life and many of the luxuries, while millions of people are unemployed and starving because they have produced too much, a world in which racial repression has its roots in insecurity.