

Native Labour and Gold—1

NEEDS, POLICY AND PRACTICE OF THE MINING INDUSTRY REVIEWED AND EXPLAINED

MR. W. GEMMILL, representing the Chamber of Mines before the Mine Native Wages Commission, to-day summed up the evidence submitted by the Gold Producers' Committee. In an exhaustive review he dealt with every aspect of the employment of natives by the gold mining industry.

The nation-wide scope of the subject, and the national importance of the information imparted, necessitates a full report; but owing to prevailing newspaper exigencies this must appear in instalments. The first of these follows:—

In normal circumstances, Mr. Gemmill said, the gold mines would at present be employing about 360,000 natives, drawn from Cape Province 125,000, Natal and Zululand, 20,000; Orange Free State, 5,000; Transvaal, 30,000, a total of 180,000 Union natives; Basutoland 45,000, Bechuanaland 10,000, Swaziland 8,000, a total of 63,000 from High Commission territories; Mozambique 87,000 and 30,000 from tropical areas.

The number employed to-day was only 300,000, due largely to military engagements of native labour. The industry's expansion after the Union left the gold standard demanded a corresponding increase in natives: from about 220,000 in 1931 to 360,000. The mines were able to obtain the addition largely by engagements from the Union and High Commission territories, and do so in competition with increasing demands by secondary industries. The popularity of mining pay and conditions was thus manifest.

Less than one per cent. of mine natives were detribalised, living on the Witwatersrand with their wives and families; the great bulk being tribal, possessing homes in the reserves. The conditions under which mine natives live and work had been set out in evidence, and the commission had seen them. Reports of official investigators, including the late Mr. J. C. Abrahams on behalf of the Nyasaland Government and Major Orde-Brown on behalf of the Colonial Office, had expressed high satisfaction. The most recent finding, by the Smit Committee last year, was: "The natives on the gold mines are well housed, well fed and physically well cared for."

RATIONS AND FEEDING

Under "conditions of employment" the main items were feeding, housing and medical and hospital attention. Rations, considerably more liberal than stipulated in the regulations, constituted a balanced ration reached after investigation by the industry's medical officers; and the adequacy for health and well-being was self-evident. There was a marked increase in weight of natives during the period of employment. Complaints made in evidence were mostly on points of detail. The diet was said to be monotonous, although admittedly less so than the diet at home. Second helpings of the very large allowance were alleged to be unobtainable on certain mines; but it was shown that on others this restriction applied only to beer, meat and a few semi-luxuries. Government restrictions had recently been imposed on certain food-stuffs; e.g., mealie meal and meat were rationed for a time. These restrictions gave rise to complaint, but the Government had now removed them.

Several witnesses suggested that the natives should buy and cook their own food; their wages to be correspondingly increased. But in 1920 Dr. van Niekerk, Government Inspector of Mines, reported a much greater incidence of scurvy on mines in the Union where natives fed themselves, as compared with natives fed on the Witwatersrand system. The Native Grievances Enquiry of 1914 reported that it was certain that natives would not feed themselves so wholesomely as the mines fed them; that the present ration scales had been considered over and over again by a great variety of medical men; that the minimum scale enforced by law on the companies could not be enforced on the individual native; and that natives had a taste for all tinned abominations, which would certainly not be good to live on.

That the rations supplied and the system of communal feeding were good and should not be interfered with, Mr. Gemmill submitted, was a fact conclusively established.

Suggestions were made that a meal should be provided underground. The difficulties were explained by Dr. L. S. Williams, and many native witnesses objected. The present procedure followed ordinary native custom. If a meal could be provided underground, and natives could be induced to take it, there would be some advantages, but the difficulties were great. The question had engaged the industry's attention for a long time, and was still being dealt with.

HOUSING

The official reports already mentioned found housing conditions excellent. Wild allegations about these conditions on individual mines were made by the African Mine Workers' Union, but evidence had completely disposed of them. In so large an industry administrative lapses and isolated faults must sometimes occur; but the evidence showed that the housing was good. A complaint about concrete bunks had been answered by the evidence of the Transvaal Mine Medical Officers Association, and particularly by the views of Dr. E. H. Cluver, now Director of the Institute for Medical Research and for several years Secretary for Public Health. An experiment with a wooden bunk, which could be taken to pieces for fumigation, was being made on one mine.

The proposal that the compound system should be abolished and substituted by villages for mine natives and their families, was a physical impossibility. To house all mine natives and their families on the Orlando basis would require land a mile wide running 70 miles along the Reef. The capital cost would be enormous. The cost of 26,000 houses was estimated by the Johannesburg municipality at £10,500,000; apart from the cost of land and essential services, which added several million pounds. Many mines had no land available.

The suggestion that natives and their families should be housed in huge tenements of the Glasgow type was too preposterous to con-

sider. Native evidence strongly opposed the village scheme, and any system involving bringing wives to the Witwatersrand.

"To me it is almost inconceivable," Mr. Gemmill said "that any responsible person should advocate substituting for the attractive and healthy individual existence of a native and his family in the reserves, life in a native township on the Witwatersrand with its concomitant ill-effects to all concerned. The Rev. Ray Phillips, who some time ago conducted an investigation for the Rockefeller Institution, expressed his considered and emphatic opinion against the proposal. He pointed out, amongst other objections, the deplorable condition of idleness in which the native women would be placed, with destructive effects on their morale. "How, also, are the hundreds of thousands of natives who would be living in these townships to obtain transport to their work in time for the early morning shift? And how are they to be controlled and looked after in the case of sickness? How are the wives and families to be looked after in the event of the death of the breadwinner?"

A FALSE ANALOGY

The suggestion that mine natives would be more efficient if permanently employed arose from a false analogy with Europeans, who obviously would be less skilled if they worked as intermittently as mine natives did at present. Mine natives were restricted by law and custom to unskilled labour, and the ability to perform it was readily acquired. They returned from a prolonged holiday at home rested and ready for labour, and obviously health must benefit. The Native Economic Commission reported that because of their comparatively short period of continuous service on the mines the incidence among them of miners' phthisis was much less than among European miners.

The evidence of mine natives was almost unanimously opposed to the proposal. It was clear that tribal natives attached great importance to their independent position as peasant farmers and stock owners on land which they occupied virtually rent free, plus free pasturage. It was not likely that they would take kindly to a suggestion that they should become urbanised and have a garden barely sufficient to grow a few vegetables. Or, worse still, that they should live with their families in one room in a block of flats.

