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REPORT BY THE LABOUR ADVISER, TRANSVAAL CHAMBER OF INDUSTRIES,
ON THE SPECIAL TRAIN TOUR OF THE BANTU HOMELANDS OF THE NORTHERN
AND EASTERN TRANSVAAL UNDERTAKEN DURING THE PERIOD 27th
NOVEMBER, 1967 TO 3rd DECEMBER, 1967.

A. INTRODUCTION.

I had the honour to represent the Transvaal Chamber of Industries on the abovementioned tour which was one of three arranged by the Department of Bantu Administration and Development at the request and instance of various Local Authorities, Commercial and Industrial Undertakings and other interested members of the Public Sector.

The tour of the Northern and Eastern Transvaal was preceded by a tour of the Transkei on which the Chamber was not officially represented. A third tour, namely of Natal and Zululand, will be arranged by the Department for early in 1968, if sufficient support is received.

This report concerns only the tour of the Northern and Eastern Transvaal and information and impressions gained from this tour.

B. THE TOUR GROUP

The tour group consisted of 55 persons, 23 of them being either City Councillors or Senior Staff members of various local authorities, the balance being made up of businessmen, representatives of various organisations and representatives of the Star, the Rand Daily Mail, the Financial Gazette, and the Afrikaanse Handels Instituut publications.

Full details of the tour group are annexed to this report.

C. THE PLACES AND AREAS VISITED

1. PRETORIA NORTH, ROSSLYN, HAMMANSKRAAL AREA

- a) The Datsun assembly plant at Rosslyn.
- b) The Ga-Rankuwa Bantu Township and an Institution for the Deaf and Dumb.
- c) Dominican School for the Deaf.
- d) Habakuk Cane Furniture Factory, Bantu Wholesalers, Offices, Liquor outlet and Beer Garden of the Bakgatla-Ndebele Regional Authority.

2. MARBLE HALL AREA.

- a) Arabie Agricultural College.
- b) Institution and School for Sons of Chiefs and Headmen.
- c) Matlala Mission Hospital and Old Age Home.
- d) M.D.C. de Wet Nel dam, irrigation schemes and Construction of the Ngwaretsi dam.

3. PIETERSBURG AREA.

- a) Thutamaphelo Training School for Health Educators, Polokwane Trade School and Sototolwane High School.
- b) University College of the North.
- c) Meeting with the Commissioner-General of the North Sotho National Unit (Dr. W.W.M. Eiselen, former Secretary for Bantu Administration and Development) and members of the Executive Committee of the Lebowa Territorial Authority.

4. LOUIS TRICHARDT AREA.

- a) Vendaland Institute and High School.
- b) Sibasa Trade School.
- c) Meeting with the Commissioner General for the Tsonga-Venda National Unit (Mr. M.D.C. de Wet Nel, former Minister of Bantu Administration and Development) and members of the Executive Committee of the Thoho-ya-Ndou Territorial Authority.
- d) Tate Vondo Forestry Plantation.
- e) Mphefu Irrigation Scheme.

5. TZANEEN-LETABA AREA.

- a) Letaba Estates including carton factory and Citrus Juice factory.
- b) Letaba Mission Hospital.
- c) Berlyn Trust Farm and Sisal processing factory on Berlyn Trust Farm.

6. ACORNHOEK AREA.

- a) Manyeleti Game Reserve for Bantu
- b) Dingleydale and Maripe High School.

D. STATISTICAL AND OTHER INFORMATION OBTAINED.

A considerable amount of information was obtained both by way of brochures and duplicated notes supplied to members of the tour group by officials of the Department of Bantu Administration and Development and of Bantu Education, and also verbally from officials and other persons met at the various places visited.

Much of this information will be of little interest to members and accordingly only such information as will interest members has been incorporated in this report.

E. COMMENTS ON THE TOUR AND THE TOUR GROUP.

1. It is difficult to conceive exactly what the Department of Bantu Administration and Development actually hoped to achieve by taking this group of persons representing different political affiliations and widely differing interests into the Bantu Homelands and into such of the Border Areas as were seen. Presumably the motivation was a very simple one, namely to show merely what was being done, what the hopes were for the future of such areas and of their inhabitants and to demonstrate that there was nothing to conceal as far as such areas are concerned.

