

No. 3  
Downer

98

The  
**ECONOMIC  
DEVELOPMENT**  
of the  
**“RESERVES”**

The extent to which the  
Tomlinson Commission's recommendations  
are being implemented



A  
**FACT PAPER**  
published by the  
**S.A. INSTITUTE OF RACE RELATIONS**

No. 3 - 1959

Price 1s. 6d.

SOUTH AFRICAN INSTITUTE OF RACE RELATIONS (INC.)  
SUID-AFRIKAANSE INSTITUUT VIR RASSEVERHOUDINGS (INGELYF)

T H E  
E C O N O M I C  
D E V E L O P M E N T  
of the  
"R E S E R V E S"

The extent to which the Tomlinson Commission's  
recommendations are being implemented

MURIEL HORRELL

CONTENTS

	<u>Page</u>
<u>I. Basic Concepts</u>	
The Stallard Commission .....	1
Problems that were accentuated during the war years .....	1
The Fagan Commission .....	1
Early concepts of territorial segregation:	
a) SABRA .....	3
b) The Dutch Reformed Church .....	4
c) The National Party, 1948 to 1956 .....	4
The Tomlinson Commission .....	5
Government policy since 1956 .....	5

/II. GEOGRAPHICAL

	<u>Page</u>
II. <u>Geographical Location of the Proposed Bantu National Homes</u>	
Extent of the Reserves .....	6
a) The scheduled areas .....	6
b) The released areas, and land outside these .....	6
c) Total extent of the African areas at the end of 1958 .....	7
d) Land still to be acquired .....	7
Location of the proposed national homes .....	8
III. <u>Organization and Financing of the Development Scheme for the Reserves</u>	
Organization .....	8
Money required, and money voted up to 1959 .....	9
Special levies, and taxation payable by Africans .....	9
Bantu Investment Corporation Bill .....	10
Summing up .....	11
IV. <u>Land Tenure and Agricultural Development in the Reserves</u>	
Soil conservation .....	11
Farming population, and land tenure .....	12
Agricultural development .....	13
Summing up .....	14
V. <u>Mining in the Reserves</u> .....	14
VI. <u>Secondary Industry and Commerce</u>	
The Tomlinson Commission's recommendations for industrial development .....	15
The Government's views .....	15
Industries established within the Reserves .....	15
Industries on the borders of the Reserves:	
a) Government policy .....	16
b) Industries recently established in the border areas .....	16
Commercial development in the Reserves .....	18
Summing up .....	19
VII. <u>The Establishment of Rural Villages</u> .....	20
VIII. <u>Control of Influx to the Towns, and of Squatting in "White" Rural Areas</u> .....	21
IX. <u>Summary and Conclusions</u> .....	22

## THE ECONOMIC DEVELOPMENT OF THE "RESERVES"

### The Extent to which the Tomlinson Commission's Recommendations are being Implemented

#### I. BASIC CONCEPTS

##### The Stallard Commission

In 1921, shortly before the townward movement of Africans had commenced(1), the Stallard (Transvaal Local Government) Commission was appointed to investigate the housing and control of Africans then in urban areas. The conclusion of this Commission(2) was that Africans "should only be permitted within municipal areas in so far and for so long as their presence is demanded by the wants of the White population", and "should depart therefrom when they cease to minister to the needs of the White man".

Thirty-eight years have elapsed since then; rapid industrial development has taken place in urban areas, necessitating a greatly augmented African labour force; many thousands of African children have been born in the towns and know no other home; yet, in spite of having provided large loans for urban housing schemes, the present Government adheres to the Stallard doctrine that the African occupants of these houses have invaded "the living space of the European"(3).

##### Problems that were accentuated during the war years.

During the 1939-45 War the development plan for the Reserves was retarded and the land purchasing programme suspended. Pressure on the land thus increased at a time when industries that served the war effort were expanding rapidly and were crying out for labour. The townward movement of Africans was naturally accelerated. But as, during the war years, building activity was practically frozen, the African townships became intensely overcrowded, and shanty towns of squatters grew on the outskirts of the towns.

After the war the Smuts Government appointed the Fagan (Native Laws) Commission to enquire into the whole situation. It reported in 1948, just before the general election. General Smuts announced that, if returned to power, his Government would accept the Commission's recommendations and adopt its proposals.

##### The Fagan Commission

Before examining the policy of separate territorial development, as recently elucidated, it is worth looking back on the Fagan Commission's conclusions(4).

This Commission gave figures showing the percentages of Africans in the Reserves, in White rural areas and in the towns, between 1921 and 1946(5). These, as supplemented by more recent statistics(6), are:

/Year ...

- 
- (1) According to the Fagan Commission, this movement commenced at some time between 1921 and 1936.
  - (2) Report T.P. 1 - 1922
  - (3) Paragraph 4 of White Paper on the Promotion of Bantu Self-Government Bill of 1959.
  - (4) Report of the Native Laws Commission, 1946-48, U.G. 28/1948.
  - (5) Ibid., pages 7 and 8.
  - (6) Population census, 1951, Vol.1, U.G. 42/1955, and Report of Department of Native Affairs, 1954-57, U.G. 14/1959.

<u>Year</u>	<u>Total African population</u>	<u>Percentages in:</u>		
		<u>Reserves</u>	<u>White rural areas</u>	<u>Urban areas</u>
1921	4,697,285	87.50		12.50
1936	6,595,597	44.91	37.78	17.31
1946	7,830,559	39.79	37.22	22.99
1951	8,560,083	38.64	34.16	27.20
1957	9,535,929	38.29	34.20	27.51 <sup>(*)</sup>

(\*) Estimate by Bureau of Census and Statistics

The numbers of Africans in urban areas in these years were:

1921	587,000
1936	1,141,642
1946	1,852,675
1951	2,328,534
1957	2,622,872

The Commission pointed out that the townward movement of Africans, proportionate to their numbers in the rural areas, had been on a considerably smaller scale than in the case of the Whites.

Talking of the industrial expansion since 1921, the full absorption of the poor-Whites, and the increasing employment of Non-Whites, the Commission said<sup>(7)</sup>, "Surely this is proof again - if proof is still required - that in South Africa's industries Europeans and Non-Europeans are not in each other's way but complement each other ... It is a fact - and must be accepted as such, whether we think it desirable or not - that the economic structure of South Africa is based on the one hand on European initiative, organization and technical skill, on the other hand, no less on the availability of a few million Native labourers ... We have seen no sign whatever in the country of a readiness to dispense with Native labour ... It is clear ... that the movement from country to town has a background of economic necessity - that it may, so one hopes, be guided and regulated, and may perhaps also be limited, but that it cannot be stopped or turned in the opposite direction".

Another of the Commission's main conclusions<sup>(8)</sup> was that it is impossible to confine African labour to the migratory type, and that the stabilization of labour should be facilitated and encouraged. It analysed the social evils of the system, and added, "But even if we can lull our consciences and risk our safety in the toleration of these evils, it will always be only a relatively limited number of people who will offer themselves for migratory labour, and it is inherent in the system itself that they should be at work for only a part of their lives ... One cannot in one and the same breath advocate the development of the Reserves and the encouragement of migratory labour. The migratory labourer ... visits his home to rest, not to work." The Commission quoted from Report No. 9 of the Social and Economic Planning Council<sup>(9)</sup>, "If the migratory system prevents the Native from becoming a good farmer, it also makes him a poor industrial worker. The system is in fact wasteful of the country's

/greatest

(7) Pages 7, 17 and 19 of Report.

(8) Pages 17 and 41

(9) U.G. 32/1946

greatest asset - its human resources".

A third conclusion was<sup>(10)</sup> "that in our urban areas there are not only Native migrant labourers, but there is also a settled, permanent Native population ... A policy based on the proposition that the Natives in the towns are all temporary migrants - or can be kept in the stage of temporary migrants - ... would be a false policy, if for no other reason, than because the proposition itself has in the course of time proved to be false". "The spear-point of ... the problem of regulating the relation between European and Native", the Commission added, "is no longer in the Reserves; it is now in the towns".<sup>(11)</sup>

Fourthly, after pointing out "that the development of the Reserves and the purchase of additional ground for Natives has been the policy of successive Governments, and we believe it to be a policy deserving every encouragement and one that does indeed command wide support", the Commission examined the question as to whether there was a reasonable prospect that, with development and further land purchases, a separate home for the whole African population of the Union could be created in these areas. Its "irresistible conclusion" was "that it would be utterly impossible to put the Native population which is already outside the Reserves, back into the Reserves, or even to keep the whole of the increase there in future"<sup>(12)</sup>.