The present rotation of life between mine compounds and homes in the reserves was complementary. It was also adaptable, as rendering easy the transfer of labour from reserves to the mines and vice versa. But if the permanent homes of mine labourers were moved from the reserves to townships on the Rand, what would happen to these natives when mines closed down and these townships had to be abandoned? The airy answer, so common in evidence before the commission, that they would be absorbed into other industries on the Rand was just nonsense. Owing to its geographical situation, it was unlikely that the Rand would ever be the centre of large industries not dependent for markets on the gold mining industry.

The serious effect of the proposed change on the financial position of mines was usually ignored. Apart from large additional capital expenditure, it would be necessary to pay mine natives a wage similar to that of other detribalised urban natives; at present about £7 10s. a month, plus cost of living allowance. This would entail a disastrous increase in the wage bill, equal to an increase of 5s per ton milled.

ANOTHER ASPECT

Various witnesses, in particular Senator Basner, had charged the compound system with causing a great deal of sexual depravity. Mr Basner suggested that this could be proved by reference to the police courts. Official figures showed the number of cases to be few indeed. The Government of the High Commission Territories made a similar charge, but based only on hearsay; and it was interesting to refer to page 214 of the report of the Native Economic Commission, 1932, showing the incidence of syphilis among native mine recruits of the various tribes.

The percentages were Pondo 8.5, East Coast natives 7, Cape Province natives 2; but for Basuto and Bechuana no less than 25.5 and 22 respectively.

Forty-five per cent. of the natives employed on the gold mines were unmarried men, who would live, even if a scheme of native townships were introduced, under the same single conditions as they did at present.

Under present circumstances, mine natives came from their homes in the reserves for about 14 months and returned home for 12 months. Generally speaking, they found it necessary to work on the mines only between the ages of 18 and 40, and during that period for only 12 years in all. Was any other body of workers in the world so fortunately situated? They were enabled to do so by the policy of the Union Government, which had allocated to them some of the best land in the Union with virtual free occupation.

It would be monstrous to discard such conditions and convert these people into a discontented black proletariat.

A SUGGESTION OPPOSED

In the evidence of the High Commission Territories the suggestion was made that every mine should provide accommodation (e.g., rondavels) to enable, say, 10 per cent. of its native employes to have their wives with them for such short periods. The main reason given was that many Basuto women now came to the Rand and indulged in liquor selling and prostitution (becoming indeed the main purveyors of these vices), and that these and other evils would be eliminated if the system of temporary visits was adopted.

The consensus of native evidence was opposed to the suggestion; and in any case it was clear that unless the matter formed the subject of an agreement with the Union Government, it would be impossible to repatriate the women at the end of their stay if they refused to return to their homes. These Basuto women were a pest on the Rand, but their removal was possible now by agreement between the two Governments without burdening the mines with a costly, unnecessary and troublesome scheme which the mines had not the power to carry out effectively.

The commission had seen for itself what was being done in medical and hospital attention. Certain grossly untrue allegations were made by the African Mine Workers' Union, but all these were effectively replied to in the evidence of the Transvaal Mine Medical Officers' Association.

No case had been made for any change in existing conditions in regard to feeding, housing and hospital and medical attention. The exceedingly low death rate from disease (2.94 per 1,000 per annum) was itself proof of the excellence of these conditions.

LAMPS AND BOOTS

Complaints had been made about lamps and boots. Under the procedure recommended to mines by the Gold Producers' Committee, natives did not bear the cost of lamps unless they lost or destroyed them. It had been brought to the commission's notice that this procedure was not always carried out. Steps had been taken by the mines to see that it was uniformly given effect to.

Boots worn underground were supplied by the mines at considerably below cost, but it had been suggested that they should be considered as a "tool of the trade" and supplied free. They lasted on the average for five months, and if repaired could last much longer. But they were unlike tunics or lamps, which could be used by a succeeding native; and the ease with which they could be disposed of was another difficulty. The cost of a free issue of one pair of boots to every underground native would be £225,000 per annum.

Mr. Gemmill then reviewed the general conditions of employment of native clerks (malabans). At present some clerks not housed on the property who had always received a house allowance, continued to receive it, while others who had never received the allowance did not receive it. Until sufficient houses were available an entirely satisfactory position could not prevail. Rations supplied to married clerks were much superior to those given to married employes

on the Northern Rhodesia copper mines. Not every person who considered himself a malaban was defined by the mine as such; and it was unreasonable to demand from the mines married quarters for every malaban who produced a wife. The assumption that in practice there would be the normal proportion of single men among the malabans was reasonable.

CONTROL OF MINES

The commission had seen to a lack of uniformity of mines on internal matters relating to natives; but the mines were separate entities; and even existing group system led to separate head office controls in the 47 working mines which were members of the Transvaal Chamber. All these mines had delegated to the Chamber of Mines, through its associated concerns such as the native labour organisations, the Rand Mutual Assurance Co., Ltd., and the Rand Refinery, Ltd., certain functions for the whole industry, but in other respects there was no centralised control.

It was true that the Gold Producers' Committee made recommendations to the mines on many matters, but these recommendations were not instructions; and although in principle they were nearly always given effect to, it was not always so in detail. The Chamber of Mines and the Gold Producers' Committee had no internal administrative control over the individual mines or groups. The geographical nearness of the mines to each other and the absence of competition in the sale of the product, facilitated the ready exchange of ideas between the management directly, and through bodies like the Association of Mine Managers, the Transvaal Mine Medical Officers' Association and the Compound Managers' Association.

(To be continued)



Native Labour and Gold—II

SYSTEM OF RECRUITING: BASUTOLAND: SURVEY OF CONDITIONS IN RESERVES

CONTINUING his address to the Mine Native Wages Commission yesterday, in summing up the evidence submitted by the Gold Producers' Committee, Mr. W. Gemmill said that the system under which native labour was obtained in the territories had been criticised, and several witnesses, apparently without realising the meaning of their proposals, had asked for its elimination. Their mistaken idea was that the expenditure could then be distributed among native employees. Actually little of it was on "recruiting"; i.e., capitation fees paid to recruiters. The Native Recruiting Corporation spent £365,000 in 1942, of which only £73,000 was for capitation fees. The balance went to maintain offices and staffs for acceptance of natives for employment, medical examination, attestation, dispatch to and distribution on the Rand; further medical examination, including mass radiography; a department to enable natives to keep in touch with their families; supervision on the mines; repatriation of sick natives; handling of deferred pay; and many other activities which, if abandoned, would be a grave loss to natives as well as to the industry.