If this was in fact the motivation then the Department succeeded admirably within the confines of the limited time available. Certainly it was not possible within the extremely tight schedule to see everything or to investigate every aspect or matter which interested every tour member. Nevertheless enough was seen and heard to enable every member of the tour group to form a reasonably accurate picture of the overall development, potential and future of the Bantu Homelands of the Northern and Eastern Transvaal, particularly if such picture is allied with other readily available information.

2. It is in the use to which such impressions and information is put that the differences between the respective members of the tour group will become apparent. So for example members will have noted that some publications have used the impressions and information obtained by their representatives to demonstrate that the official Government policy cannot work whereas other publications will no doubt use exactly the same information, allied with the impressions

of their representatives to show how much the Government is doing for the Homelands and how successful the Government policy is or will be.

Probably the most impartial members of the tour group were those who were representing their companies or principals and were quietly assessing the business potential of the Homelands and of the Border Areas with a view to advising their companies or principals whether or not to invest capital, open offices etc. in such areas. These persons represented only a minor percentage of the tour group.

Experienced senior officials of Non-European Affairs Departments of various local authorities, town planners and such like members of the group also displayed a professional interest in many aspects of Homeland development and their remarks and the questions posed by them were illuminating.

3. My approach was mainly directed to trying to find answers to the following questions:-

- a) What is really happening in the Bantu Homelands and in the Border Areas?
- b) Are there any obvious business prospects for industrialists in the Bantu Homelands and in the Border Areas?
- c) Will the Bantu Homelands and the Border Areas constitute any real threat to the established industrial areas of the Southern Transvaal?
- d) Are there any real problems in respect of the development of the Bantu Homelands and the Border Areas?
- e) Where are the Border Areas?
- f) What incentives are there for industrialists to go to the Border Areas?

F. WHAT THE TOUR REVEALED.

The tour revealed the following answers or part-answers to the questions posed by me in paragraph E-3 above :-

1. WHAT IS REALLY HAPPENING IN THE BANTU HOMELANDS AND IN THE BORDER AREAS?

BORDER AREAS.

The only so-called "border area" which we really visited is Rosslyn and all we really saw was the Datsun Assembly plant.

Rosslyn is nearly fully developed and is so well known that it is hardly worth commenting upon. Officially provided details of Rosslyn are reflected in paragraph 5(8) hereunder.

Letaba Estates, with two factories, namely a carton manufacturing factory and a citrus juice factory on the Estate itself, is in a border area near Tzaneen, but most of the 2,000 odd Bantu employed appear to be housed on the Estate in houses provided by the Estate and the border area concept of Bantu living in their own homeland and travelling to work in the border area does not therefore apply to any material extent.

The development of the "border areas" at Pietersburg, Potgietersrus and Tzaneen were seen only incidentally in rapid passing on the way to other places and no real comment can therefore be made on them, except to say that there appeared to be comparatively few factories and then only such as would normally be expected to set up in such centres to serve the needs of the community.

MY IMPRESSION is therefore that, apart from Rosslyn, which many people do not regard as being a true "border area", there is at present very little real industrial development in Border Areas in the Northern and Eastern Transvaal and virtually nothing that has been attracted from the Southern Transvaal. Phalaborwa will presumably increasingly become an exception to this general impression on account of the mining activities in that area. Pietersburg has a fair number of Industries already and is expanding.

I was informed unofficially that there may be mining or additional mining activities in the following Bantu Homeland areas within the foreseeable future, certain prospecting options in respect of the following having been allocated to well-known firms already:-

LOUIS TRICHARDT - iron, coal, graphite.

SIBASA - Phosphates.

MESSINA - Copper

It is also obvious that the above areas have considerable amounts of mica and/or vermiculite. (See also paragraph 5 below).

If mining development comes to these areas to any appreciable extent then there will naturally be greater prospects of industrial development of the border areas near them.

EDUCATION.

This is the field in which the most obvious progress is being made. Much activity is evident and tremendous enthusiasm is shown both by the Bantu, for whom an educational certificate is evidently becoming a status symbol and a passport to the future, and by the White and Bantu Officials who are, quite obviously, dedicated persons on the whole. There are, however, many stumbling blocks and problems to be faced both now and in the future, as will be discussed elsewhere in this report.