The Commission, then, considered that total segregation was impossible. It was of opinion that there were many difficulties in the way of the policy at the other extreme - i.e. that there should be no racial discrimination at all in the law and in administration. "So only the third (line of thought) remains", it stated, "the policy which recognizes that European and Native communities, scattered throughout the country as they are to-day, will permanently continue to exist side by side, economically intertwined, and should therefore be accepted as being permanent and as being parts of the same big machine, but that at the same time there are differences between them to which legislation has to pay due regard and which in administrative affairs make necessary and advisable a measure of separation, with machinery for consultation on matters of joint concern"<sup>(13)</sup>

#### Early concepts of territorial segregation

##### a) SABRA

The theory of apartheid was first worked out by the S.A. Bureau of Racial Affairs, founded in 1947. "By a policy of free and separate development", SABRA stated<sup>(14)</sup>, "we must understand the territorial separation of European and Bantu, and the provision of areas which must serve as national and political homes for the different Bantu communities and as permanent residential areas for the Bantu population, or the major portion of it".

SABRA recognized that "the Bantu worker has become essential to the country's economy", but considered that, although great sacrifices would be necessary, the separation policy was practicable provided that the European population desired it. No large-scale and immediate withdrawal of the Bantu from the European economy was envisaged. SABRA

/recommended ...

---

(10) U.G. 28/1948 page 19

(11) Page 51

(12) Pages 14-16

(13) Page 20

(14) Integration or Separate Development?, Stellenbosch, 1952.

recommended that as a first step the Reserves should be re-arranged into larger units, and developed to such an extent that the Bantu and their families would no longer need to leave them, and that these areas might become a counter-attraction for the Bantu who were already in urban areas. Meanwhile permanent settlement in the towns should be limited, increasing use being made of migratory labour.

b) The Dutch Reformed Church

When it met in Bloemfontein in April 1950, the Congress of Federated Dutch Reformed Churches adopted the policy of eventual total separation of White and Black. It recognized that this would require the complete re-organization of the existing economic structure so that all industries would in time be manned wholly by Whites, and that such a policy would call for great sacrifice. These findings were, however, not adopted by the various synods of the Dutch Reformed Church. Many of these bodies discussed apartheid; but no official view as to the Church's attitude crystallized out.

c) The National Party, 1948 to 1956.

Shortly after this Congress the then Prime Minister, Dr. D.F. Malan, said in the Assembly<sup>(15)</sup>, "What they (the Churches) resolved was that we should have total or complete territorial apartheid. Well ... if it were practicable, everybody would admit that it would be an ideal state of affairs. It would be an ideal state, but that is not the policy of our party ... When I was asked in this House on previous occasions whether that was what we are aiming at ... I clearly stated ... that total territorial separation was impracticable under present circumstances in South Africa, where our whole economic structure is to a large extent based on Native labour ... One must found one's policy on what is possible of achievement".

Mr. J.G. Strydom, who succeeded as Prime Minister in November 1954, and Dr. H.F. Verwoerd, who became Minister of Native Affairs at the beginning of 1951, were more specific. Mr. Strydom said that the National Party stood for White domination or baasskap<sup>(16)</sup>. At various times early in 1956<sup>(17)</sup> he and Dr. Verwoerd elaborated on the apartheid policy, as they then saw it. Although total territorial apartheid would be an ideal solution and a final logical outcome of the existing developmental direction, they said, the Government would not, in present circumstances, propagate or apply such a policy. It must be realistic; it must announce a practicable policy, acceptable to the majority of the electorate. Policy was an indication of direction. The Government was laying such foundations as would, in future, if it should then appear to be desirable, enable further progress towards total territorial apartheid to be made.

The objective of the foundations the Government was laying in European areas, they stated, was to ensure that the Whites would be in no danger of being swamped by superior numbers, but, on the contrary, would be able to maintain their domination. But for some years to come, until measures now adopted began to take effect, the number of Africans in the European areas would continue to increase. These Africans must understand, however, that they were there to serve the interests of the Whites. Their rights in these areas would of necessity become fewer. Their mere presence in the White community must not be confused with integration into the social, economic and political life of that community, which would not be permitted.

/The objective ...

---

(15) Hansard of 12 April 1950, cols. 4141/2.

(16) Assembly, 19 April 1955, Hansard 11 cols. 4141/2.

(17) Assembly 17 and 20 January 1956, Hansard 1 cols. 41-3, 187-90; and Senate 24 May 1956, Hansard 15 cols. 3867-70.

The objective in Bantu areas was to give Africans the opportunity, under White leadership and guardianship, to develop according to their own character and capabilities, and there to enjoy the rights and privileges which they must be denied in White areas. But it was necessary first to prepare the Bantu people, to bring them to understand and accept the plan, to enable them to fulfil their new commitments and duties. This task would require a great deal of time.

#### The Tomlinson Commission

Committed, as it was, to the apartheid policy, the Nationalist Government was obviously unwilling to accept the Fagan Commission's conclusions. Soon after coming into power it appointed the Tomlinson Commission "to conduct an exhaustive inquiry into and to report on a comprehensive scheme for the rehabilitation of the Native areas with a view to developing within them a social structure in keeping with the culture of the Native and based on effective socio-economic planning". This Commission's report was released during March 1956<sup>(18)</sup>, and, soon afterwards, the Government issued a White Paper outlining its attitude and decisions<sup>(19)</sup>.

The Commission considered that it must adopt what it called a "total" approach to its task, and therefore set out to examine broad policy. It reached the conclusion that "a choice will have to be made by the people of South Africa between the two ultimate poles, namely, that of complete integration and that of separate development of the two racial groups". Except for one member who doubted the practicability of the "segregation formula", the Commission recommended that the country should choose separate development.

It then set out to examine how this could be achieved. By the end of the century, it considered, there were likely to be 21½ million Africans in South Africa as against 4½ million Whites - or 6 million if immigration was encouraged. Unless present trends were altered, 75 per cent of the Africans would then be in the so-called White areas - between 10 and 15 million in the towns and about 7 million in White rural areas.

If, however, the Bantu areas were developed in accordance with the Commission's proposals, their carrying capacity (based on opportunities for employment) could be increased to 8 million. Also living in the Reserves would be 1½ million dependants of half a million temporarily-absent migrant workers. The de jure carrying capacity of the Bantu areas could, thus, be increased to 10 million within 25 - 30 years, leaving, at that stage, some 6 million in White areas.

Even, then, if all the Commission's recommendations for the intensive development of the Reserves were to be implemented (and the Government has turned down some of the most fundamental of them), the plan would achieve no true apartheid. There would, at the end of the century, still be slightly more Africans than Whites in the European areas, and the Coloured people and Asians would presumably be there too.

#### Government Policy since 1956

Since Dr. Verwoerd became Prime Minister in August 1958, the Government has reaffirmed its doctrine that Africans in the towns and White rural areas are there to serve the interests of the Whites, must expect to enjoy no political rights there, and must serve in a manner determined by the Government. In the White Paper on the Promotion of Bantu Self-Government Bill<sup>(20)</sup>, however, "opportunity for full development in all walks of life" within the Reserves was promised.

/Eight ...

(18) U.G. 61/1955

(19) W.P. F - 56.

(20) W.P. 3/1959.



Eight "national units" are to be created in the Reserves, for the North-Sotho, South-Sotho, Swazi, Tsonga, Tswana, Venda, Xhosa and Zulu people respectively. The promise is held out that each of these may eventually become self-governing "and form a South African common-wealth together with White South Africa, which will serve as its core and as guardian of the emerging Bantu states".

The political aspects of this plan are outside the scope of this paper. The powers which may gradually be conferred on Bantu authorities in the "national units" are outlined in a separate memorandum<sup>(21)</sup>.

## II. GEOGRAPHICAL LOCATION OF THE PROPOSED BANTU NATIONAL HOMES.

### Extent of the Reserves

The Transkei is the only comparatively homogeneous African area in the Union, although even it contains "White spots". For the rest, the Reserves are scattered pieces of land mainly in the Eastern Cape, Natal, Northern and Central Transvaal and Northern Cape.

Their exact extent is not accurately known because much of the land has never been properly surveyed. They consist of:

#### a) The Scheduled Areas.

The Scheduled Areas are, in the main, the areas listed in the Schedule to the Natives Land Act of 1913 (there have been certain changes). They comprised the Reserves and locations that existed in 1913 together with certain lands then held by Africans. The Tomlinson Commission estimated their extent to be 10,729,433 morgen; but included in this total were 188,046 morgen of Crown land used for public purposes, or occupied by European traders.

#### b) The Released Areas, and land outside these.

Between 1913 and 1936 a series of commissions reported on further areas that might be acquired by or for Africans. Eventually, in terms of the Native Trust and Land Act of 1936, 7¼ million morgen of land were "released" for transfer to the Native Trust or for gradual purchase by the Trust or by Africans.