In effect, the only matter requiring consideration in criticism of the so-called recruiting system was the old point of the elimination of trader-recruiters in the Transkei and Ciskei. Their number had been greatly reduced. When the Native Recruiting Corporation was established in 1912 there were 602 recruiters; the capitation fee being about £3 per native. The number to-day was only 373, and the capitation fee was 24s. It was important to maintain satisfactory relations with traders in the Transkei, who were in closer contact with the individual native than were Government officials or N.R.C. officials. There were trading posts at five-mile intervals throughout the territory, and in many parts the trader was the only resident European. The N.R.C. was thus able to keep in closer contact with the natives in outlying areas than it otherwise could, and the natives were not prejudiced; rather the reverse.

THE VOLUNTARY SYSTEM
Of all natives engaged by the industry in the Union and High Commission Territories, one-half come through the assisted voluntary system, whereby a native presented himself at a corporation office and, if fit for underground employment, was sent to the Rand, where he chose his own mine. Before this system, natives who wished to come without a prior contract had to borrow fares from moneylenders at high rates. This had been entirely eliminated. Many natives, however, still preferred to be shepherd under contract.

As regards the W.N.L.A., all engagements were made at its offices, there being no trader-recruiters or capitation fee recruiters; all work being done by salaried employees. All natives engaged, whether in Portuguese territory or in tropical areas, were voluntary in the fullest sense. The W.N.L.A. operated in Mozambique and tropical areas, where it offered by far the most attractive employment open to natives there. It had no competition from other industries, such as existed in the Transkei; where competition would be intensified if trader-recruiters were abolished for the gold mines, but allowed to continue for other industries.

DEFERRED PAY
East coast natives were engaged on a system of compulsory deferred pay, agreed to between the Portuguese and Union Governments. Tropical natives were also on compulsory deferred pay. The amount deferred in both cases was about one-fifth of total earnings. Natives from the Union and High Commission Territories were on a voluntary deferred pay system, of which about one-half of the natives availed themselves.

Mr. A. G. T. Chaplin, in evidence on behalf of the High Commission Territories, advocated compulsory deferred pay for those territories, two-thirds to be deferred. He did not suggest that this should be an agreement between the Union and High Commission Governments, but that it should be imposed by the gold mines. This was unreasonable, for apart from such drastic limitation affecting the regularity of the gold mines in competition for labour, the same, on Mr. Chaplin's own terms, would reduce the amount of natives spent on the Rand to about £1,000,000 per annum. It was clear that only at the Government's wish could such a proposal be so prejudicial to the interests of the natives as the proposal agreed to. At present the average amount of cash, derived from goods, that found its way into Basutoland was £12 per acre per native employed; and

this could be greatly increased if these natives wished to send more money home.

It was pointed out by Mr. Chaplin that paying one-third of military pay to families (22s. 6d. a month) had enabled many wives in Basutoland to open savings bank accounts. Presumably the intention in mentioning this was to suggest a similar system of compulsory allotment for the gold mines. But the principle of compulsion again arose, and would require the Union Government's approval. A similar but voluntary system of allotment offered by the N.R.C. some years ago received little support from natives. The Native Economic Commission reported against compulsory deferred pay.

STATEMENT CRITICISED

In addition to compulsory deferred pay of two-thirds of the wages, Mr. Chaplin asked for compulsory repatriation after a maximum of 21 months' service. Obviously this was not a matter for the mining industry, but for agreement between the two Governments; and in respect not only of the gold mines, but of other employers in the Union of High Commission territory labour. These points applied particularly to Basutoland, and it seemed that while Basutoland wished the mines to undertake responsibility for compulsory deferred pay and compulsory repatriation, it refrained from exercising its own powers. The reason was obvious; if Basuto objected to the conditions under which they were engaged in Basutoland, they would make their own way to the Rand. If conditions imposed in Basutoland became too difficult, and in relation to other native labour employed by the gold mines too dangerous, it would always be open to substitute for engagement in Basutoland the engagement of Basuto who made their own way to the Rand; in the same way as Northern Rhodesia copper mines obtained labour.

The statement on behalf of the High Commission Territories in several respects was inconsistent and contradictory. It stated that the ultimate ideal system was to house all natives with their families in townships on the Rand, and yet it advocated compulsory repatriation. It advocated trade unionism, and yet wished to subject natives from High Commission territories to drastic restrictions which would still further limit their freedom of action when on the mines. It was significant that the majority of natives who appeared before the commission with complaints, usually unfounded, were Basuto; and that according to the president of the African Mineworkers' Union, about 40 per cent. of the members of that extreme organisation were Basuto, although Basuto numbered only 13 per cent. of the whole labour force.

INTEREST ON DEFERRED PAY

A small point on which much time was spent was whether every Union and High Commission native on deferred pay should be credited with a proportionate share of the interest earned on the deferred pay funds. This interest was applied by the Deferred Pay Board (a Government appointed body) to native purposes in the territories, particularly hospitals and welfare objects; a principle also obtaining in Mozambique, Nyasaland and Northern Rhodesia, where the interest was applied by the Governments concerned to native welfare.

The total amount was only about £10,000 per annum. When distributed over the depositors (who had all gone on deferred pay voluntarily) it would give each a negligible amount; but if withdrawn from the present recipients many worthy native institutions would suffer severely. To meet this last point it was suggested that the deferred pay system should be handled at the expense of the Postal Department, with a post office and staff in every compound. Whatever justification in principle there might be for the proposal, practical objections ruled it out.

SOME OTHER PROPOSALS

Several witnesses urged that the mines should pay repatriation expenses of all natives; the argument being that present arrangements did not accord with the International Labour Office Convention on Contracts of Employment of Indigenous Workers. This was incorrect. The convention provided that the competent authority might exempt employers from repatriation expenses if satisfied that proper allowance was made in wages. This exemption had been applied by the Nyasaland and Northern Rhodesia Governments, and by the Governments of the High Commission territories. The cost of repatriating natives who were unable to fulfil their contracts owing to sickness or accident always fell upon the employer. The convention had not yet been ratified by any Government.

Another claim made in evidence was that holiday and sick leave, such as granted to urbanised natives under wage determinations, should be given to mine natives, whose average period of service was a little over a year, when they returned to the reserves for a semi-holiday of about a year. There was thus no reason, such as existed for Europeans and urbanised natives, to give tribal natives a fortnight's paid holiday. The cost to the mines would be £420,000 per annum, equal to 1.5d. per ton milled.

