

Commissions⁽¹⁾ appointed by the Government, and competent European observers, reported on the efficiency of the Indian small farmers and the benefits their agricultural activities conferred on the community as a whole by providing adequate supplies of fresh vegetables, fruits and other produce at low prices.

The displaced European small farmers, who temporarily suffered from the competition, were able to find more remunerative work in other parts of Natal and the Union. But the prejudice against the Indian entrepreneur in every field continued unabated, and from time to time proposals for the segregation of Indians were introduced. The scarcity of land available for occupation by Indians raised the values and rents of high-rent land less profitable. Moreover, Indians did not

receive...../32

(1) Vide: Indian Immigrants Commission 1885/7 (Cragge Commission) p.20 Report of the Asiatic Enquiry Commission U.G. 4/21 pp.42,43, and Annual Reports of Protector of Indian Immigrants.

receive any financial assistance such as has been liberally extended to European farmers. (1) Nor were they engaged, except in the case of sugar growers, in those branches of agriculture which were protected by the Government.

During the depression of 1929-1932 many Indians had to abandon their agricultural holdings and migrate to the towns - particularly Durban. During this period there began an unprecedented expansion of Indian education.

Indian youth, as the result of this better education and training, began to seek new avenues of employment. Many of them, in consequence of their natural aptitudes for semi-skilled and skilled work, were absorbed in commerce and industries when the depression cleared and trade revived. Their higher

(1) The Land and Agricultural Bank of South Africa makes advances to European Farmers against the security of first mortgage on land, grants loans for certain agricultural purposes and finances Agricultural Co-operative Societies and Companies. The Government subsidises and grants loans for irrigation purposes and bonuses for anti-soil erosion works. Both the State and the Church establish agricultural settlements to rehabilitate the rural poor whites to give them an opportunity to become independent farmers, on conditions which require little or no capital on their part, but only periodical payments from the proceeds of their farming. None of these state aids are available to Indians.

earnings and better standard of living helped to bring prosperity to Indian traders and property owners. Wealthier Indians, most of whom are concentrated in urban areas, and particularly in Durban, desirous of living in better houses or investing their money in properties for which there was an increasing demand, began to purchase properties offered to them by Europeans who were moving into new suburban residential areas.⁽¹⁾ But some Europeans were alarmed by this "penetration" and appealed to the Government to check the infiltration of Indians into European areas in Durban.

During World War II, as a result of increasing wages and prices, Indian entrepreneurs with large accumulating cash balances began to acquire property. In this they were assisted by the easier loan facilities offered by certain Building Societies and money-lenders. By the beginning of 1943, the agitation

against...../34.

(1) The reason for this tendency is clearly stated by Prof. H.R. Burrows (In his Memorandum to the First Broome Commission) to be merely one manifestation of a very common development in urban development, especially in new countries. Prosperous people, who used to live in town fairly close to their businesses, now prefer to live further afield, with the result that the evacuated areas are gradually occupied by persons belonging to lower economic levels. (Report of Indian Penetration Commission U.C. 39-41, p.72)

against Indian "penetration" became so serious that the Government, after all other methods of mutual agreement had failed, had to introduce legislation to restrict the acquisition and occupation of properties by Indians from Europeans within the city of Durban. The immediate result was that Indian investors began to buy up suburban sites in increasing numbers. Meanwhile the steep rise in the prices obtained for agricultural products created a demand for more land by Indian farmers, and occasional purchases of farms were made by wealthy farmers. Also, before the conclusion of hostilities, post-war reconstruction plans indicated the probable eventual displacement of Indian gardeners and workers occupying certain areas in the city of Durban. This further contributed to the speculation in land suitable for gardening within easy reach of the city. The cumulative effect of these activities was to provoke the opposition of the European population in Natal to the acquisition of land by Indians.

Even if no discriminatory legislation had been passed, there would have been a gradual diminution in the number of Indians engaged as small farmers and

gardeners for the following reasons:-

(i) The normal income and standard of living of these peasants are relatively lower than those of urban skilled workers. The younger generation having received some education, is not prepared to continue to live as their fathers did, on a subsistence level, when it can earn more in urban areas. Cheaper transport and the growing tendency towards individualism as opposed to the joint family structure of Indian society, have all increased the mobility of Indians.