(i) SCHOOLS.

All the schools seen are obviously nearly brand new, being no more than three or four years old, and, while utilitarian in construction for the most part, well equipped.

In Vendaland it is estimated that approximately 60% of the Bantu of school-going age are actually attending school, while the figure for the Republic is approximately 80% for Bantu.

Vendaland accordingly has a considerable backlog to make up but efforts are clearly being made to speed progress.

Bantu education figures are always staggering as the following, which are applicable only to the Northern Transvaal Region will show:-

7,408 teachers (State, Provincial and Private) teachers are employed in the 1880 schools.

About 411,000 Bantu children attend school.

In 1967 - 16,323 candidates sat for the St. VI examination
and 2,600 candidates sat for the Junior Certificate
examination and 300 candidates sat for the Matriculation certificate.

(By way of comparison it may be mentioned that the entire White school population of the entire Transvaal in 1967 was just under 402,000).

(ii) TRADE SCHOOLS

Two trade schools exist and are already being expanded. New trade schools are being planned.

The principal subjects taught are carpentry, cabinet making, tailoring, motor mechanics, footwear and general leather manufacture,

bricklaying, plastering, glazing and the like.

A certain amount of metal working and welding is also taught to motor mechanics.

It was interesting to hear that, although the numbers of pupils at the trade schools are at present still small, this is only because a Std. VIII Certificate is usually insisted upon for entry and because accommodation, facilities and instructors are limited. In fact there is said to be a long waiting list of Bantu who wish to enter trade school.

(iii) TEACHERS TRAINING SCHOOLS.

There are already 5 in the region.

(iv) UNIVERSITY COLLEGE OF THE NORTH.

This University College for Bantu is situated at Pietersburg and already has 538 students of which only 114 are female. 462 of the students are from the Transvaal and the rest from the other Provinces and from other territories and countries.

At present the faculties (which will be expanded in due course) have the following numbers of students:-

Economics and Administration	31
Arts and Philosophy	312
Education	104
Mathematics and Natural Sciences	91

On the teaching staff are 15 White and 2 Bantu Professors.

The intention is that Bantu should take over completely eventually.

(v) OTHER EDUCATIONAL, SEMI-EDUCATIONAL AND AGRICULTURAL INSTITUTIONS VISITED.

- (a) The Thutamaphelo School for health educators near Pietersburg where an engineering course will also be instituted next year.
- (b) The Arabie Agricultural College near Marble Hall.
- (c) The forestry and forester training project at the Tate Vondo Forestry Plantation.
- (d) The citrus and sisal projects at Berlyn Trust Farm near Tzaneen.
- (e) The School for Sons of Chiefs and Headmen near Marble Hall.

AGRICULTURE.

Re-educating the Bantu is a slow process which is hampered apparently mainly by the following factors :-

- (i) The traditional communal ownership of land which is in effect controlled by the Chiefs.
- (ii) The tradition that women work in the lands while the men either keep themselves otherwise occupied or go to work in the cities and on the mines.
- (iii) Traditional crops and methods.
- (iv) The lobola system and the fact that a man's wealth is measured by his number of cattle and not by their quality.
- (v) Sheer inertia or laziness which can probably be blamed in part on the nearly 100% incidence of bilharzia.

(vi) The traditional way in which little clusters of huts are dotted all over the countryside regardless of the resultant wastage of land.

Progress is nevertheless being made. Livestock is being improved and Bantu are being trained at the Arabie Agricultural College in both irrigation and dryland agriculture and animal husbandry and at the forestry, citrus and sisal projects referred to above.

Bantu are also being encouraged to abandon their traditional clusters of huts and instead to settle in laid out towns which are, however, still largely incorrectly sited and planned according to the town planners who accompanied the tour.

For the rest a considerable number of dams are being built and irrigation projects are under way, at least one or two being in operation already.

HOSPITALS AND HEALTH.

A major problem in the Bantu Homelands is the fact that bilharzia is endemic and almost every person living there is infected. At present no real cure exists for bilharzia and, even when a cure is effected, re-infection is almost inevitable. Officials hope that the introduction of tilapia and other fish and of geese and waterfowl might assist in controlling the carrier snail.