All mine natives who fell sick received free attention and maintenance in hospital. When well enough to undertake light duties they were paid 1s. 6d. a day. Those injured by accident or industrial disease received the

RESERVES

benefits, including pay when the injury lasted more than 14 days, laid down by law. Those sick through ordinary ailments received no pay. Mine natives were better off in this respect than urbanised natives, who had to maintain themselves when sick and provide medical attention, against which they might at most receive 12 days' sick pay per annum on a medical certificate obtained at their own expense.

UNDERGROUND WORK

Several witnesses had alleged that underground work was unhealthy compared with surface work. But the death rate from disease among underground natives was actually less than among surface natives. In 1941 the underground death rate was 2.94 per 1,000 per annum and the surface rate 3.08; and in 1942 the figures were 2.79 and 3.46. Few native witnesses expressed objection to underground work; one said he preferred it.

An allowance for underground work in European wages was laid down in 1926 by the Mining Industry Arbitration Board, namely, an extra 2s. 6d. per shift underground as compared with the same work on the surface. This extra 2s. 6d. made a difference of 12 per cent. between underground and surface minimum European rates of pay; which was almost exactly the difference in the same rates for natives (2s. and 1s. 6d.). The liability of underground workers to phthisis and greater liability to accidents were provided for by the Workmen's Compensation Act and Miners' Phthisis Act.

CONDITIONS IN RESERVES

A common assertion in evidence by persons speaking on behalf of natives was that conditions in the reserves were bad. A typical example was Mr. D. Molteno's reference to "miserable and depressed conditions in the reserves." Mr. Molteno had said, however, that he gathered his personal knowledge from small native reserves between Taung and Mafeking, an area of negligible importance as a source of native labour for the mines. He said that he had little personal knowledge of conditions in the Transkei, and he apparently had none of conditions in Zululand and Basutoland.

Mr. Molteno's reference to miserable conditions in the reserves was characteristic of the parrot cry echoed by agitators and parliamentarians who sought native support. It was not supported by facts. The Native Economic Commission (1932) reported upon conditions in the native reserves of the Union that an outstanding impression was their general undeveloped condition; that they included some of the richest land in the Union; that the natives had no reason to complain of the rainfall, which with the comparative soil fertility was often left unmentioned in criticisms of allotment of South African land to the natives. Any comparison of the extent of the European area with that of the native area which omitted this factor was only a partial presentation of the facts.

This commission also reported that the necessity for more land for natives had been established, but it was far from accepting that this necessity arose because a limit of development of existing native areas had been reached. It was satisfied that there was room for very large development of the reserves, and wished to emphasise, "with all the power it can," the desirability and necessity of placing a well-planned scheme of improvement and development in the forefront of national objectives.

The commission reported favourably on the Transkei and Zululand, but unfavourably on the Ciskei, where the damage through overstocking was stated to be very serious. In regard to the Transkei, the commission emphasised the importance of eliminating overstocking; and there had been a substantial reduction since the commission reported. The commission found that the cattle in the Transkeian territories totalled 1,716,836; sheep, 3,931,661; and goats, 1,203,942. According to the Chief Magistrate of the Transkei, cattle in the Transkei in 1942 had fallen to 1,480,000; sheep to 2,540,000 and goats to 828,000.

PEASANT AGRICULTURE

Mr. Molteno, again probably influenced by a small corner of the Cape Province near Taung, suggested that natives had a meagre allotment of land, and that an adequate system of peasant agriculture was impossible under present conditions. He was apparently unaware that the Transkei was virtually self-supporting in food; the import of grain being very small, and far more than offset by exports of agricultural produce. In 1939 these exports were valued at £469,000, and in 1942 increased to £874,000.

According to the evidence of the Government of the High Commission Territories, Basutoland in normal years was self-supporting. In 1940 in agricultural produce it actually had an export surplus of £400,000; and to-day this figure must be considerably higher.

A point of great importance to the reserves' income of mine natives was the extent to which sufficient land would be available in the future. It had been suggested that the number of "landless" natives must increase in the immediate future as the population increased. This was not necessarily so, for apart from it being the Union Government's policy to provide more land, it was plain that the production per acre in the reserves was increasing and could be greatly increased.

While Senator Basner had expressed the view that the gold mines should employ only extra-territorial natives, one or two other witnesses asked for the elimination of these natives on the plea that this would cause the mines to raise rates of pay to natives and thus obtain more natives from the Union. This proposal showed a fundamental and really deplorable ignorance of the situation.

Even at Taung natives living within the ambit of the Vaal-Harts irrigation scheme had been able to produce from two morgen of land more food than they needed. It was plain that, properly developed, the present reserves, some of the best agricultural land in the Union, could carry a much larger population than they did at present. The idea that the reserves consisted of poor, inferior land, and that the natives living there were in a state of semi-starvation was contrary to the facts; except, perhaps, in a few small areas.

HEALTH CONDITIONS

Another parrot cry was the allegation that health in the reserves was unsatisfactory. In a survey made for the Industrial Development Corporation Dr. E. Jokl reported that he had been unable to find evidence from which the conclusion could be gathered that health conditions in the Transkei were bad. The number of rejects at the native military camp at Umtata, and at the N.R.C.'s station at Umtata, was under 7 per cent.

Dr. Jokl referred to the "absurd idea that the native population is dying out as a result of tuberculosis." The tuberculosis ratio as found by the medical officer of the native military battalion at Umtata was not more than 7 per 1,000; whereas among 2,000,000 United States Army recruits in 1941 the incidence was 13 per 1,000. Dr. Jokl stated: "In view of the many alarming statements made in public with regard to the alleged catastrophic tuberculosis situation in the Transkei, attention must be drawn to the fact that such statements are not based on published evidence." The increase in the population of the Transkei and also Basutoland was over 2 per cent per annum, one of the highest rates of increase in the world. It would not be possible if malnutrition were rife and general health conditions bad.

Dr. H. Foye had been engaged on an investigation, and Mr. Gemmill understood that he had reached the conclusion that the native population, as compared with populations elsewhere, was not suffering from malnutrition.

It seemed that unfortunate conditions in urban locations and in some small native reserves—malnutrition and high infantile mortality in urban locations, high incidence of syphilis among natives in the Northern Transvaal, malnutrition in some parts of the Taung-Mafeking and Ciskei areas—had been mistakenly and dangerously confused with the general position in the reserves.

UNION'S NATIVE POLICY

There was nothing in the condition of the native reserves to necessitate any departure from the balanced South African native policy laid down almost unanimously by Parliament, after thorough investigation and discussion in 1936/7, and embodied in legislation (particularly the Native Trust and Land Act and the amendment in 1937 of the Urban Areas Act). This policy was affirmed by the Minister of Native Affairs in the Assembly on February 26, 1943.

