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Mr. Holden (Chamber of Industries)

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On resuming at 2.30 p.m.

MR. EDWARD HOLDEN (Speaking on behalf of the Pietermaritzburg Chamber of Industries,

called and examined:

CHAIRMAN: Have you copies of your statement? - I have only rough notes; I can hand you in a rough copy, but I wanted to elaborate it a bit.

Will you proceed please? - Well, gentlemen, I am here to give evidence, from the point of view of the Chamber of Industries and large employers of labour, on the Native as his labour is applied to industry and his efficiency and shortcomings and the effect on industry of increased wages for the Native. In the first place, we admit the economic fact that increased wages naturally mean increased spending power; but we wish to point out that today, when we have increased competition from Japan, Russia, Czecho Slovakia, where wages levels for civilized White workers in some cases are as low as, and in some instances even lower than that of our wages, whilst the labour in those countries is of a purely White and efficient character; and whilst the public will continue to purchase in the cheapest markets, irrespective of the country of origin of the goods or of the standards of living and wages in those countries, we fail to see how industry here, whilst having to meet this competition from the countries aforementioned, can afford any highly increased rates of pay.

I do not think I need weary you with figures in regard to production in Japan, for instance, but I would just like to mention that, in regard to rubber shoes at present being imported into this country, and also cotton goods, whereas in Lancashire <sup>each</sup> operative operates four

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looms and works eight hours a day for an average wage of £2.15.- a week, in Japan each operative operates 12 looms - which is equivalent to 300% more than in Britain, - works 12 hours<sub>x</sub> a day, - another 50%; making 450% in all. In addition, the average rate of pay is reputed to be 10d a day, or one-eighth of that paid in Lancashire. This makes an increased labour cost per article of approximately 3,600%, or, otherwise, where it costs a penny for labour in Japan for an article produced, it costs about 36d in Lancashire. Our point is this; if we are to support increased conditions and increased wages for Natives, which we will admit will increase spending power, it must be fully understood that industry in this country will be totally unable to compete with such countries as Japan, Russia, & Czecho Slovakia and will eventually be faced with obliteration.

Another point which we wish to bring forward - I expect this Commission has had ample evidence brought before it on the necessity and the advisability of giving increased wages and increased facilities to Natives throughout the country. We, however, have failed to find any evidence which points to the fact that Natives respond to increased wages by increased production or increased outputs or increased efficiency; and unless Natives respond to increased wages by increased outputs, naturally the cost of the articles produced must increase. Our point of view is Natives do not respond to increased wages by increased outputs, although they have a very large reserve of energy which would enable them to do so. Speaking now, personally, I would like to give the experience of my own firm, when the wages determination, which put up the wages of Natives practically 50%, came

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into force. We have a certain key operation in our factory on which Natives have been employed for some three years and who, for over three years, have demonstrated their inability to do more than 30 hides per day. When their wages were increased 50% by the wages determination, they did not do one extra hide per day. We knew perfectly well that their reserve of energy was such that they could quite easily have done so, so eventually we took the risk of bad work and we put them on piece work.

The first day we had them on piece work, one man did 70 hides by 3 o'clock and went home, - which proved to us that his reserve of energy was over 100%. As a matter of fact, the whole of the boys on this work now are on piece work and they all do their 70% to 80% more per day and usually leave off between 2 and 3 o'clock each day.

MR. LUCAS: What do they get<sup>?</sup> According to the piece work basis, they get 25% for the daily rate.

That is for 70 hides? - No; the agreement says this, that where a man is employed on piece work, the rates shall be so adjusted that he can earn 25% above what he would have earned had he been on day work.

When you started, you were working on a basis of 30? - Yes.

What did you reckon they should do to get that 25% above day rates when you first fixed your piecework rates? - Well, the point is this, they are earning far above 25%.

I would like my question answered; you had to pay them 22/- a week? - 25/-.

Yes, 25/-, and you were getting 30 hides? - Previously we were paying them about 18/-.

You had to fix a rate before you put them on piece work? - Yes.

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Doing 70 they must be earning between £2 and £3 a week? Yes, in that vicinity. This proves to us that the Native has as such a vast reserve of energy. To make my point clearer, I would point out that if farm wages, for instance, are put up to the extent that it would entail 6d extra per bag on mealies, South Africa would be in a very deplorable condition, because, with the present state of the mealie market, it could not afford any increased cost per bag. But our argument is this, that the Native has sufficient reserve of energy or working power to justify an increased wage, but at the same time not to cause any increased price per bag of mealies, provided that he exerted the reserve energy which we are sure he has.