A further major problem is kwashiokor which can easily be eliminated or cured by providing the children with milk. Unfortunately the child only gets what is left, if any, after his elders have had their fill. This is said to be the case even when the hospitals provide the cured patient with powder skim milk supplies.

Several beautifully equipped and well-staffed hospitals have been erected by the Department of Bantu Administration and Development in several areas, mostly under the aegis of the various missions, but almost totally subsidized and supported by the Department of Bantu Administration and Development.

These hospitals also cater for the chronically ill from the cities.

INDUSTRIES.

No industries as such were seen in the Bantu Homelands except for the following:-

1. The Habukuk Cane Factory at Hammanskraal near Pretoria.
2. The citrus packing and sisal projects at Berlyn Trust Farm near Tzaneen. These industries are, in any event, still controlled by the Department of Bantu Administration and Development and are still largely experimental.
3. Small home industries obviously exist.

PREPARATION OF BANTU FOR RESPONSIBILITY AND SELF-GOVERNMENT.

By way of education and training the Bantu are being fitted for positions of responsibility at all levels. At lower levels this is the case with nurses, matrons, teachers, school principals, health educators, agricultural advisers, civil servants generally etc. where Bantu are increasingly assuming responsibility.

At a different level the sons of Chiefs and Headmen receive both education and training so as to better equip them for their eventual task, namely to rule over their tribes and tribal groups.

At top level the Bantu Territorial Authorities, and their Executive Committees are gradually being trained to govern their peoples as parliaments and cabinets respectively. Of necessity this must be a slow process if they are to be brought to Western standards, inter alia, because the older generation of Bantu are not particularly well educated nor are they accustomed to Western Parliamentary and Government procedures. Nevertheless, steady progress is being made in assigning increasing powers and responsibility to these authorities.

2. ARE THERE ANY OBVIOUS BUSINESS PROSPECTS FOR INDUSTRIALISTS IN THE BANTU HOMELANDS AND IN THE BORDER AREAS?

Normal business prospects naturally exist in supplying the farming, commercial and domestic markets of the area.

There may be additional business prospects in the Border Areas of the Northern Transvaal further away than Rosslyn if -,

- a) Mining Development takes place as mentioned under heading F 1 Border Areas above;
- b) The real market is not intended to be the Bantu Homelands;
- c) The communications and transport problems can be overcome.

In the Homelands themselves, I did not see any real business prospects at all apart from those which could be linked with the aforementioned prospective mining development or with the forestry, sisal, phormium tenax or irrigation schemes mentioned under F.1.

Agriculture above.

In any event it should be noted that the Homelands on the whole appear to be poorly served by railways, roads, transport systems generally and other communications. Probably mainly because little need exists for them and also because up to now no real Bantu towns exist.

At present the Homelands appear to have a purely subsistence economy and the inhabitants probably cannot afford to buy articles costing more than a few Rand and, generally speaking their needs are few. The obvious exceptions are the teachers and other civil servants, the traders and the few self employed professional people.

The general level of the economy can be better appreciated if it is noted that, in allocating irrigation plots or dryland plots to Bantu, the Department calculates the size of ground that will enable the Bantu to earn, out of the ground, an annual income of R120 to R200.

An irrigation plot will therefore, be $1\frac{1}{2}$ morgen and a dryland plot large enough (usually 5 to 6 morgen) to carry 12 head of cattle or their equivalent in other stock.

3. WILL THE BANTU HOMELANDS AND THE BORDER AREAS CONSTITUTE ANY REAL THREAT TO THE ESTABLISHED INDUSTRIAL AREAS OF THE SOUTHERN TRANSVAAL?

The generally undeveloped and subsistence economy of the Bantu Homelands and the low rate of development of the Border Areas leads one to the conclusion that the Bantu Homelands and the Border Areas of the Northern and Eastern Transvaal cannot constitute any real threat for the established industrial areas for a good many years either by means of industrial development or by means of a suction effect on the Bantu workers in such established industrial areas.

Enormous and costly development will have to take place before the Homelands or the Border Areas can provide work for the present population or the normal rate of increase.

In this connection it should be noted that infant mortality has been reduced drastically and the natural rate of increase therefore seems to be very high.

It should also be noted that unofficial but apparently reliable estimates of the population are very much higher than the official figures. In a particular area, I was informed, the census figure revealed 65,000 inhabitants whereas the agricultural census figure revealed 135,000!