(ii) The younger generation would not appear to be as industrious as their predecessors, nor to possess the same skill required for intensive cultivation of garden produce, principally because, in the absence of favourable prospects for the expansion of farming operations, parents plan for their children to enter other and more remunerative fields of employment.

(iii) New land suitable for gardening is scarce and is not available for Indian occupation. Even where land is available, the Indian is handicapped by lack of capital which can only be secured at high rates

of interest from moneylenders by those who have adequate security to offer. No financial assistance of any sort is available from the Government.

(iv) The Indian cannot compete effectively against European farmers growing vegetables on a large scale, with sufficient capital, on more fertile lands, with lower wage costs and cheap railway transport rates⁽¹⁾

(v) Entry into the only protected agricultural industry, sugar farming, in which Indians are engaged in large numbers, is restricted by quota limitations.

(vi) There are no indications that co-operative marketing, except in the case of tobacco, is

likely...../38

(1) In accordance with the express direction of Sec.127 of the Act of Union (that railways shall be administered on business principles, but so as to promote, by means of cheap transport, the settlement of an agricultural and industrial population in the inland portions of all the Provinces of the Union) the Railway Administration, being in a monopolistic position, has adopted a discriminatory tariff. For example, fruit and vegetables have a low tariff. The railrage on 2,000 lbs of vegetables for a distance of 50 miles is 5/7d; between 200 and 300 miles, 16/-; between 500 and 1000 miles, 32/4d. The Board of Trade and Industries recommends that in order to encourage the optimum utilization of the country's resources, ~~and~~ excessively tapered rates of the lower tariff classes should be replaced by mileage rates so as not to facilitate unfair competition as between inland and coastal undertakings. (Board of Trade and Industries Report No 285: An analysis of Railway Rating Principles and the Effect of Transport Costs on Industrial Development in the Union, p.56.)

likely to gain ground with Indians, among whom there are no co-operative farming organisations.

The restrictions imposed since January, 1946, * by the Asiatic Land Tenure Bill on the purchase and occupation of land by Indians throughout the Province of Natal has doubled and often trebled the value of Asiatic-owned urban sites and agricultural land. The expectation of high returns on urban sites will in all probability be realised, for the natural drift of the rural population to the towns and cities will be accelerated in the case of Indians. A growing relative scarcity of land available for Indian occupation will result in a steep increase in rents for dwellings as a direct consequence of the increase in the urban population.

On the other hand, the owners of rural lands are not assured of either stability or an increase in land values. At present, the abnormally high prices for agricultural products have created a demand which has absorbed even inferior lands, but a very large proportion of the Indian-owned land, both because of its topography and the inherent nature of the soil, is not capable of being more intensively cultivated. All

these factors, in the absence of any direct encouragement and assistance from the Government, would have resulted in the drift of the rural Indian population into urban areas where the expanding industries would have absorbed them. The Asiatic Land Tenure Bill will only hasten this drift while the friction, which its protagonists expect that it will remove, is likely to be aggravated by the pressure of an increasing urban Indian population, especially in the city of Durban.

It is difficult to contemplate with equanimity the probable effects of the Asiatic Land Tenure Act on the future of the Indian rural population. They have always formed a poor, but fairly contented, section of the population. They were held responsible for lowering the price of farm produce in Natal at the end of the last century, but this has clearly been of benefit to the consumer.

In fact, of course, the anti-Indian agitation, which culminated in the passing of the Act, was not directed against these poor peasants. Yet stage by stage the growing prejudice against the more prosperous Indian merchant has engulfed even the harmless

agriculturist and has endangered his survival in his state of fatalistic, contented poverty.

His lot is not, however, without hope. The Government may yet demarcate rural areas in which Indians may be allowed to purchase agricultural land. But such an allocation, unless made directly by the Government to peasant farmers, will only play into the hands of the wealthy speculators, who will acquire the land and sell or let it at prices which will do nothing to alleviate the position of this section of the population. It seems clear that those already in possession of land and trading rights are likely to reap a rich harvest as a result of being in possession of scarce factors now made scarcer by legislation.

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