CHAIRMAN: How would it increase the price of mealies; I did not follow that? - We would point out that if you were to put up the rates of wages on farms today to such an extent that it would put up the price of mealies 6d per bag, South African farmers would be practically bankrupt; but we consider that the Native has sufficient reserve of energy whereby it would not entail, if he exerted himself, any increased cost per bag of mealies.

What I mean is, a Native hoes four rows; if a Native today hoes, say, four rows of mealies, our experience has taught us that he has sufficient reserve of energy to probably do twelve - which would allow him to have increased wages without increased cost to the producer; but the whole point of this argument is, the Native is not responding to increased wages by increased outputs voluntarily.

Our next point is this, that if the economic circumstances are pressing as hardly on the Native as the evidence before this

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Commission would lead one to believe, then with regard to a very large proportion of the Native population, the remedy is in their own hands, because they can work for a longer period per year. I, personally, <sup>cannot</sup> /- and I doubt whether any member of the Commission can afford to have four to six months' holiday per year, which is the usual thing with the majority of rural Natives. Therefore, we say, if economic circumstances press heavily on the Native as reputed, he can alter things himself by working for a longer period per year.

Another point is that the policy which has already caused Native wages in industry to be advanced in many cases at least 50%, under wage determinations, while Railways, Government Departments, Provincial Councils and City Councils still retain the old rates unaltered, -- this policy is unsound and uneconomic and is leading to a good deal of misconception and unrest.

We believe that Government restriction of Native credit is necessary. I think the figures brought before you by the Native Welfare Society will definitely prove this. Our experience is that rural and tribal Natives - and in saying this I speak on behalf of the Chambers, which employs very large numbers of Natives - are contented and can actually save money on their present pay. We ourselves save money on behalf of boys at times, and it is surprising the amount of money they can accumulate in a few months; whereas, the detribalised Native who is aping the European standard is usually found to be seething with discontent and to be in debt.

Another point which we wish to bring forward is a great deal of the discontent would be averted if there were

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a thorough overhaul of all the petty laws applying to Natives. Many are petty and vexatious. We suggest that the whole Code for Natives should be overhauled and that a synopsis of these laws in simple language should be available at all police posts and should be circulated to chiefs and that the police, as far as possible, allocated to Native areas, should only be those who have a knowledge of Native languages.

Our biggest difficulty today - and my factory is in a rural area - is the fact that the police, or the majority of them, are totally unable to understand the Native and in a great many cases, our own interpreter has to interpret for the police. This is a very vital factor in Native discontent.

Another thing which is leading to a good deal of discontent and a great deal of loss of time so far as both employer and Native is concerned, is the method of collecting Native taxes. It is no unusual thing for Natives to go to Maritzburg two, three and four times to pay a £1 poll tax. It is a thing which could no doubt be simplified by a simple means of paying the tax to the employer or to the local authority, instead of boys having to travel the whole way to Maritzburg.

The next point we wish to bring to your notice is the confliction between wage determinations, the Industrial Conciliation Act, Act 27 of 1913; Act 27 of 1913 calls for boys to return to farms for 90 per year. I have here a letter which I only received yesterday, which says, "In terms of your agreement, you are hereby notified that you are required by me, on April 1st 1931, to return and work out rent due for the year ending 1931". This arrived at

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the office yesterday and the boy was supposed to be back at his occupation on the 1st April. Our Industrial Council Agreement and wage determinations call for a week's notice and we have had instances where boys have actually been arrested for not returning to the farms, in which case they have not given us the legal week's notice according to law.

We do not wish to press the point, but we think that some simpler means of co-operation between Act 27 of 1913 and the Wage and Industrial Agreements, would avoid quite a lot of friction of this description. I do not think, as a Chamber, we have anything further to suggest, but we hope what we have suggested will prove helpful and enable the Commission to reach some definite and some totally agreeable finding in this matter.

MR. LUCAS: I would be glad if you would send us in the piece-work rates that you are applying to Natives; and we can take it from what you said, that the ordinary production is now not less than 70 ?- Well, it depends on the boys. When we get a new boy he does not do that. My point is this; the boys who were originally on the work, always contended that it was impossible to do more than thirty per day. They received an increased wage of a fraction over 50%; we paid that wage but did not get any increased output whatsoever. We put them on piece work and immediately the output of the boys who had previously been doing thirty jumped up to seventy and over.