In the meanwhile, however, Africans had purchased large tracts of land within the borders of the areas recommended as potential released areas. The 1936 Act stipulated by implication that such land would not be regarded as forming part of the "quota" of 7¼ million morgen. Working from the Tomlinson Commission's figures it appears that this land was 1,443,375 morgen in extent: the Native Affairs Department later said that it measures 1,440,137 morgen<sup>(22)</sup>.

Africans also owned or purchased certain lands outside the scheduled and released areas: these are the so-called "black spots" which,

/according

---

(21) Second Interim Report on the Establishment of Bantu Authorities, RR 82/59.

(22) Report of the Department of Native Affairs, 1954-57, U.G. 14/59.

according to the Tomlinson Commission, were 188,660 morgen in extent as at the end of March 1953. The Commission considered that additional land would have to be acquired within or adjoining the scheduled areas, to be offered to Africans in exchange for the "black spots".

According to the Native Affairs Department, between 1936 and the end of 1957 the Trust or African tribes or individuals acquired 4,695,628 morgen. There was, thus, then 2,554,372 morgen of "quota" land still to be acquired, plus 188,660 morgen to replace the "black spots".

Figures indicating land purchases since the end of 1957 have not yet been published. According to the Minister of Bantu Administration and Development<sup>(23)</sup>, there were 2,506,331 morgen still to be acquired at the end of 1958. It would appear that this figure does not include the additional land needed to replace the "black spots"; and that 48,041 morgen were acquired during 1958.

The position regarding the replacement of "black spot" lands will have to be watched. In point of fact, much of the land acquired during recent years has been used for the resettlement of Africans removed from "White" areas rather than for the relief of congestion in the Reserves. It is hoped that the Government does intend to augment the Reserves by 188,660 morgen in addition to the full "quota" of 7¼ million morgen.

c) Total extent of the African areas at the end of 1958.

The total extent of the African areas at the end of 1958 was, then:

	<u>Morgen</u>
Scheduled areas .. .. .	10,729,433
Land acquired by Africans between 1913 and 1936 ..	1,440,137
Acquired by the Trust or by Africans between 1936 and 1957 .. .. .	4,695,628
Apparently acquired by the Trust during 1958 ..	48,041
	<u>16,913,239</u>

According to the Tomlinson Commission, the African areas in 1953 comprised 12.9 per cent of the total area of the Union, and contained 19.1 per cent of its agricultural potential.

Africans form 66.6 per cent of South Africa's population.

d) Land still to be acquired

At the end of 1958, the land still to be acquired was:

	<u>Morgen</u>
"Quota" land .. .. .	2,506,331
Land to replace "black spots" .. .. .	188,660
	<u>2,694,991</u>

/Location ...

(23) Assembly 30 January 1959, Hansard 1 col. 194.

Location within the Reserves of the proposed "national units".

It is presumed that the "national homes" of the Africans are to be as follows:

- Xhosa - The Transkei, and the scattered Reserves in the Ciskei.
- Zulu - Scattered Reserves in Natal and Zululand.
- Swazi - A small area in the Barberton district, adjoining Swaziland.
- Venda and Tsonga - Part of the Reserve in the Sibasa District of the Northern Transvaal. A few groups of Africans of other origin at present live in this area too.
- Southern Sotho - The Herschel District of the Eastern Cape, adjoining Basutoland.
- Tswana - Presumably the very scattered Reserves in the Free State, Northern Cape and Western Transvaal. The people living in these areas are of very mixed racial origin.
- Northern Sotho - Scattered Reserves in the Northern Transvaal. Again the inhabitants of these areas are of very mixed racial origin.

Two things are clear:

- (i) With the partial exception only of the Xhosa, none of the proposed "national units" will have a clearly defined, homogeneous "national home": these "homes" will consist of numbers of small areas widely dispersed in "White" parts of South Africa.
- (ii) The inhabitants of these scattered areas are not homogeneous either, thus most of the "national homes" will contain considerable numbers of persons who do not belong to the "national unit" concerned.

III. ORGANIZATION AND FINANCING OF THE  
DEVELOPMENT SCHEME FOR THE RESERVES.

Organization

The Tomlinson Commission recommended the establishment of a Development Council for the Bantu areas, with some African members, to undertake general planning and research; and of a Development Corporation to stimulate and to undertake various projects.

But the Government considered these bodies to be unnecessary. The Minister of Native Affairs said in 1957<sup>(24)</sup> that a supervisory officer at the assistant-secretary level had been designated to co-ordinate activities incidental to the development scheme; and other officials had been appointed to deal with the co-ordination of religious and welfare work. An inter-departmental committee headed by an under-secretary had been set up to obtain the necessary co-operation between the various Departments.

/Money ...

---

(24) Assembly 28 March 1957, Hansard 10 cols. 3747-50

Money required, and money voted up to 1959.

The Commission considered that during the first ten-year period of the scheme, a sum of £104 million would have to be provided, £55 million of this being interest-bearing and recoverable. In addition, the budget of the Native Affairs Department would have to be expanded by over £2 million. The sum required for the programme during the first year, it considered, was £9 million.

In the speech quoted above, the Minister of Native Affairs expressed his opinion that at most, £36.6 million would be required. That meant an average expenditure of £3 million a year for about twelve years; but the cost would be far less than the average in the initial years and more later, when the necessary machinery had been built up.

A special sum of £3½ million was voted for the development scheme in 1956/57. In the Report of the Controller and Auditor-General for that year<sup>(25)</sup> this sum is apparently included in an amount of £5,100,000 made available from the Loan Account for land purchase and reclamation. No further such special amounts were voted during the next two years. In the Estimates for 1959/60<sup>(26)</sup> there is a sum of £1,000,350 to be paid from Revenue Account for the purchase and reclamation of land and maintenance of border fences; but, on the other hand, there is no mention of the Trust in the Departmental Loan Vote. The general budget of the Department shows but normal expansion and contains no other items relating to the Reserves.

Special levies, and taxation payable by Africans

Tribal levies have increasingly been imposed during recent years. On application by a tribe, and if the Minister is satisfied that the majority of the taxpayers concerned are in favour, the Governor-General may by Proclamation impose a compulsory tribal levy. Failure to pay then becomes a criminal offence. Voluntary levies may also be imposed, when there is merely a moral obligation upon taxpayers to contribute. These contributions are additional to the amounts payable in general and local taxes.

Since 1955, African taxpayers in the Transkei have paid a general levy of 10/- a year, which yielded £117,619 in the year ended 31 March 1958. Besides this, in March 1958 there were 194 compulsory levies and 735 voluntary levies in force in other areas, which had yielded £161,375 during the preceding year<sup>(27)</sup>.

The bulk of this money is probably spent on the erection and equipping of schools; but large sums are devoted, too, to the provision of dams, water supplies, fences, reclamation works, clinics, etc.

The Natives Taxation and Development Act, No. 38 of 1958, provided that as from 1 January 1959, every male African between the ages of 18 and 64 inclusive would have to pay basic general tax at the rate of £1. 15. 0 a year, instead of £1 as previously. Furthermore, as from 1 January 1960, men earning over £180 per annum would have to pay still further increased amounts, on a sliding scale, and women with over £180 a year would also have to contribute.

The general tax yielded £2,538,086 in 1956/57<sup>(28)</sup>. According

/to ...

---

(25) U.G. 44/1957

(26) U.G. 1/1959

(27) Report of the Controller and Auditor-General, 1957-58, Part III, U.G. 52/1958.

(28) Report of the Controller and Auditor-General, 1956-57, U.G. 43/1957

to information given by the Minister of Native Affairs<sup>(29)</sup> it appears that this amount will be approximately doubled in future. Four-fifths of the annual total will be used for the extension of educational facilities, the remainder being paid to the Trust for general developmental work. Local taxes yielded about £248,900 in 1957-58<sup>(30)</sup>. This sum was divided between the Trust, the Transkeian Territorial Authority and various local councils, a considerable portion of it being used for the development of the Reserves.

Africans are, then, already making large contributions to the development of these areas.

In terms of the Bantu Authorities Act and regulations issued thereunder, and of the Promotion of Bantu Self-Government Bill, besides the general levies mentioned above, District Bantu Authorities (in the Transkei only) may levy stock rates per head of cattle owned, and/or levies of up to £1 a year. Regional Authorities (in all areas) may require adult males to pay a further £1; and Territorial Authorities may impose income or other taxes.

It seems undoubted that Africans are to be called upon increasingly to pay for the development of the "national homes".

#### Bantu Investment Corporation Bill

In terms of the Bantu Investment Corporation Bill of 1959, a corporate body known as the Bantu Investment Corporation of S.A., Ltd., is to be set up at a date to be fixed by the Governor-General, its activities to be confined exclusively to Bantu persons and Bantu undertakings in scheduled or released Native areas. Its objects will be to promote and encourage the economic development of the Bantu areas. It will encourage thrift and the planning of capital accumulation; will encourage existing industrial, commercial, financial and other undertakings and promote new ones; and will provide financial, technical or other assistance and expert advice. It will be able to accept deposits from Africans for investment on such conditions as may be agreed upon.