Paradoxically the Bantu Homelands and the Educational explosion which is taking place there may create unexpected dangers for the industrialized areas of the Southern Transvaal as increasing numbers

of educated and trained Bantu will probably try to enter such areas in order to find "white collar" jobs or to set up "pirate" operations as builders, as carpenters, as cabinet makers, as watch repairers, as motor-car repairers and the like.

My very strong impression is however that, at present and for many more years at least the Bantu Homelands themselves cannot provide work or a living for Bantu living there and this position is aggravated by the vast natural increase.

At present almost every reason exists for a Bantu breadwinner to leave the Homelands and to seek work in the White areas. It is my considered opinion that, at the present rate of progress, the border area development cannot materially alter this position.

At present no real reason exists for industrialists to move to the Border Areas further North than Rosslyn and at present the Government policy is that the White entrepreneur should not be permitted to set up in the Homelands himself.

The nett result is that at present the Bantu Homelands cannot attract Bantu away from the urban areas on economic grounds nor will they be able to do so to any appreciable extent in the next 10 years even if there is maximum possible economic development of the Homelands and the Border Areas.

From the foregoing also flows the conclusion that the most valuable export item of the Bantu Homelands will for a long time to come be the provision of a large supply of labour to the White areas of the country.

While my conclusion is that the Border Areas and the Bantu Homelands cannot at present or in the foreseeable future constitute a serious competitive threat to industry generally in the established industrialised areas, it is necessary to qualify this statement by adding that this is the position provided Government policy remains unchanged and provided no additional factors are brought into play to accelerate industrial development of the Homelands and of the Border Areas. As has already been demonstrated in the clothing and textile industries, Border and Homeland development can have a profound effect on individual industries however, notably labour intensive ones and the possibility of "little Hong Kongs" arising in these fields does exist although the danger seems fairly remote at present.

Established industries which apparently may be affected are the leather, clothing and textile industries, industries where transport costs and hence the distance from the main market are relatively unimportant and industries supplying the market in and around the Border Areas and the Homelands.

Members will appreciate however that, if the Government were for example to substantially increase incentives to industries to move to Border Areas, were to give substantial railway or other transport concessions and in addition were to freeze industrial development and penalise Bantu employment in existing industrial areas then the picture painted above could change quite rapidly.

It seems to me that, until such time as the Government decides to employ all the following methods simultaneously, they are unlikely to achieve a position where the Homelands will attract labour instead of export it and where the existing industrialised areas will feel strong competition from the Homelands and/or the Border Areas:-

- a) Maximum economic development of the Homelands and of the Border Areas.
- b) Powerful inducements to NEW industries to set up in the Border Areas and/or in the Homelands.
- c) Powerful inducements to EXISTING industries to move to the Border Areas and/or the Homelands.
- d) Not only restrictions on the use of Bantu labour in established industrialised areas but also penalties on their use, i.e. methods to make it financially disadvantageous to employ Bantu labour.
- e) Restrictions on the expansion of industry in established areas.

It is obvious that the Government has not yet tackled any of these methods with vigour and that this is the reason why the Homelands are still so undeveloped and why the Border Areas are, on the whole, still so unattractive to industrialists.

Nevertheless there are clear signs of increased pressure on all these fronts and the position must therefore be watched carefully.

4. ARE THERE ANY REAL PROBLEMS IN RESPECT OF THE DEVELOPMENT OF THE BANTU HOMELANDS AND THE BORDER AREAS?

To an observer it is obvious that the Government is faced with many problems in developing the Bantu Homelands and the Border Areas.

Some of these problems are purely political, others are purely practical whereas others are practical but are largely caused by an attempt to achieve a straightforward objective in the face of complications introduced by political considerations.

Had the objective merely been one of developing the Bantu peoples and the Bantu areas as fast as possible the task would have been formidable but still only relatively straightforward, and could have been tackled on the lines of providing cash, educational programmes, improving health services, opening up the areas, pumping in money, creating work opportunities and the like.

A fair part of the objective could then have been achieved by giving private enterprise a free or relatively free rein with suitable incentives and controls.