Do they keep that up ?- Yes, when there is the work for them to do. At times we have not sufficient.

Would they be able to keep that up for months without any effect on their health ?- Yes. Previously they used



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to work from half past seven till five; but they leave off earlier now.

Have you changed the piece work rates since you started?

No, we have not.

You are paying the piece work rates which you calculated originally? - Yes.

Has this increase in their earnings led to their staying shorter periods with you? - Excuse me, Mr. Chairman; that is one point I missed in my statement on behalf of the Chamber of Industries. We have an item here; I overlooked it; in speaking from the notes I missed it. We say here we should like you to consider ~~whether~~ <sup>whether</sup> increased pay caused the Native to stay longer on the job, or whether the amount of money he is earning caused him to save more and to forsake it sooner.

Yes; now what is your experience? - It is that, with the Native who comes in from the country to work, it certainly makes him forsake his job sooner.

Have you actual experience of that? - Yes.

Since this increase was granted? - Yes.

How many cases have you? - I could not say; boys are changing so often.

Would it be half a dozen in the period? - More, I should say.

What proportion have you of Natives who do not have to go back to the land, on this job? - That I could not say.

MAJOR ANDERSON: Does that have an effect on the town Native? - On the detribalised Native it does not have any effect. We have about 120 employees; quite a number of them have been with us for as long as three and four years; those are mostly detribalised Natives; but the ordinary Native, or one who resides on farms, increased pay enables him to save

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more and to take a longer holiday a year.

It enables him to, but does he do it? - Yes.

When did the determination come into operation? - In 1927 I think.

Could you go back six years and take a particular occupation like this one that we have been dealing with and tell us how many Natives you had each time and how long those from the country have stayed - and do the same for each since? - It would be a big job.

Yes, I know; but you want us to express an opinion. If you can suggest any other way of giving us figures that would be worth looking ~~at~~ up, that we can form an opinion on, we would be glad? - Yes, I will do my best.

As far as that is concerned, the break that happens, may that reduce the efficiency of the Native? - Exactly. Our point is this. The particular boy mentioned in this document (indicating) for instance, may just have begun to get useful to us -- you will quite appreciate whatever job he is on he is not efficient in until he has worked at it a few months and possibly just beginning to get useful to us and begins to earn his money and a letter such as this comes along and off he goes and, by the time he gets back again, he has probably forgotten all that has been taught to him.

Do they go as far back as that, as to forget all they have learned? - Yes, - perhaps not. But you cannot put him back on the same job.

It has a detrimental effect on the efficiency of the Native? - Yes.

That is your point? - Yes.

We would be very glad of any concrete evidence we

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could get on the efficacy -- on the length of time that a boy stays with you, as affected by any change in his wages; you can send it to us in Pretoria ?- Yes.

CHAIRMAN: When did you introduce the piece work ?- We had an Industrial Council Meeting in September 1928, and they increased the pay by 3/- a week, and that is when I made the decision and went back and introduced the piece work, - I think it is December 1928, but I would not be sure. Our agreement is optional as regards piece work; the only stipulation is that a man must be able to earn 25% above. Since wages have been more stable, the town Native has tended to stay longer and not rush about the country seeking for work.

MAJOR ANDERSON: Would it be correct to assume that under the piece-rate scale, you are getting satisfactory results ?- It means more supervision; they are likely to skimp the work.

It means a much better output ?- We get our work done more expeditiously, get it finished and are able to go on with the next day's work.

How does that compare with the old scale of wages; what is the nett result now as compared with the old scale of wages ?- So far as we are concerned, the cost of the article is about the same. Where we gain is that the work goes on much more expeditiously. We used to have to work overtime to get the work there, but now, by 2 and 3 o'clock in the afternoon, the all these fellows have gone and we can get on with the next day's work.

MR. LUCAS: How many are employed on this work ?- About six or eight.

MAJOR ANDERSON: Could you get similar particulars from

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any other employer ?- I do not know. I only know one other firm in our industry that does piece work; that is Mossop of Cape Town.

MR. LUCAS: We referred to piece work because it has meant a big increase; but a further point is the effect <sup>of</sup> which any increase which has happened in any way ?- I hope you understand me, that I brought this piece work in to - I brought in a personal point to illustrate the Chamber's point that the Native does not respond to increased wages by increased output, which means increased cost of goods.

CHAIRMAN: I do not know whether your Chamber wishes to express any opinion about the desirability of extending the laws relating to wages determination to unskilled Natives ? We do not approve of it.

MAJOR ANDERSON: Do you know the results in Bloemfontein ?- No.