The affairs of the Corporation will be managed by a Board of Directors to be appointed by the Minister of Bantu Administration and Development, who will decide upon their numbers, terms of office and remuneration, and will nominate the chairman. During the debate on the Bill the Minister said<sup>(31)</sup> that these directors would all be members of the White group, but that Africans might possibly serve on the boards of subsidiary companies.

The share capital of the Corporation will be £500,000, allotted in ordinary shares of £1 each to the Native Trust, which will be the only shareholder and will draw no dividends. This amount may later be increased if the Minister so decides. Annual reports and accounts will be tabled in Parliament. The Governor-General is to be given very wide powers to make regulations in regard to matters that are necessary or useful for the achievement of the objects of the proposed Act.

It should be noted that the £500,000, to form the initial share capital, is not a special sum to be allocated by Parliament for the purpose, but will come from the £3½ million voted for the development scheme in 1956/57<sup>(32)</sup>.

/Summing ...

---

(29) Assembly 24 July 1958, Hansard 3 cols. 858-860

(30) Report of the Controller and Auditor-General, 1957-58, U.G. 52/1958

(31) Assembly, 4 and 16 February 1959, Hansard 2 col. 420 and Hansard 4 col. 952.

(32) Vide statement by then Minister of Native Affairs, Assembly 28 March 1957, Hansard 10 col. 3750.

Summing up

The proposed Bantu Investment Corporation will clearly not be a **widely** representative body like the Development Council and Corporation envisaged by the Tomlinson Commission; but will be completely under Ministerial control. The recommendation by the Commission that Africans should serve on central planning organizations is not to be accepted.

The Commission considered that a sum of £104 million would be needed over a ten-year period, £9 million to be spent during the first year. In addition, the budget of the Department would have to be expanded considerably, it stated.

Three years have elapsed since the Commission reported, and, so far, only £3½ million has been voted for the development scheme. But, during this period, African taxation has been increased, new levies have been imposed, and the various bodies in the hierarchy of Bantu authorities have been empowered to levy still further rates and taxes. Africans are to be encouraged to invest money in the Investment Corporation. They are, apparently, expected themselves to provide a very large proportion of the money required for the development programme.

IV. LAND TENURE AND AGRICULTURAL DEVELOPMENT  
IN THE RESERVES.

Soil conservation

All farms owned by the Native Trust are betterment areas; and betterment areas may be proclaimed, too, in the scheduled areas provided that the inhabitants are willing. The Tomlinson Commission calculated that by the end of 1952, betterment works had been carried out in only 3.8 per cent of the scheduled areas, and on 23 per cent of the Trust-owned land. It pointed out that, at the then rate of progress, it would take 33 years to complete betterment schemes in the released areas, and 245 years in the scheduled areas; and it urged that the process be speeded up.

The Minister of Native Affairs commented in Parliament on the soil conservation scheme<sup>(33)</sup>. Under the old betterment programme, he said, the Native Trust undertook intensive work in selected areas, with European officials and technicians and hired African labour. Costs were high; and there was no organic contact with the people concerned, little interest on their part or pride of achievement. "The more land you reclaimed the more you had to take care of, and the less you could reclaim thereafter". He had instituted, instead, a stabilization programme, extensive rather than intensive in scope, in terms of which work necessary to stop further deterioration of the soil and its vegetation was undertaken by the people themselves, with official assistance. Reclamation works, necessary to restore land that had deteriorated through bad usage, would follow.

By this method, the Minister continued, work had been expedited, the works were accepted by the people as their own, and costs were reduced. Since the institution of this new way of approach, 125 locations in the scheduled areas, varying from 500 to 100,000 morgen in size, were being stabilized annually over and above the previous programme. This stabilization work includes the division of farms into residential, arable and grazing areas, fencing, and reduction of stock where deemed necessary.

/According ...

---

(33) Senate, 24 May 1956, Hansard 15 cols 3866-7; Assembly, 14 May 1956, Hansard 16 cols. 5301 - 3.

According to the Tomlinson Commission, as at the end of 1952, 1,532,000 morgen of land in the Reserves had been stabilized (or 9.4 per cent of their total area). By 31 March 1957 this figure had risen to 2,424,000 morgen<sup>(34)</sup>.

By March 1957, totals of 37,923 miles of grass strips had been planted, and 12,661 miles of boundary and inside fences erected. During the year ended 31 August 1957, 127 miles of training banks and 74 miles of contour banks were built, 22,648 miles of grass strips planted, 506 miles of fencing erected, and 141 dams built.

During the four years ended 31 December 1957, among other works, 508 boreholes and 31 wells were sunk; 217 drinking troughs, 197 concrete reservoirs and 109 dipping tanks provided; 196 dams constructed; 668 miles of new roads built, and existing roads repaired<sup>(35)</sup>.

Good progress is being made with a driftsands reclamation project on the Zululand coast. Littoral sand dunes that have been eroded away are being rebuilt by erecting a barrier of brushwood, on which sand is deposited gradually. When it reaches the required height the new dune and the area behind it are sown with bush.

The figures quoted make it clear that soil conservation work has been considerably speeded up during the last few years. Much of this work has been done by the people themselves, through the Bantu authorities system.

#### Farming population, and land tenure

The Tomlinson Commission calculated that the Reserves, if properly planned, could support a farming population of 2,142,000 people (under 30 per cent of their total population). Employment opportunities would have to be created very rapidly in other sectors of the economy, it considered, to absorb the rest of the inhabitants.

Once the land had been planned and stabilized, residential and arable plots, forming part of farm units with communal grazing, should be sold to individual Africans, the Commission recommended. Conditional freehold title should be granted, the Native Trust retaining the right to cancel the title deed and repurchase the property should the settler badly misuse the land or run more than the permitted number of stock. The one-man-one-plot system should be abandoned: if a man could farm more than one unit efficiently he should be permitted to do so. Both long and short-term credit facilities should be made available to African farmers.

The Commission considered that such a revision of the system of land tenure was a prerequisite for the whole scheme of economic development.

But the Government rejected this whole conception which, the Minister of Native Affairs said, "would undermine the whole tribal structure".<sup>(36)</sup> Even in released (as opposed to tribal) areas, the purchase of farming land by individual Africans is being discouraged; but Bantu authorities are permitted to grant to individuals the registered right of occupation of plots.

/Agricultural ...

---

(34) Minister of Native Affairs, Assembly 15 September 1958, Hansard 10 col. 3815.

(35) Report of Department of Native Affairs, 1954-57, U.G. 14/1959, p. 56.

(36) Assembly, 16 May 1956, Hansard 16 cols. 5508 - 11.

Agricultural development

The Minister said(37) that, of the £3½ million specially voted by Parliament, £226,000 would be spent over one-and-a-half to two years on irrigation works; £84,462 had in 1956-57 already been spent on planting fibre; and by the end of 1958, £565,656 would have been spent on afforestation and £113,500 on the cultivation of sugar cane.

Little recent information is available on the yields of crops in the Reserves. The Tomlinson Commission reported that the average production per morgen in 1949-50 was 2.47 bags of maize, and 1.46 bags of kaffircorn. According to the latest report of the Department of Native Affairs(38), average yields in 1956-57 in African areas other than on irrigation schemes were 2.82 bags per morgen of maize and 3.93 bags of winter cereals. No deductions are possible as to whether productivity had increased, as the rainfall and other climatic conditions during the years concerned would have to be taken into account.

Average yields are, of course, much higher on irrigation schemes : the 1956-57 figures were 8.5 bags of maize per morgen, and 10.1 bags of winter cereals. At the time the Tomlinson Commission reported, irrigation farming schemes totalling 13,366 morgen in extent were already in operation, while a further 2,936 morgen were being irrigated. The Native Affairs Department states that 14,242 morgen had been laid out under irrigation schemes by 1955-56. A further five schemes were completed in 1956-57, and work was in progress on another nine schemes (their areas were not stated).

The Commission pointed out that Africans planted only 2,522 morgen of sugar in 1950-51. It recommended that £365,300 should be spent over a ten-year period on the progressive development of 14,210 morgen of sugar plantations in the African areas. This suggestion has very largely been adopted. The settlement of African planters in the Groutville area of Natal is being extended, and other families are being settled as planters in the Umlazi, Imfume, Umnini and Umvoti Reserves. The planters are selected by a committee presided over by the Native Commissioner, and each is allocated an economic unit of ten acres, half of which will eventually be harvested each year. Some 7,500 morgen are now under cane.(39)

A further suggestion by the Commission that has been adopted is that the growing of sisal and New Zealand hemp by Africans should be encouraged in areas that are unsuitable for food crops. Nurseries and demonstration plots have been established. By the beginning of 1958, there were 484 morgen under sisal and 400 morgen under hemp(40). The people are to be taught how to extract the fibre, clean it, and spin it into twine or rope for making mats, rope-soled shoes and other articles.