It embraced the enlargement, planned development and improvement of the native reserves; and a concurrent restriction of the number of natives in towns coupled with their proper housing. It aimed at the preservation of the economic and social structure of the native people in native areas, where this structure could be sheltered and developed. It was a coherent whole; and the antithesis of the policy of assimilation and encouragement of a black proletariat in the towns, divorced from its tribal heritage.

The ability of the mines to maintain their native labour force by means of tribal natives from the reserves at rates of pay which were adequate for this migratory class of native, but inadequate in practice for detribalised urban natives, was a fundamental factor in the economy of the gold mining industry. It was a fact to its credit that the policy of enlarging and developing the reserves helped to maintain the migratory system of native employment which was of so much value to the mining industry and so useful to the natives.

While Senator Basner had expressed the view that the gold mines should employ only extra-territorial natives, one or two other witnesses asked for the elimination of these natives on the plea that this would cause the mines to raise rates of pay to natives and thus obtain more natives from the Union. This proposal showed a fundamental and really deplorable ignorance of the situation.

The statement that an increase in wages would increase the native labour supply might be a convenient assumption upon which to build an economic theory, but it had no substance actually; and it applied to tribal natives was the opposite of the truth. To a large number of Europeans, and the great majority of tribal natives, once a certain standard of life had been achieved, additional leisure was more important than additional money. The evidence submitted by the Gold Producers' Committee, much of it from entirely independent sources, indicated that the reaction of tribal natives to increased wages would be to withhold their labour rather than to offer more of it.

Union natives were always given preference in engagement by the mines, but the Union's native labour requirements substantially exceeded the supply. The Economic Commission (1926) stated that in these circumstances "the utilisation of imported labour has the same effect as the utilisation of imported capital, increasing the funds available per head of the occupied population for the payment of wages."

(To be continued.)

ON THE AIR

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Native Labour and Gold—III

UNFITNESS FOR TRADE UNIONISM: TRIBAL NATIVES MUST NOT BE CONFUSED

IN his address to the Mine Native Wages Commission on Tuesday, Mr. W. Gemmill reviewed the procedure under which natives on the mines are controlled, and whereby they may voice complaints. He said that, beginning with a so-called monitor or prefect elected from among themselves by the occupants of each room in a compound, up to the compound manager, and even the general manager of a mine, a coherent, carefully thought-out system was in force.

The native control organisation in compounds had as its basis the tribal organisation to which natives were accustomed. If a complainant so desired, the compound manager would listen to the complaint without its passing through the various stages. Every native had the right to place any complaint before a representative of the Native Affairs Department; and the inspectorate of the Native Recruiting Corporation was another and valuable avenue.

The system of native supervisors and their functions had also been fully described; and Mr Gemmill stressed the importance of these officials in the welfare organisation of the mines and in maintaining contentment. It was possible, however, that owing to shortage of staff arising from war conditions, some supervisors might have been given additional duties, and thus the system might not at present be always fully effective.

ASSAULTS UNDERGROUND

Many native witnesses had stated that when they lodged a complaint against a European for an assault underground, they often heard nothing further. Evidence, particularly Colonel Trigger's, showed that this complaint had foundation, but that the responsibility rested with the Magistrates' Courts. According to Colonel Trigger, allegations by natives against Europeans often received scant attention as compared with similar allegations by Europeans against natives.

The arrangements open to natives for presenting their views to managements had been developed throughout the mines by officials with special knowledge of natives and mining conditions. To suggest that natives had no facilities for the collective presentation of their views to employers was to ignore the native temperament, which had a leaning to mass representation; and also to ignore widely known facts. Mass delegations of natives to Native Affairs Department officials, to compound managers, to general managers of mines and to officials of the N.R.C. were not uncommon. The present arrangements were not, of course, final; changes in detail were made in the light of experience.

COMMITTEES OF NATIVES

In regard to a suggestion that standing committees of native workers should put forward grievances and complaints, the evidence of the Gold Producers' Committee gave chapter and verse for the great alarm with which that committee viewed this suggestion. The Mining Industry Board's findings showed the dangers inherent in any such system. Such committees would become the hunting ground of the agitator type of native and degenerate into grievances committees, with disastrous consequences on mine discipline.

"I cannot too strongly urge upon the Commission," Mr Gemmill said, "that the suggestion should be rejected. It is significant that even in the case of the European mine employes, with a recognised trade union, this conclusion has been accepted; and the agreed avenue of approach for individual complaints is for the employe to contact the mine officials."

There was at present nothing to prevent natives interested in conditions or circumstances affecting employment from discussing such matters among themselves

and presenting wishes to the compound managers, and later to general managers. But this was quite different from officially recognised elected committees, which could not be prevented from developing into grievance committees with calamitous results. The dangers were too great to warrant even a 'try out' of such committees.

NATIVE TRADE UNIONS

As regards trade unions, the Royal Commission on the disturbances in the Northern Rhodesia Copper Belt in 1940 found that African workers in the copper mines (who, according to Mr. A. L. Saffery were not less educated than natives here) were not ready for trade unionism. The Union Native Affairs Department Inter-Departmental Committee, 1942 (the Smit Report) unanimously excluded the mining industry from its recommendations regarding the recognition of trade unions; and referred to the serious danger to public security of any such recognition.

The Gold Producers' Committee's views on this subject, based on long experience, agreed with these two authorities. Ordinary mine natives, coming as they did from reserves and tribal areas, including many from tropical Africa and Mozambique, had not reached the stage of development necessary for trade unionism; which carried inherent rights, as well as obligations, including the right of withholding labour. These were inapplicable to employes on long-term contracts of service such as mine natives, and subject as these natives were to penal sanctions of South African laws.

The demand for native trade unions on the mines had come from bodies such as the Native Representatives' Council and the African Native Congress, who represented educated natives; and on the European side from theorists, politicians and organisations who were not responsible for control and discipline. So far as mine workers themselves were concerned, those few who in evidence favoured the demand nearly all had some connection with the African Mine Workers' Union, and were not in any sense representative of the mine workers.

It was clear that recognition of trade unions for mine natives at the present time would not arise from a spontaneous demand by the native labourers, but would impose upon them a system in which they were not interested; with the result that the trade unions would be in the hands of professional agitators, and mine natives would be exploited by such persons. The Commission would have noticed the small coterie of the agitator type of native who appeared time and again at the Commission. The extreme attitude of these persons and their unfitness for any position of responsibility affecting mine native employes, or for any status whatever on the mines, was well evidenced by the nature of the statement presented to the Commission by the self-styled African Mine Workers' Union.