The real complications are introduced by policies which require, inter alia, the following:-

- a) That the Bantu areas must be regarded as Bantu Homelands from which the White and white private enterprise must be barred.
- b) That the Bantu tribal and tribal authority system must be retained and strengthened, whether or not it is efficient and whether or not it stifles initiative.
- c) That the Bantu should not be permitted to have free movement out of the Bantu area and to offer their services on the open labour market either inside or outside the Bantu area.
- d) That the real employment opportunities must be created in border areas instead of inside the Bantu Areas.
- e) That the Bantu Homelands must become more or less self-governing and separate countries as soon as possible, but not too soon.
- f) That the separated bits and pieces of Bantu areas must be treated as one but cannot be joined easily because this would involve the displacement of Whites with consequent economic and political implications.

Factors such as the above enormously complicate the solution of the straight forward problems which appear to be the following:-

- (i) That the mass of the adult Bantu resident in the Homelands at present are either completely uneducated or have only a very low level of education.
- (ii) That an enervating illness such as bilharzia is endemic and that kwashiokor is rife.
- (iii) That the Bantu males are traditionally not the real workers.
- (iv) That the Bantu of the Homelands lack initiative and the incentive to improve their income and status.
- (v) That the Homelands have at present no real source of income or the ability to generate work and capital.
- (vi) That communications, services and facilities in the Homelands themselves are generally inadequate or non-existent.
- (vii) That improvement of stock, soil conservation, water supplies, and proper utilization of land and resources must be attended

to as a matter of urgency and that the Bantu population must receive the necessary training and assistance for this purpose.

- (viii) That there is no reservoir of trained or educated Bantu in the Homelands to staff all the needed Government and other services or to teach and to train their own people.
- (ix) That there is always a relative shortage of capital, know how and trained White Government personnel to educate, to train, to serve and generally to carry and to uplift the Bantu population of the Homelands.
- (x) That ownership of land is not really individual but communal.
- (xi) That the tribal system of authority is not the most efficient and that it bogs down individual initiative.
- (xii) That a very high percentage of the male population of working age is absent for a large proportion of the year.

As is explained elsewhere in this memorandum the State is working on many of these problems and is achieving a substantial measure of success in certain fields at least despite the handicaps mentioned.

5. WHERE ARE THE BORDER AREAS?

This did not really become apparent on the tour.

However, a 1967 publication issued by the Department of Information titled "Progress in the Bantu Homelands" was made available to members of the tour group and this publication lists the most important Border Industry Areas as follows:-

- (1) The Ciskei. The main centres being East London, King Williams Town and Queenstown.
- (2) The Pietermaritzburg Area which includes Hammarsdale and Pietermaritzburg itself.
- (3) The Tugela Basin. The main growth points are listed as Estcourt, Colenso and Newcastle.
- (4) Eastern Transvaal Lowveld. No specific growth points are listed. Stated to be a rich agricultural area where large quantities of vegetables, citrus, wood and sub-tropical fruits such as bananas and pawpaws are cultivated. Sugar cane is also being planted on a large scale.
- (5) Northern Transvaal. No specific growth points are listed except as hereunder: Important mineral deposits are stated to occur, notably chrome, iron, asbestos, copper, platinum and phosphates.

The chrome deposits at Steelpoort are regarded as the most important in the world.

Large coal deposits exist, particularly in the Waterberg district. Large forestry projects exist and in certain districts vegetables, citrus, sub-tropical fruit and groundnuts are produced in quantity.
- (6) Phalaborwa. Large deposits of copper, phosphate, vermiculite and iron ore exist.

Phosphate and vermiculite are exploited on a large scale and a factory has been erected to produce agricultural phosphates.

A large coppermine is being developed and the possibility of exploiting by-products such as iron ore, of which more than 2,000,000 tons per annum will shortly become available, baddeleyite and potash is being investigated.
- (7) Pietersburg and Potgietersrus. No specific attractions listed other than abundant power, land, rail facilities on the mainline to Rhodesia, and the provision of ample water.

(8) Rosslyn (Pretoria North). The availability of services and easy access to Pretoria and the Southern Transvaal are listed as the main attractions.

According to the Chief Bantu Affairs Commissioner, Pretoria, the following are the details of the Rosslyn Border Industrial Area:-

Total size 911 acres
Existing industries and businesses 35
Remaining Stands : 6
Numbers of workers - Whites 577
 - Bantu 2890
Anticipated increase in numbers of workers by end of 1968 -
 Whites 700
 Bantu 1910

Eventually it is anticipated that 4,000 Whites and 21,000 Bantu will work in this area.