The Commission stated that the plantations then established in African areas covered some 14,000 morgen only. It recommended that £27 million (much of this eventually recoverable) should be spent over a 20-year period in establishing forests on a further 255,000 morgen (mainly in the coastal belt of Northern Zululand and in Pondoland) and in a vigorous training programme for African foresters.

/An energetic ...

---

(37) Assembly, 28 March 1957, Hansard 10 col. 3750

(38) U.G. 14/1959, page 56.

(39) Information from Economic Newsletter No. 1, Fortnightly Digest of S.A. Affairs for 6 December 1957 and 11 April 1958, and Bantu, February 1958.

(40) See note 39.



An energetic afforestation scheme has, since, been undertaken. On behalf of the Department of Bantu Administration and Development, the Department of Forestry is engaged in the establishment of about 156,300 morgen of forests in Northern Zululand to provide commercial timber. The Native Trust is establishing smaller plantations to produce timber for use as fencing posts, firewood, or in hut-building: these plantations covered a total of 17,700 morgen by mid-1958<sup>(41)</sup>.

#### Summing up

It is undoubted that the soil conservation programme has been considerably speeded up since the Tomlinson Commission reported, and that Africans in the Reserves are taking a greater interest in these schemes. It appears, though, that the work is still patchy, much depending on the interest and attitude of local officials. There is still opposition in many areas to betterment schemes, especially when these involve the reduction of stock.

Irrigated farming areas have been extended, and energetic programmes undertaken for sugar production, fibre growing, and afforestation.

It seems doubtful, however, whether the general yields of food crops can ever be increased to the necessary extent while the Government adheres to the concept of one-man-one-plot, and refuses to grant secure tenure of farming land. Furthermore, as will be mentioned in the next sections of this article, industrial and commercial development are not taking place at the pace recommended by the Commission, extreme pressure on the land will, therefore continue, and efficient farming will consequently be impeded.

#### V. MINING IN THE RESERVES.

The Tomlinson Commission analysed the mineral production in the Reserves, which was chiefly of asbestos, chrome, platinum and limestone, and amounted to about £4½ million a year in value. It recommended that a development fund of £1 million be set aside, that a full survey of mineral resources be made, that no further prospecting permits be issued to Whites, that a Department of Mining be instituted in the Native Affairs Department, and that Africans be trained to fill posts in mining development.

In its White Paper on the Report, the Government said that it would be premature to establish a special Department of Mining.

Later, in the Departmental Report for 1954-57,<sup>(42)</sup> it was stated that during 1956-57 the Trust derived £17,277 from mining, and various African tribes received £9,500. The remaining profits accrued to private White individuals and companies who held mining lease rights, Whites still held the mineral rights on a great deal of the land in the Reserves: wherever possible these were being acquired by the Trust. A number of new undertakings had been established in recent years, but had not yet reached production stage.

Owing to the risk factor, the Department said, and to the fact that mining requires considerable capital and technical staff, it is not the Government's policy that mining should be undertaken in the near future by the Trust or by Africans themselves.

#### /VI. SECONDARY....

---

(41) Economic Newsletter No. 1, August 1958.

(42) U.G. 14/1959, pages 48-49.

## VI. SECONDARY INDUSTRY AND COMMERCE.

### The Tomlinson Commission's recommendations for industrial development.

The Tomlinson Commission recommended that a fund of £30 million be set aside for the development of secondary and tertiary industries. In order that pressure on the land might be relieved so as to enable agricultural development to take place at the necessary pace, some 20,000 employment opportunities should be created annually in secondary industry, and 30,000 annually in tertiary activities, the Commission considered.

Secondary industries should be located in planned production centres, where necessary services would be made available. It would be simplest if these centres were situated just outside the Reserves, in border areas: technicians could more easily be attracted, and power and transport would be more likely to be available. But the economic colour bar could only partially be removed in industries in border areas. For this reason the Commission was initially unanimously in favour, rather, of industries deep within Bantu areas, in which full opportunity for African advancement could be provided. It stated that both types of sites would, however, have to be used.

The necessary speed of development would not be attained, the Commission said, unless European entrepreneurs were allowed into the Reserves. They should be granted no surface rights. European employees would have to be housed in temporary "White locations". Except in managerial, technical and skilled posts, that were provisionally excluded, only Africans should be employed. After, say, 20 years, as vacancies in these temporarily excluded posts occurred, they should be filled by Africans unless special permission was obtained.

At the stage when the official summary of the Report was under discussion by the Commission, two of its nine members begged to submit a minority report dissociating themselves from this recommendation. Allowing European industrialists into the Reserves, they said, would be tantamount to the creation of additional "White spots".

The Commission recommended that African industrial workers be carefully selected with the assistance of the National Institute for Personnel Research; that adequate training be provided in technical colleges established in the Reserves; and that wages should be fixed by Wage Board rather than through industrial conciliation machinery. It suggested suitable sites for industries both within and on the borders of the Reserves, and types of industry which might be established.

### The Government's views.

Another of the fundamental differences of opinion between the Commission and the Government revealed itself in regard to the siting of secondary industries. The White Paper said very firmly that African entrepreneurs would be allowed to start industries within the Reserves, but White industrialists must remain outside. The Minister of Native Affairs added<sup>(43)</sup> that, in terms of the Government's plan, Africans would retain all opportunities in their own areas, even if the pace was slower there and they started on a smaller scale, using mainly their own money with moderate assistance from the Trust.

### Industries established within the Reserves.

It appears that the only industry established in recent years within the Reserves is a sawmill and very small factory to produce windows, doors and simple furniture, which is located on the Trust farm Highbury in the Umtata District. The Minister of Forestry said in

/September....

---

(43) Assembly, 14 May 1956, Hansard 16, cols. 5305-07.

September 1958<sup>(44)</sup> that three Whites and twelve Africans were employed in the factory.

Industries on the borders of the Reserves.

a) Government policy.

The Minister of Native Affairs announced<sup>(45)</sup> that, of the £3½ million set aside for the development of the Reserves, a sum of £14,500 would be allocated for preliminary investigations in connection with the establishment by White entrepreneurs of industries near African areas.

A committee was set up, under the auspices of the Natural Resources Development Council and with the co-operation of the Departments of Bantu Administration and Development, Transport, Commerce and Industries, and of the Industrial Development Corporation and the Railways, to study the industrial potential of the border areas. This committee reported in March 1959, mentioning 57 towns which might become industrial centres, and setting out, for each, details of climate, population, present commercial and industrial development, municipal rates, minerals, water and power supplies, communications, housing, health and educational facilities, and existing and proposed Bantu villages in the vicinity.

The Minister of Labour has said<sup>(46)</sup> "The intention is that all industries which use large numbers of Natives ... should rather not be established in the White areas in the interior, where large amounts have to be spent on housing, etc., and where migrant labour and the splitting up of families often result, but should be established near the Reserves so that the Bantu workers which are required ... can live as family units in their own areas, in their own towns, with their own services, and under their own control, and consequently at reduced expense.

"Consequently their wages can be lower and this difference is counteracted by other costs, such as transport, being higher, as a result of which competition remains on an equal footing ...

"The Government wishes to influence decentralization of industry in such a way that industries established near the Reserves will, as far as possible, supplement those in the older manufacturing centres."

b) Industries recently established in the border areas.

A rayon factory called Saiccor (S.A. Industrial Cellulose Corporation) was opened in 1956 at Umkomaas in Natal, drawing its labour from an adjacent African area. Other smaller concerns recently established near African Reserves include a plant to dehydrate bananas at Port Shepstone, a new pineapple canning factory at Empangeni, a chemical factory at Umbogintwini, a steel foundry at Isipingo, and others.

During 1958 several clothing manufacturers from the Rand, Durban and the Cape moved their factories to "uncontrolled" areas, where no industrial council agreements were in operation - in most cases, near the borders of the Reserves. Africans were then engaged for training. For some time these employers were able to pay what wages they liked; and in general, these were one-third or less of the amounts payable in controlled areas, while the hours of work were longer.

/The.....

---

(44) Assembly, 12 September 1958, Hansard 9 col. 3637.

(45) Assembly, 28 March 1957, Hansard 10 col. 3750.

(46) Assembly, 8 September, 1958, Hansard 9 cols. 3325-26

The new factories were soon turning out blazers, sports jackets, trousers, skirts, overalls, underwear, etc., and were able to undercut the prices of similar goods produced elsewhere. Several factories in the controlled areas were forced to close or to cease producing certain of these articles.