The Union Government had given an undertaking to the Portuguese Government to prevent activity of a Communist character among Mozambique natives working in the Union. Evidence showing the Communist connection of the African Mine Workers Union had been put before the Commission; "and I do not think I would be far off the mark," Mr Gemmill said, "if I stated that most of the controllers of that union are Communists. Information on the point can, however, be obtained by the Commission from the police authorities. To allow this union any recognition or status on the mines would, therefore, in itself constitute a breach of an important international undertaking."

COMMISSION'S SCOPE

Mr. Gemmill next dealt with the remuneration of native labour in the light of the commission's terms of reference. These required the commission to examine and report on the remuneration and conditions of employment of natives on the Witwatersrand gold mines with special reference to—

(a) The economic requirements of such natives in their different categories and according to their tribal and other needs, and having due regard to the provision made for them apart from wages.

(b) The effect of any modification of such native wage rates upon the mining industry itself and on the economic position of the country generally.

(c) The effect of any such modification upon the extent and conditions of employment of Europeans and non-Europeans both in gold mining and other industries throughout the Union.

It would be noticed that raising the natives' standard of living or education, or giving them a greater share in the country's production, was not mentioned. The determination of the economic requirements of mine natives, having due regard to provision made apart from wages, had not been attempted before, and the investigation required careful study.

Only a negligible number consisted of urbanised natives, i.e. natives who did not live in mine compounds but in their own permanent homes on the Rand. Native labour on the mines consisted, and always had consisted, almost entirely of natives from the reserves, who came to the mines intermittently, and left their families at home. The few urbanised natives employed were chiefly mabalans (clerks and similar types).

Mine natives fell into four categories: natives from the Union; natives from the High Commission Territories, i.e., Bechuana-

land, Basutoland and Swaziland; East Coast natives, i.e., Portuguese natives from Mozambique territory south of latitude 22 deg S; and tropical natives, i.e., natives from territory north of latitude 22 deg S.

No difference in pay existed between these categories. In economic requirements and tribal needs the conditions of Union and High Commission natives were very similar; and the argument in the case of Union natives, particularly those from the Transkei, generally applied also to High Commission natives. Union and High Commission natives on the mines normally numbered about 240,000 of the grand total of 360,000.

The provision to which due regard must be had apart from wages was mainly free food, quarters and medical and hospital attention during employment. (Reference would be made later to the very important provision made by the Government in the way of land).

Contrary to statements made to the Commission, there had been a substantial increase in pay since 1914, when the minimum rate for underground work was 1s. 6d. a shift. It was now 2s.; an increase of 33 1/3 per cent. In 1914 there was no minimum rate for surface work, whereas the minimum now was 1s. 9d. a shift. A considerable majority of natives now earned more than the minimum rates.

BENEFITS IN KIND

An approximate valuation of the benefits in kind showed a total value to a native whilst employed of £33 16s. per annum, say 2s. 2d. per shift worked. But this calculation, while important for comparative purposes, and as showing the liberal nature of the benefits, had no bearing when deciding a mine native's economic requirements and the cost to him. The question whether cash value should be calculated on value to a native or cost to the mines thus did not arise.

But while that was so, the Gold Producers' Committee held that the basis of any such valuation, when it was made, should be the value of the items to a native if he had to purchase them himself, and not their cost to the employer. Obviously an employe when comparing remuneration consisting of cash only with remuneration consisting of cash and benefits in kind, assessed the value of the benefits at the cost to himself if he had to provide them. The question, however, while it did not arise in deciding economic requirements of mine natives in relation to wages, would arise later in regard to allowances for food and quarters given to natives in other occupations.

OTHER COMPARISONS

Another calculation handed in as a matter of interest was a comparison made between minimum wages in cash and kind of mine natives and the rates in the wages determination for unskilled labour on the Rand; this determination being based on the cost to an urbanised native of maintaining himself, wife and three children in a location. The comparison showed the total remuneration in the two cases to be very much the same; but it also was not a factor in determining the economic requirements of a mine native. It was put in merely as being of general comparative interest; and in this connection it might be pointed out that remuneration paid to natives employed in the Union on mines other than gold mines was something less than the remuneration paid by the gold mines.

The only labouring employment corresponding to surface work on the gold mines on which evidence was given showing higher rates of pay than on the gold mines was employment on the railways. In 1939 the minimum rate of pay to native labourers on the railways in the Rand area was 1s. 9d. a shift the same as the gold mining surface rate. In 1941 this was increased by 3d. a shift; and the increase was stated to be related to some extent to the increased cost of living, but also to the Administration's wish to ensure the necessary number of native recruits. At the end of 1942 another increase of 6d. a shift was given; but Mr. Timperley stated that this increase had nothing to do with economic requirements of natives, but was given solely because the Administration for various reasons, had decided to increase the wages of their European labourers.

CARDINAL DIFFERENCE

Mr. Gemmill went on to submit the cardinal feature which differentiated mine natives from urbanised natives.

According to the findings of Miss Janisch, Social Research Officer of the Union Native Affairs department, an urban native with wife and three children on the Rand spent 49 per cent. of his income on food, 18 per cent. on rent, 13 per cent. on fuel and light and 6 per cent. on transport to work. A similar calculation by the Smit Committee showed 63 per cent. spent on food, 16 per cent. on house rent, 9 per cent. on fuel and light and 4 per cent. on transport.

The average mine native escaped nearly all of this expenditure, both at his home and on the mines. At his home he produced his staple articles of food from land of which he was allowed virtually free occupation by the Government. At home he had no house rent. On the mines his quarters, hospital and medical expenses, and food on a high dietetic scale, were provided free. The difference between the

economic requirements of tribal natives and urban natives was fundamental.

The failure to realise it was at the root of most of the mistaken views put to the commission alleging the inadequacy of mine wages. In statements by bodies purporting to speak for natives, suggestions for a wage of about £7 a month were usually made. But under examination these were found to be based on the wages considered necessary for urban natives; whose position was confused, either deliberately or through ignorance or carelessness, with the position of tribal natives. The bodies making this mistake were the Institute of Race Relations, the African Mine Workers' Union, the Johannesburg District Committee of the Communist Party, the Friends of Africa, the Native Representatives' Council and the Council of Non-European Trade Unions; as well as Mr. D. Molteno.

"LAMENTABLY SHORT"

Even the Government of the High Commission Territories fell into the same error. In its statement it alleged that the present wage paid to mine labourers was uneconomic because "it falls lamentably short of the amount of £6 10s. per mensem which has been calculated as the minimum economic wage." And this £6 10s. a month it identified as Miss Janisch's calculation of the "minimum living wage for a native family on the Reef"; a calculation which obviously had no relation to the economic requirements of tribal natives employed by the gold mines.