Industries with large numbers of Bantu employees are attracted to this area.

Bantu labour for Rosslyn is mainly supplied from GA-RANKUWA Bantu town which is situated 7 miles from Rosslyn in a Bantu area and which, at present, accommodates 20,684 Bantu.

(9) Rustenburg is an additional growth point mentioned by the Committee for the Location of Industry and the Development of Border Areas in its 1967 pamphlet "Decentralised Industrial Development in South Africa."

It is described as the platinum producing centre of South Africa and existing industrial undertakings are said to be largely based on agricultural products such as citrus fruits and tobacco.

6. WHAT INCENTIVES ARE THERE FOR INDUSTRIALISTS TO GO TO THE BORDER AREAS?

Basically, a factory is logically established as conveniently as is economically and practically possible in relation to its main market and its main source of supply.

Bearing this in mind the only factories which can normally be expected to be established in border areas are those for which the particular border area is economically and practically situated in relation to its main market and its source of supply of materials, labour etc.

Industrialists can therefore be expected to note the normal **advantages** and disadvantages of locating in any of the border areas listed above.

Additional factors which must be taken into account however are Government policies and Government incentives which may or may not be sufficient to influence a decision to establish or to expand a factory for example on the Witwatersrand or instead to do so in a particular border area.

On the Witwatersrand the main additional factors to be considered appear to be the following:-

- a) The implications of the Physical Planning and Utilization of Resources Act, 1967, in terms of which the prospect is that on the Witwatersrand the establishment of new factories employing numbers of Bantu and the expansion of existing factories by or involving the employment of additional Bantu will not be permitted.
- b) The prospect that the number of Bantu available for employment will be restricted.
- c) The prospect that the employment of Bantu will become more expensive as a result of new and increased levies, fees and charges on each Bantu employed.
- d) Water shortages.

- e) Smoke and air pollution control.
- f) Government incentives to locate in the Border areas.

Government incentives to industries to locate in the Border Areas do not appear to be a matter of common knowledge and the official statement of these incentives by the Permanent Committee for the Location of Industry and the Development of Border Areas is accordingly reproduced in full in an annexure hereto.

CONCLUSION.

In conclusion I would like to say that the tour was most interesting and that the Department of Bantu Administration and Development and, particularly, the tour Manager, Mr. F.C. Greyvenstein, went to great pains to ensure that members of the tour group were made as comfortable and happy as possible at all times.

A certain amount of wastage of time did occur, but this was largely unavoidable and was caused mainly by the size of the tour group, the varying ages of members of the tour group, a certain amount of mechanical trouble experienced with one of the brand new luxury tour buses and a bad derailment of a goods train preceeding the tour train.

Future tours, if any, could perhaps profitably include more visits to border areas and border industries while reducing the numbers of schools to be visited but, for the rest, the tour could not be faulted in any way, bearing in mind the limited time available and the limits to human endurance, particularly as far as the older members of the tour group and the three ladies present were concerned.

An example of the careful planning that went into the tour is the fact that at all points away from the tour train the group was accompanied by Senior Police Officials in patrol cars with direct radio contact with their headquarters and with Pretoria, by the Chief Bantu Affairs Commissioner for the area and by the Chief Bantu School Inspector for the particular area.

The Department of Bantu Administration deserves to be complimented on its initiative in arranging the tour and on the smooth way in which it was run.

Much of the success was due to the unstinting efforts of the tour Manager, Mr. F.C. Greyvenstein who likewise deserves to be complimented.

I found the tour to be a valuable experience and would seriously recommend that a similar tour be called for in, say, about 5 or 6 years time in order to study the progress being made and in order to again assess the implications upon the existing industrial areas.

TRANSVAAL CHAMBER OF INDUSTRIES,
19th JANUARY, 1968.

J. de K. MALAN.
LABOUR ADVISER.

BANTU HOMELANDS TOURS 1967.

NORTHERN AND EASTERN TRANSVAAL.

TOUR LIST

BEZUIDENHOUT Mr. J. South African Breweries Ltd. Isando. JOHANNESBURG.	Marketing Manager - Bantu Sales
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Department of Bantu Administration and Development
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12/1/1968.