Slackness developed in the clothing industry, and has been acute since about July 1958. Considerable unemployment has resulted. The Deputy Minister of Labour maintained (47) that this was largely due to the general recession, the clothing industry being particularly sensitive to economic fluctuations. The Minister said (48) that unemployment amongst garment workers on the Rand had been caused largely by competition from the coastal areas, where lower wage structures were in force. The factories in the uncontrolled areas near the Reserves could not be the cause of the trouble, he considered, since only 15 of the Union's 600 clothing factories, employing 6 per cent of the total labour force, were situated in these areas.

A Wage Board investigation was ordered during 1958. The Board's recommendations, if adopted, would have had the effect of increasing wages in the uncontrolled areas; but these wage rates would still have been well below the amounts payable in the cities. The Minister did not approve the recommendations: he said (49) he believed that the suggested wage rates were too low.

In its report the Wage Board pointed to difficulties that were being experienced by factories in small towns and rural areas. It was less easy for their owners to raise capital. Railway rates were disadvantageous, and, for the most part, markets were long distances away. Industrial sites and rates might be cheaper than those in cities, but building materials often had to be transported for considerable distances, which increased the cost of building. Rural industrialists had to carry larger stocks of spare parts, accessories and raw materials than did their urban competitors, and ran greater risks of obsolescence and price fluctuations.

The main advantage possessed by industrialists who set up factories in small towns and rural areas was that lower wages could be paid to the workers, the Board stated; but these workers were as yet generally inexperienced, and the labour turnover was high. Furthermore, high salaries had to be offered to the skilled administrative and technical staff (as distinct from the main body of the workers) to induce them to come from the cities. Generally speaking, the Wage Board considered, the balance of advantage and disadvantage favoured the centralized location of industries in the main industrial areas.

It is obvious, then, that unless the over-all wage structure is lower in country areas than it is in the towns, there will be little to encourage entrepreneurs to establish industries in these areas. In this connection, recent remarks by the Minister of Labour are of much significance. While maintaining that up to the present the slackness in the clothing industry in the cities, particularly those of the Reef, has not been caused by competition from factories in country areas, he added, (50) "But the Government fully realizes that if these uncontrolled factories were to expand their activities they might become a danger to

/the....

---

(47) Senate, 23 March 1959, Hansard 5 cols. 1099-1104.

(48) Assembly, 15 April 1959, Hansard 11 cols. 3946-51.

(49) Col. 3951.

(50) Assembly, 20 April 1959, Hansard 12 cols. 4241-42.

the old-established factories ... The factories in the uncontrolled areas are expected to ensure that they manufacture goods which will not endanger the employment of the White workers in the controlled areas ... Where it is proved that the clothing factories in the uncontrolled areas manufacture articles which compete with those produced by the factories in the controlled areas, the existing industrial agreement will be applied to the area concerned if the industrial council concerned makes the necessary representations to me".

In other words, the one factor likely to attract industrialists to country areas is likely to disappear if their activities "endanger the employment of the White workers" in the towns. And it is difficult to see how this can be avoided. The Government has assured White workers that the industries in border areas will be expected to produce goods for the African market; but, in reply, the workers have pointed out that all goods are manufactured for the open market: no one can dictate who the purchasers shall be.

It seems undoubted that the Government is likely to experience very serious difficulties in implementing its policy of persuading White entrepreneurs to establish industries in border areas, thereby providing employment for Africans in the Reserves.

Two further points should be mentioned. Firstly, as the Tomlinson Commission realized, the economic colour bar will remain in industries sited in border areas, and Africans will be unable to progress in skill beyond a certain level. Secondly, the evils of the migratory labour system will not be overcome. As Professor D. Hobart Houghton has pointed out, (51) it makes little difference whether labour migrates a short or a long distance. It is unlikely that many factories in border areas will be within easy cycling range of villages within the Reserves. Weekend commuting may be possible; but such an arrangement would not make for stable family life.

#### Commercial development in the Reserves.

While recognizing that it would not be in the interests of African consumers to remove White traders too hurriedly from the Reserves, the Tomlinson Commission recommended that commercial training courses for Africans should be provided, loans made available to African traders, and officials appointed to guide them and to assist co-operative credit societies.

Shortly afterwards, the Minister of Native Affairs said (52) that no new trading licences were being issued to White persons in the Reserves unless there were no Africans able or willing to provide the services. Asians who leased trading sites in these areas were, when possible, being given reasonable notice to dispose of their businesses to African purchasers if available, otherwise to Whites.

Proclamation No. 72 of 1958 stipulated that commercial travellers, hawkers, pedlars or dealers of all races wishing to do business in the Reserves must obtain official permission.

Largely as a result of these measures, the number of African general dealers in the Reserves has increased very considerably in recent years, as is shown by a comparison of figures for 1952 given by the Tomlinson Commission (53) with those for 1958 given by the Minister of Native Affairs (54). There were 1,199 African general dealers in the

/Reserves....

---

(51) In an address to the Institute of Race Relations, July 1958.

(52) Senate, 30 January 1956, Hansard 3 cols. 375-6, and 24 May 1956, Hansard 15 cols. 3896-97.

(53) U.G. 61/1955 page 92.

(54) Assembly. 15 September 1958, Hansard 10 col. 3814.

Reserves in 1952, and 2,166 in 1958. In 1952 the African general dealers were 45.5 per cent of the total number, but their turnover was only 10 per cent of the total trade: comparative statistics for later years are not available.

There has, however, not been a similar increase in the number of Africans engaged in other independent commercial activities. There were 3,881 of them in 1952, and 3,886 in 1958. In the latter year this total included 781 butchers, 98 bakers, 493 café and eating-house keepers, 128 millers, 209 fresh produce dealers, and 2,157 persons engaged in miscellaneous commercial activities, for example hawkers, pedlars, speculators in livestock, etc. At the beginning of 1952, 68.8 per cent of the businesses of this group within the Reserves were in African hands.

Information provided by members of the Institute of Race Relations has indicated that African traders in the Reserves are having no easy time. With a few exceptions they can so far not offer as good a service as that provided by White traders. Few of them have sufficient capital, or an adequate knowledge of book-keeping - they frequently fail to distinguish between capital, turn-over and profits, tend to spend their takings on personal needs, and have to close when their original stock has been sold. For these and other reasons they find difficulty in obtaining credit from wholesalers and manufacturers. Furthermore, they lack security of tenure of the land on which their stores are established. Except in rural villages, where qualified freehold title is available to Africans, trading sites are granted under quitrent title. The traders can, thus, not obtain mortgages from building societies.

There are some successful ventures in rural areas, however, such as the Zwelitsha Trading Company, which has been making impressive progress. It started with a capital of £5,000, subscribed in £50 shares which only Africans were eligible to buy, each being allowed to acquire only one. There is also a flourishing bus service and an insurance company; and other smaller concerns are making progress as the owners gain experience.

#### Summing up: Industrial and Commercial development.

The Tomlinson Commission recommended that a fund of £30 million be set aside over a ten-year period for the development of secondary and tertiary activities; and that some 20,000 employment opportunities should be created annually in secondary industry, and 30,000 in tertiary activities.

During the three years that have elapsed since the Commission's report was released, the Government has allocated only £14,500 for an investigation of the industrial potential of border areas, and £500,000 to form the initial share capital of the Bantu Investment Corporation. It is spending money at only about 17.2 per cent of the rate recommended by the Commission for industrial and commercial expansion.

During these three years 12 Africans have become employed in a small factory within the Reserves and a few more in a sawmill, 967 further Africans have set up as general dealers, and 5 more have become engaged in other independent commercial activities. The number of employment opportunities that have become available in industries on the borders of the Reserves is not known.

The Government rejected the Commission's majority recommendation that White entrepreneurs should be encouraged to establish industries within the Reserves as well as on their borders. Instead, it has set up the Bantu Investment Corporation which, besides inviting Africans to invest money in its activities, will encourage and assist African traders and prospective African industrialists.

It seems that the plan to encourage White entrepreneurs to come to the border areas is likely to run into serious difficulties. In spite of the lower wages at present payable to workers in these areas, the

Wage Board considers that the balance of advantage and disadvantage still favours the centralized location of industries in the main industrial areas. But even this one advantage, of a lower over-all wage structure, is likely to disappear if the border industries begin competing with industries in White areas, thereby "endangering the employment of White workers".

The general conclusion is that, according to the present plan, industrial and commercial development will certainly not take place at the pace necessary to relieve the existing pressure on the land within the Reserves, let alone to absorb the natural increase in the population.

#### VII. THE ESTABLISHMENT OF RURAL VILLAGES.

The Tomlinson Commission suggested more than 100 possible sites for rural settlements, villages or towns to cater for Africans who are landless, and urged that these be properly planned. Such centres, it pointed out, could evolve only as employment opportunities were created, providing the necessary economic foundations. Within these towns, it considered, Africans should have the same rights, privileges and opportunities as White people have in theirs.