If the wages paid to High Commission Territory natives on the mines were uneconomic, it was difficult to understand why an additional payment, in the form of a war levy of £1 2s. 6d. in Swaziland and £1 per annum in Basutoland, should have been imposed on such of these natives as work on the mines. It was also of interest to note that in Basutoland, which had a considerable budget surplus, Government labourers were paid wages as low as 1s. and 1s. 6d. a day; the labourer providing his own food.

Mine natives, being tribal natives from the reserves, were in an entirely different economic position from detribalised urban natives employed by industrial concerns in towns, and absorbed into the European economic system. Urbanised dwellers were permanent town dwellers, whose food and housing, medical attention and all other necessities, both for themselves and their family, must be provided out of wages. They had no "reserves income" to supplement those earnings; and in the urban environment they tended to ape European standards in their style of living. Moreover, unlike tribal natives, they could not count on support in old age.

DISTINCT GROUPS

This fundamental difference between urbanised natives and natives from the reserves was explained in the Native Economic Commission's report, paragraph 531 reading—

"Economically these are distinct groups and the distinction is one of the greatest importance and should be borne in mind in dealing with economic questions relating to natives."

The confusion of the position of the tribal native and the urban native was the more serious because economically the position of the urban native was unsatisfactory, whereas the economic position of the average mine native was entirely satisfactory. Well-meaning and honest people, concerned at the deplorable condition of urban natives, had assumed that mine natives must be in the same position. The completely erroneous nature of this assumption could not be too strongly emphasised.

The view expressed by the Industrial and Agricultural Requirements Commission that a gradual increase in native wages was desirable referred to urbanised natives employed in manufacturing industries and not to mine natives. As any increase in mine native wages would increase working costs and the pay limit, it would be diametrically opposed to this Commission's recommendation that the gold mining industry should be maintained for the longest possible period.

(To be continued.)

BELGIUM RATIFIES

Belgium has ratified the Geneva Convention for the International Protection of Intellectual Property. The ratification was effected by the Belgian Government on Tuesday. The convention, which is one of the most important in the field of intellectual property, aims at ensuring the same rights for authors and inventors in all countries that have signed it. Belgium's ratification is particularly significant as it brings the number of signatories to 18. The convention was signed in Geneva in 1886 and has since been amended several times. The latest amendments, which came into force in 1940, were aimed at strengthening the protection of patents and trademarks.

Native Labour and Gold—IV

ECONOMIC NEEDS OF MINE LABOURERS: WAGES PLUS INCOME FROM LAND IN RESERVES

THE relation of native wages on the gold mines to native income from land in the reserves was explained by Mr. W. Gemmill in his address to the Mine Native Wages Commission on Tuesday. He said that so far as its native labour was concerned, the mining industry was based on these conditions.

The average period of service of a Union mine native was about 14 months, and the average stay at home about 12 months. His working age was between 18 and 40, of which he spent about half, or 12 years, on the mines and "retired" about the age of 40; an enviable position.

Generally speaking, the wages earned by natives in the reserves was a necessary complement to the livelihood obtained from their land. Their social and economic position was such that they could satisfy their needs by intermittent periods of service; and additional funds enabled them to remain in comparative idleness for a further period.

Although their wants were gradually increasing, this increase was slow; and on returning from industrial centres they reverted to their historic tribal conditions. Any increase in wages would be followed only to a small extent by an increase in their standard of living. The main result would be that they would work for a shorter period than at present; and consequently the available native labour in the Union would be reduced.

This position was common knowledge; but Mr. Gemmill also cited the finding of the Inter-Departmental Committee on the Labour Resources of the Union; and passages from books to show that this aspect of African labour had been observed by such Socialist writers as Lord Olivier, Sidney and Beatrice Webb, and the Dean of Canterbury.

The philosophy of tribal natives in this respect was very different from Europeans. They used extra remuneration rather to purchase more leisure than to increase their standard of living.

UNANSWERABLE PROOF

There was nearly always a greater demand for native labour in the Union than could be satisfied. The Native Farm Labour Committee, 1937/39, found that the demand in the Union substantially exceeded the supply. If it were the case that tribal natives found their earnings insufficient, they could augment them without detriment to tribal and family life by coming out to work for a somewhat longer period.

This fact in itself was complete and unanswerable proof of the adequacy of the present wage to meet the economic requirements of mine natives; so much so that a statistical investigation was superfluous.

The Gold Producers' Committee had, however, made such an investigation and submitted it to the commission. This investigation concerned economic requirements of the average married mine native (ordinary tribal natives) from the Transkei; the home of the majority of Union mine natives. It divided economic requirements into (a) that part of the upkeep of the home in the reserves obtained from land; (b) articles required by native and family (wife and three children) while in the reserves, in addition to those included under (a); and (c) necessary additional expenditure of the native while on the Rand.

These were economic requirements in 1939, thus eliminating special wartime conditions, which would be separately considered.

THE TRANSKEI ECONOMY

(a) Upkeep of home in the reserves: The family consumed grain (mealies and kafir corn), meat, milk, beans and other vegetables, poultry and eggs; and used to some extent goat and sheepskins, all produced on the family lands. Except for a small quitrent and building site rent or local tax, the native was granted by the Government free occupation of land with free fuel, light and pasturage; and no liability for damage to the land. While the native worked on the mines, his wife and family lived at home in the reserves, where they were maintained largely by produce of the land. This was called the "reserves subsistence" portion of the family income by the Native Affairs Commission. When the native returned home, either temporarily or permanently, he fell back on the "reserves income" aided by his savings.

It was unnecessary to make a cash valuation of this reserves income since, like benefits in kind given by the mines, it was part of the native's economic requirements which he did not have to pay for out of wages. The Native Economic Commission, however, gave a cash value to the reserves income of not less than £30. Similarly, as a matter of interest, there could be cited the Gold Producers' Committee's estimate of the total income of the average married tribal native while employed on the surface of the mines: Net cash wages, £29 10s. 1d.; value of benefits in kind, £33 16s.; reserve income, £30; total per annum, £93 6s. 1d. The same total for the underground native was £95 3s. 5d.