MR. LUCAS: Why do you not approve of it ?- Because the thing is likely more from a political aspect. There are so many trades and industries involved that we consider they should be allowed to have their own organisation and fix their own wages, similar to the way ours is worked.

The wages of Natives in your industry had to be regulated under the Wage Act ?- We appreciate that. It is quite competent for the Wage Board to regulate the wages of Natives in other industries or for Government Departments. I know it is not the law at present, but we fail to see why the Provincial Council and other Government Departments should be exempt. Our point of view is that these industries, or the people concerned should be consulted and should apply their own rates. We do not believe that the Government

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should go and legislate or put in wages for farmers, for instance; we consider the farmers should be consulted and do as we in the industry have done, - either have an Industrial Council or Conference and fix their own wages.

What chance is there in Natal, in any reasonable time, for Natives to be able to organize and look after the interests of their members, as members of an organization? - We do not think it is necessary for the Natives to organize, so far as that is concerned.

Do you think the wages paid to Natives generally are satisfactory? - Are you referring to industry or generally?

Leave out domestic service; I am talking about the towns at the moment? - So far as industry and commerce are concerned, I think they are quite satisfactory; but you must understand industry today is paying 50% more than the Government, practically speaking.

Your particular industry; but that happens to be regulated. I do not know what industries you have here at the moment? - There are the big wattle industries.

MAJOR ANDERSON: Do you think they are satisfactory as regards the cost of living for a Native; have you gone into that question at all - in the town I am talking about? - In so far as the Native who is prepared to live on a Native's standard is concerned, they are quite adequate. So far as the Native who is trying to ape the European standard is concerned, they are not. In cases like the wattle industry, who feed their own boys and who give regular Native rations, which is quite consistent with life, a Native, on his wages, can live up to that standard, but when he tries to live up to a European's standard, he has not got sufficient. I

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remember I assisted the Native Welfare Society in their budgets and we found one man who was earning £6.10.- a week who had been living for about five years on a £15 a month standard. I think I would like to be able to do that myself. You are dealing with two classes of Natives - one prepared to live on a Native's standard, and another on an European's standard.

CHAIRMAN: And you think the wage is not adequate to live on that standard? - No. The wages paid generally will support a Native standard, but they will not support anything more. Our contention is this; we have to compete with countries which are paying their White workers wages equivalent to those of our Natives here, and we find it impossible in this country to do it.

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<u>MAJOR WILLIAMCOMRIE</u>	)	
<u>MR. ALFRED FAWCUS</u>	)	
<u>MR. ARCHIBALD HUGH COCKBURN</u>	)	called and examined:
<u>MR. WALTER EDWARD ANTEL</u>	)	
<u>MR. THOMAS HACKLOND</u>	)	

CHAIRMAN: We have statements from three of your gentlemen; are the others coming in support? - (Mr. Fawcus): In support. Unfortunately, the notice of the meeting was not given in time to allow them to prepare a statement.

Now, with regard to your statement Col. Fawcus, I see you express the fear that the Natives could withdraw themselves from industry for a period of six months without feeling the effect of it. Do you really consider that is possible? - I consider it is quite possible. They do so now.

Now, first of all, let us look at the Natives; what

Major Comrie and others

are they going to do in those six months ?- They are going to attend to their own work on the farms; their ploughing, working their oxen; they attend to their customs of marriage and customs of various sorts.

They withdraw themselves from the towns, in other words ?- Yes.

So your agricultural industry will not come to a standstill ?- Under what conditions?

If they withdraw themselves from the towns for six months, your agricultural industry will/come to a standstill? <sup>not</sup> Yes, if they go on strike, decidedly; because they would not work.

If they go on strike from the towns ?- Yes.

You mean, if they go on strike on the farms, too ?- Yes.

Where are they going ?- To live at their homes.

On the farms ?- Yes.

Surely it is quite easy to deal with people under those circumstances ?- We do not want to deal with them.

You are convinced it can happen ?- It could happen.

Now, in the case of the farms; you as a farmer are not going to allow Natives to stay on your farm indefinitely who go on strike ?- Why not? I would not be unfair to them. We are not used to dealing with them on strict lines of that sort. We put up with a great many things from the Native that they are perhaps not legally entitled to.

You, as farmers, would put up with <sup>a</sup> six months' Native strike without taking any action to safeguard your interests ?- The only thing is, we could send them off the farms, if that would be possible.

But you said you would not do that ?- Personally, I do not think I could.

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