The Government has very largely adopted these recommendations, although the plan can be implemented but slowly as employment opportunities are, so far, available at very few of the suggested sites. So far, 28 townships containing 2,562 dwellings have been laid out in scheduled and released areas (including two that existed at the time that the Commission reported). These are not yet all occupied, however: three of them contain no dwellings at all, and a further five have less than eight dwellings in them. (55)

Except for one or two, like Zwelitsha and Umkomaas, the villages as yet have no economic foundation, the wage-earners supporting their families by working as migrant labourers. The Department hopes that markets and dairies will gradually be established to dispose of the produce of African farmers in surrounding areas, and that, in time, opportunities will emerge for African professional men, traders, clerks and typists, also for light industrialists. To provide a stimulus for the development of villages, the Department plans gradually to move to the Reserves all African secondary schools and institutions for higher education and vocational training which are at present established in "White" areas.

The villages are being properly laid out, with space for normal residential, commercial and industrial growth. They are sited near to natural water resources so as to avoid having to provide a piped water supply. The Department constructs main roads and stormwater drainage, while villagers are responsible for building their own huts, arranging sanitary facilities, and constructing internal roads.

Each family is allocated about half an acre of arable land, which may be rented at between £1 and £2. 15. 0. a year depending on the situation of the plot in relation to transport facilities and public amenities, or may be purchased over ten years at prices ranging from £45 to £90, the freehold title being subject to restrictions relating to subdivision and occupation. Service charges of £1. 7. 0. to £1. 10. 0. a year are imposed.

All revenue from a particular village is paid into a special account. The intention is that it should later be spent on approved

/capital....

---

(55) Minister of Bantu Administration and Development, Assembly  
1 May 1959, Hansard 13 cols. 5119-20.

capital works by the village councils which will gradually be established. (56)

VIII. CONTROL OF INFLUX TO THE TOWNS AND OF SQUATTING IN "WHITE" RURAL AREAS.

As has so often been said, the policy for the future of the Reserves cannot be isolated from that for the rest of the country. In any consideration of their economic development, it is essential to take into account the fact that recent legislation relating to urban areas and to "White" rural areas will have the effect of increasing the population of the already over-crowded Reserves.

The control of influx to the towns has been very much tightened in recent years. Restrictions on the entry of men from the Union's Reserves were made more severe in terms of the Natives (Urban Areas) Amendment Act of 1952, the Natives (Abolition of Passes and Co-Ordination of Documents) Act of 1952, regulations issued in 1952 for the establishment and control of labour bureaux, and the Native Laws Amendment Act of 1957. As the law now stands, no Union African may remain for longer than 72 hours in an urban area unless:

- (i) he was born and is permanently resident there; or
- (ii) he has worked continuously in such area for one employer for a period of not less than ten years, or has lawfully resided continuously in the area for not less than fifteen years, and has thereafter continued to reside in such area, and is not employed outside such area, and has not during either period or thereafter been sentenced to a fine not exceeding £50, or to imprisonment for a period exceeding six months; or
- (iii) he has been especially authorized to be in the area.

Africans domiciled in the Union who do not qualify to remain in an urban area under heads (i) or (ii) may take up work in such an area only if specially authorized to do so, to fill posts that would otherwise remain vacant. If they lose their jobs, and no other "suitable" vacancy exists, they must leave the urban area.

When the laws relating to influx control were amended in 1952, they were made applicable to women as well as to men. In order to qualify to remain permanently in an urban area, an African woman must herself fulfil the conditions quoted above, or must be the wife or unmarried daughter of a man who so qualifies. Should the man die, his wife and unmarried daughters may be forced to leave. Other women may be allowed into an urban area to join their husbands if the latter have been working there for some time, or to take up employment, should vacancies exist.

It was decided in 1953 that no further "foreign" Africans would be allowed into the towns. Those who were already legally in employment in urban areas could remain until they left their existing jobs, or until their temporary immigration permits expired. Africans from the High Commission Territories were for a time treated more leniently than the rest; but this concession was removed in 1957. Especial efforts are being made to force all "foreign" Africans to leave the Cape south of the Orange River.

/Africans.....

---

(56) Information from speech by Under-Secretary for Native Affairs (Native Areas) at 1955 Session of United Transkeian Territories General Council; Proclamations 98 of 1953 and 258 of 1954; Government Notice 589 of 1955; and speech by Minister of Native Affairs, Senate 24 May 1956, Hansard 15 col. 3901.



Africans who are required to leave an urban area in terms of these restrictions are offered work outside, on peri-urban small-holdings, on farms, or in quarries or other works in rural areas. Their wives and families must usually go to the Reserves. "Foreign" Africans may accept farm work only.

As the "black spots" within and around urban areas are cleared, families who are entitled to remain permanently are given the opportunity of erecting new homes on site and service schemes (in some cases the local authorities build the dwellings for them). Should the whole family not qualify to remain, only the wage-earners who are legally in employment may do so, other members of the family being forced to go to the Reserves.

Squatters in "White" rural areas, and labour tenant families adjudged to be surplus to requirements, are being treated in a similar fashion. The men may become full-time farm labourers if they wish; but in most cases their families must go to one of the Reserves.

There is, thus, an enforced flow, mainly of women and children, back to the already badly over-crowded Reserves. If they have no relatives to whom to go, these people may be permitted to settle in an African rural village. But the whole purpose of these villages, as originally envisaged, was to relieve congestion on the land in order that agricultural production might be increased. To the extent that Africans from the towns are being settled in the villages, this purpose is being defeated.

And in both White and African areas the social evils which result from the migratory labour policy are likely to increase in extent.

The economic evils of this system will persist, too. As was mentioned earlier in this article, the Fagan Commission stressed that the migrant labourer was at work for only part of his life, and was both a poor farmer and a poor industrial worker. The Tomlinson Commission found that the average migrant was employed in a wage-earning capacity during irregular periods covering in all only 38 per cent of his full working life. Men such as these cannot possibly be trained to become efficient, productive industrial employees.

#### IX. SUMMARY AND CONCLUSIONS.

##### The Government's basic policy.

The Nationalist Government is unwilling to accept the Fagan Commission's conclusions that the movement of Africans from country to town has a background of economic necessity, and cannot be stopped or turned in the opposite direction; and that there is a settled, permanent, African urban population.

The Government maintains that Africans who are in the towns and the White rural areas (who form 61.71 per cent of the total number) should remain there only while they serve the interests of the Whites, must possess no political rights there, and must serve in a manner determined by the Government. "Opportunity for full development in all walks of life" has, however, been promised in the Reserves, where eight "national units" are to be created, each of these to be given increasing powers of self-government until they eventually "form a South African commonwealth together with White South Africa, which will serve as its core and as guardian of the emerging Bantu states".

It is clear that the eight "national homes" will be "political homes" only: they will serve as residential homes for but a part of the African population. Even if the Tomlinson Commission's recommendations for the intensive development of the Reserves were fully carried out (and the Government has turned down some of the more fundamental of these

/recommendations)...

recommendations) there would, at the end of the century, still be more Africans than Whites in the "White" areas.

The situation and size of the proposed African "national homes".

At the end of 1958 the African areas were 16,913,239 morgen in extent (just under 13 per cent of the total area of the Union). They contain about 19 per cent of the country's agricultural potential. If the promises made in 1936 are to be carried out, the Reserves will have to be augmented by a further 2,694,991 morgen.

With the partial exception only of the Xhosa, none of the proposed "national units" will have a clearly defined, homogeneous "national home" : these "homes" will consist of numbers of relatively small areas of land widely dispersed in "White" parts of South Africa. The inhabitants of these scattered areas are not homogeneous either, thus most of the "national homes" will contain considerable numbers of persons who do not belong to the "national unit" concerned.

Organization and financing of the development scheme for the Reserves.

The Tomlinson Commission considered that a sum of £104 million would be needed over a ten-year period to implement its development plan, £9 million to be spent during the first year. In addition, the budget of the (then) Native Affairs Department would have to be expanded considerably, it stated.

Three years have elapsed since the Commission reported, and, so far, only £3½ million has been voted for the development scheme. But during this period African taxation has been increased, new levies have been imposed, and the various bodies in the hierarchy of Bantu authorities have been empowered to levy still further rates and taxes. Africans are to be invited to invest money in the Bantu Investment Corporation which is to be set up to encourage and assist African industrial and commercial enterprise in the Reserves. The Africans are, apparently, expected themselves to provide a large proportion of the money required for the development programme.

The Commission did not consider that the Native Affairs Department, which is mainly an administrative organization, was the proper body to undertake general planning and research, and advocated the establishment of a Development Council, with some African members, for this purpose. This Council should, from time to time, hold joint sessions with the National Resources Development Council, the Commission said, in order that its work should be linked up with the total development of the country; and the Natural Resources Development Council, the Industrial Development Council and the Electric Supply Commission should be represented on it. The Government has not accepted these recommendations: the Minister, the Native Affairs Commission and the Department (now entitled Department of Bantu Administration and Development) will undertake all general planning. One result will be that their plans will not be closely co-ordinated with schemes for the development of the rest of the country. Another result is that Africans will have no direct representation in the central planning organization.