MEASURES FOR THE ENCOURAGEMENT OF INDUSTRIAL
DEVELOPMENT IN THE BORDER AREAS (EXTRACT FROM
"DECENTRALISED INDUSTRIAL DEVELOPMENT IN SOUTH
AFRICA" - PERMANENT COMMITTEE FOR THE LOCATION
OF INDUSTRY AND THE DEVELOPMENT OF BORDER AREAS.)

"The undermentioned incentive measures have been adopted by the South African Government with a view to encouraging industrial development in the border areas. A special body, the Permanent Committee for the Location of Industry and the Development of Border Areas, has been instituted for the implementation of the border areas development programme. Applications for assistance within the framework of these measures are considered by the Committee and assistance is then recommended according to the merits of each project.

A. INCOME TAX CONCESSIONS

- (a) An additional 10% tax allowance on the cost of power, water and transport in the case of new undertakings and, in selected cases in respect of expansion of existing undertakings. This concession applies for a minimum period of five years from the date of establishment of a new undertaking, or the date of expansion of an existing undertaking.
- (b) An initial allowance of 30% of the cost of machinery.
- (c) Investment allowances of 25% of the cost of factory buildings and 35% of the cost of machinery.
- (d) Encouragement, on a selective basis, of existing undertakings in metropolitan areas which contemplate expansion, to expand in decentralised areas by allowing them to take into account, for taxation purposes, double the additional administrative and manufacturing costs which may be incurred over the first five years, as calculated by the Permanent Committee.
- (e) Inclusion of the cost of moving a factory to a border area, in the capital amount on which the annual depreciation allowances are calculated.

B. INDUSTRIAL SITES AND FACTORY BUILDINGS

- (a) Fully planned industrial townships are established where necessary, and factory buildings are erected and leased, with the option to purchase. Specially favourable terms apply in the case of the textile industry and this benefit can also be extended to other selected industries.
- (b) Reimbursement to an entrepreneur, in special cases in remote areas, of a maximum of 20% of the building costs of a factory or a guarantee to a maximum of 40% of the building costs for a period of ten years.
(The guarantee is intended to make it easier for industrialists to obtain mortgage loans from financial institutions.)

The reimbursement can also be made to the Industrial Development Corporation, a Government-sponsored industrial development and financing corporation, in special cases. The benefits are in such cases, passed to the industrialists in the form of reduced rentals and reduced selling prices.

C. FINANCIAL ASSISTANCE

Financial assistance is made available by the Industrial Development Corporation in the form of share capital or loans on favourable terms.

D. BASIC FACILITIES

In general, the border areas are already well provided

with basic facilities such as power, water and transport. The power supply systems of the Electricity Supply Commission are, nevertheless, extended to new areas where economically justified. Similarly, railway services are extended by the South African Railways where justified. In addition, the following special measures apply:

- (a) Where necessary water is supplied by the Department of Water Affairs at special tariffs in bulk to local authorities or directly to large consumers.
- (b) In the case of selected points of growth, funds are made available at low rates of interest for the provision of rail facilities in industrial townships.
- (c) The road transportation requirements of industrial undertakings in border areas are accorded special attention.
- (d) The cost of power of individual undertakings can be subsidised in exceptional cases.
- (e) A rebate of 10% on the cost of rail and road motor service tariffs in respect of all industrial products manufactured in the Ciskei/Transkei area and consigned to places outside this area.

E. LABOUR

- (a) Maintenance of the principle of wage differentiation in respect of border areas in so far it is justified by lower productivity and a lower cost of living.
- (b) The provision of technical and vocational training for the Bantu with a view to meeting the need for trained labour in the Border Areas.

F. HOUSING

- (a) Financial and technical assistance are extended to industrialists in the provision of houses for White key personnel (houses for Bantu workers are being provided by the Department of Bantu Administration and Development).
- (b) Depreciation allowances for tax purposes of 125% on the cost of houses provided for White key personnel (35% in the first year and 10% per annum for the succeeding nine years).

Industrialists are invited to communicate with the Permanent Committee for the Location of Industry regarding the application of the above measures. The Committee would also welcome the opportunity of discussing possible locations for the proposed industry. "

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