The Commission also suggested the appointment of a Development Corporation. The Bantu Investment Corporation which is now to be set up will to some extent fulfil the functions envisaged for this body, but to a limited extent only. It appears that this new Corporation will be mainly concerned with assisting existing industrial, commercial, financial and service undertakings by Africans in the Reserves, encouraging the establishment of new such undertakings, and encouraging thrift; but the Commission had far wider functions in mind. It considered that the necessary speed of development would never be attained if the Corporation concentrated only on assisting African entrepreneurs. The Corporation, it stated, should also establish enterprises such as commercial and savings banks, insurance companies, building societies, farming enterprises, marketing schemes, factories, etc., which would create

/further....

further employment opportunities for Africans, who in time would take over the direction and ownership of these undertakings. The Corporation should be empowered to launch these enterprises itself, the Commission considered, or to establish joint subsidiaries with White or Bantu companies. Shares should be offered to the public, with limited participation in profits and limited powers of control.

During the recent debate on the Bantu Investment Corporation Bill the Minister of Bantu Administration and Development repeated that private White interests would not be permitted to participate directly in the development scheme for the Reserves (although White capital might be invested in the Corporation), and made it clear that the Native Trust would be the only shareholder. (57)

#### Land tenure and agricultural development.

The soil conservation programme has been considerably speeded up since the Tomlinson Commission reported, and Africans are undoubtedly taking a greater interest in these schemes. Irrigated farming areas have been extended, and energetic programmes undertaken for sugar production, fibre growing, and afforestation.

It appears, though, that the general development work is patchy, much depending on the interest and attitude of local officials. There is still opposition in many areas to betterment schemes, especially when these involve the reduction of stock.

It seems doubtful whether the general yields of foodcrops can ever be increased to the necessary extent while the Government adheres to the concept of one-man-one-plot, and refuses to grant secure tenure of farming land.

#### Mining.

The Government has not carried out the full survey of the mineral resources of the Reserves that was recommended by the Commission. Whites still hold the mineral rights on a great deal of the land: whenever possible these are being acquired by the Native Trust.

Because of the risk factor and of the fact that mining requires considerable capital and technical staff, the Government does not contemplate that mining will be undertaken in the near future by the Trust or by Africans themselves.

#### Industrial and commercial development.

The Government has, so far, spent money at only about 17.2 per cent of the rate recommended by the Commission for industrial and commercial development.

The Commission urged that some 20,000 employment opportunities should be created annually in secondary industry within the Reserves and in the areas bordering on them, and also 30,000 employment opportunities in tertiary activities. During the three years that have elapsed since the Commission's report was released, 12 Africans have become employed in a small wood-working factory within the Reserves and a few more in a sawmill, 967 further Africans have set up as general dealers, and 5 more have become engaged in other independent commercial activities. The number of employment opportunities that have become available in industries on the borders of the Reserves is not known. This is, so far, not a very impressive record.

/(It is.....

(It is of course realized that new employment opportunities have become available for Africans as secretaries of school boards, Bantu authorities, etc., but the social and administrative aspect of the development scheme was dealt with separately by the Commission and is outside the scope of this article).

The Government rejected the Commission's majority recommendation that White entrepreneurs should be encouraged to establish undertakings in the Reserves. It proposes to set up the Bantu Investment Corporation which will encourage and assist African entrepreneurs; but the Commission did not consider that an adequate pace of development would be achieved by these means alone.

It seems that the plan to encourage White entrepreneurs to come to the areas bordering the Reserves is likely to run into serious difficulties. In spite of the lower wages at present payable to workers in these areas, the Wage Board considers that the balance of advantage and disadvantage still favours the centralized location of industries in the main industrial areas. But even this one advantage, of a lower over-all wage structure, is likely to be removed if the border industries begin competing with industries in White areas, thereby "endangering the employment of White workers". The Minister of Labour has said that if this occurs, relevant industrial council agreements will be extended to include the border areas.

It is clear that, according to present plans, industrial and commercial development will certainly not take place at the pace necessary to relieve the existing pressure on the land within the Reserves, let alone to absorb the natural increase in the population. In turn, efficient farming will be further impeded.

#### The establishment of rural villages.

The Government has very largely adopted the Tomlinson Commission's recommendations for the establishment of rural villages; although this plan can be implemented but slowly because employment opportunities are, so far, available at very few of the suggested sites.

#### The control of influx to and residence in "White" areas.

Recent legislation relating to urban areas and to "White" rural areas is causing a flow, mainly of women and children, back to the already badly over-crowded Reserves. Many of these people are being settled in rural villages; and to the extent that this is taking place, the purpose of these villages (to relieve congestion on the land in order that agricultural production may be increased) is being defeated.

African family life is being increasingly disrupted, and the social evils which result from the migratory labour system are, thus, likely to multiply.

#### General conclusions.

Useful development work is taking place in the Reserves, but at a rate which one might term well-nigh infinitesimal in comparison with that advocated by the Tomlinson Commission. One of the reasons for this slow progress is the Government's determination to preserve the tribal system of administration and of land ownership. Another is its policy of developing the Reserves in virtual isolation from the economy of the rest of the country; of preventing private White interests from participating in the programme, even under the rigorous conditions suggested by the Commission.

The Government maintains that in order to secure the Africans' interest and to make them accept the development works as being their own, it is necessary to start slowly, to stimulate the Africans to undertake these works themselves, and to encourage them to invest their savings in the schemes. The financial participation by Africans is far

from being entirely voluntary, however; higher taxes and a variety of levies have been introduced during recent years.

The pace of industrial and commercial development is so slow that it appears unlikely that the new and proposed projects will absorb the natural increase in the population, let alone relieve pressure on the land and make efficient agriculture possible. Unless large numbers of the people are permitted to emigrate to other parts of the country, or unless the pace of development is very considerably expedited, the Reserves will, thus, continue to be poverty stricken areas.

Far from allowing people to emigrate, however, the Government, through its influx control and related measures, is forcing married women and children to return to the Reserves from the towns and from "White" rural areas.

No large-scale land purchasing programme is envisaged, to make possible the extension and consolidation of the African areas. The African "national homes" will continue to be relatively small areas of land widely dispersed in the "White" parts of South Africa. It seems probable that, as their populations grow, an increasing proportion of the men and unmarried women will be forced to seek employment outside, as migrant workers. As a result, progressively fewer of the Africans will be able to participate in the self-government promised in the African areas.

---

2nd June, 1959.

## THE NATURE AND AIMS OF THE S.A. INSTITUTE OF RACE RELATIONS

*The Institute furthers* inter-racial peace, harmony and co-operation in South Africa by seeking the truth in all inter-racial situations and making it known, whether it be popular or unpopular with any Government or party or group.

*The Institute is not* a political body, nor is it allied to or given financial help by any political party or Government. It is not tied to any "ism", is not pro-white or anti-white, or pro-black or anti-black.

*Institute membership* is open to all, irrespective of colour or creed. The annual subscriptions are: Associate - 7s. 6d.; Member - £1-1-0; Donor - £10.

*The Institute believes* that problems can be solved by hard thinking, hard work and goodwill, on the basis of fact found by dispassionate, objective scientific inquiry.

*It is concerned* not only with tensions between white and black, but between all groups; Afrikaans- and English-speaking, urban and rural, white and black and coloured and brown.

*It opposes* injustice and unfair discrimination, and

*It seeks* to further the social, economic and political development of all communities in South Africa.

### INSTITUTE OFFICES

HEAD OFFICE: "Auden House", 68 De Korte Street,  
Braamfontein, Johannesburg.

CAPE TOWN: 203-205 Bree Street.

PORT ELIZABETH: 23 Russell Road.

DURBAN: 11-12 Colonization Chambers, 355 West Street.

**Collection Number: A1132**

**Collection Name: Patrick LEWIS Papers, 1949-1987**

***PUBLISHER:***

*Publisher:* Historical Papers Research Archive, University of the Witwatersrand, Johannesburg, South Africa

*Location:* Johannesburg

©2016

***LEGAL NOTICES:***

**Copyright Notice:** All materials on the Historical Papers website are protected by South African copyright law and may not be reproduced, distributed, transmitted, displayed, or otherwise published in any format, without the prior written permission of the copyright owner.

**Disclaimer and Terms of Use:** Provided that you maintain all copyright and other notices contained therein, you may download material (one machine readable copy and one print copy per page) for your personal and/or educational non-commercial use only.

This collection forms part of a collection, held at the Historical Papers Research Archive, University of the Witwatersrand, Johannesburg, South Africa.