FAMILY BUDGET

(b) Articles required by native and family in the reserves in addition to those included under (a). For this a liberal maintenance budget for the class of native concerned had been submitted; much more than a subsistence budget. Indeed, according to the evidence of Mr. J. B. Clarke, it was considerably higher than the actual budget of the "Red" native in the Transkei. The clothing allowed was very much more than allowed in the budgets for an urban native with wife and three children compiled by Miss Janisch and the Smit Committee. In total it was very similar to the corresponding Transkeian budget submitted to the commission by the Umtata Native Welfare Society, a native body, and by the Chief Magistrate of the Transkei. The Institute of Race Relations also reached a result of the same order.

The budget submitted by the Gold Producers' Committee showed that the articles required by the average mine native labourer and his family (wife and three children) in the reserves, in addition to those he produced himself, cost £9 19s. 3d. in 1939. (The cost at the present time was shown as £14 0s. 5d. per annum; the corresponding present-day figures submitted by the Umtata Native Welfare Society and the Chief Magistrate of the

Transkei were £12 9s. and £12 respectively.)

The cost shown in the budget was the cost of the native family unit when the native himself was at home in the Transkei; and obviously when he was on the mines the cost of the home's upkeep was substantially reduced. Allowing for this on the recognised basis, the cash expenditure needed for the upkeep of the family in the reserves while the native was on the mines became £6 12s. 10d. per annum in 1939.

(c) Necessary additional expenditure of native while on the Rand: This included mine boots and rail fare. Mr. W. G. Ballinger estimated a total present day expenditure of £7 0s. 6d., say £6 0s. 6d. in 1939; and this had been used to cover the stay of 14 months on the mines.

A CLEAR CONCLUSION

Combining these calculations to reach an estimate of the total cash requirements of the average married mine native for 26 months (14 months on the mines and 12 at home), it was found that in 1939 the total cash requirements were £28. But from these figures must be deducted a sum in respect of the disposal of surplus produce, estimated by the Native Economic Commission, 1930-32, to have an average value in the Transkei of about £3 per annum; say £7 for the 26 months. The total of £28 must thus be reduced by £7, giving the net cash requirements of the native, his wife and three children for the 26 months at £21 in 1939.

As the average cash earnings of a native employed underground were £35 per annum, say £41 for 14 months, and for the surface native £32 and £37 respectively, while the minimum cash earnings for the 14 months were £35 14s. underground and £31 4s. 9d. surface, it was clear that the average tribal native could in 1939 obtain by 14 months' work on the mines much more than enough to enable him to live for 12 months at home.

Actually he had a large margin which, if he wished, he could use for savings such as the purchase of stock, or to increase his standard of living. The margin was indeed so large that the statistical conclusions stated must remain valid under any reasonable modification the Commission might consider necessary.

According to the evidence, earnings of mine natives were such that many were able to waste a considerable part of their wages on luxury expenditure on the Rand; which was another indication of the adequacy of these earnings in relation to economic requirements. The possibility of a sufficient portion of these adequate earnings failing to reach the wife and family was, of course, quite a different matter.

Mr. Chaplin had stated that the family allotment of 22s. 6d. a month under the military scheme in Basutoland placed the average native family in so good an economic position that many savings bank accounts were being opened. And that was on present day cost of living.

There seemed no need to go further in the way of proving the obvious.

TRANSKEI PRODUCE

It had been pointed out that the estimates given by the Native Economic Commission of the average value of surplus native produce in the Transkei would be vitiated if most of the sheep there belonged to a few large owners. Undoubtedly there were variations in the holdings of individual natives, and there might be a few who had exceptionally large flocks; but it had not been suggested that the average native in the Transkei did not own sheep, and therefore did not benefit by selling wool. Such a contention would be patently absurd. If it were valid, the Native Affairs Commission and the Native Economic Commission would have been aware of it, and would not have put forward their estimates.

The position of tribal natives, in enjoyment of a reserves subsistence income from their lands, was compared by one witness with that of a European who had a private income in addition to his earnings. And it was thus suggested that the adequacy of the native's income should be assessed without reference to the reserves income, just as the wages of the European would be assessed without reference to his private income. But this argument ignored the fact that the reserves income was due to land granted by the Union Government, which was in effect a subsidy enabling natives to work in the intermittent fashion which suited them and accorded with their historic background and tribal circumstances. This subsidisation was a basic factor in the Union's economy, and came into account under the commission's terms of reference as a provision made apart from wages.

"LANDLESS" NATIVES

It was true that some tribal natives on the mines were in the reserves less favourably placed than others; but in assessing economic requirements it was the position of the average employe that must be considered. The extreme case of this less favourable position was the so-called "landless" native. According to official estimates, there were only about 20,000 out of about 250,000 male married natives in the Transkei who did not possess the usual lands. But these 20,000 were not completely landless. Each could have an acre plot on which to build a dwelling and to kraal cattle, sheep and goats; and had the same right of free pasturage as landed natives. As, however, they must buy all their food, their economic position was less favourable; but their economic requirements on the 1939 basis were almost covered by 14 months' work out of 26. Thus they need work only a little longer on the mines to obtain a surplus. It was clear, in any case, that the economic requirements of the average mine native could not be assessed on so small a section of the natives employed.

The remedy for the relatively less favourable position of the so-called "landless" native lay with the Government in ensuring greater agricultural development and more land. Considerable areas adjacent to the Transkei purchased by the Native Land Trust had not yet been taken up.

It had been shown that the mining industry was based, so far as its native labour was concerned, on the employment of landed natives from the reserves whose economic position enabled them to work intermittently on

the mines at the existing rate of wages. If the employment of so-called "landless" natives on the gold mines necessitated an increased wage, then they became unsuitable for gold mining employment; just as urbanised natives could not be employed because of the wage necessary. Indeed, if land was not made available to "landless" natives by the Government, they might gravitate into the urbanised native class.

STANDARDS OF LIVING

It had been claimed that there should be a progressive automatic increase in rates of pay with length of service, beginning perhaps at lower points than the present minima of 2s. underground and 1s. 9d. surface. The basis of this argument was that with experience natives became more efficient and therefore should receive more pay. The great majority of mine natives were paid more than the minimum rates, but the difficulty remained that there was not the same scope for progression in unskilled work as in semi-skilled or skilled work. This was pointed out by the Native Grievances Inquiry, 1914. If natives could progress into semi-skilled and skilled occupations, the claim would be met, but on the mines they were prevented by law and custom.

As regards the claim that more pay should be given to enable natives to attain a higher standard of living, even if existing wages were adequate for their present standard, it had been shown that the average native had, even at to-day's prices, a considerable surplus of earnings over his economic requirements; and that he could easily augment this surplus by increasing to some extent his period of work on the mines without detriment to tribal and family life. The practicability of greatly increased agricultural production from his lands was another avenue to increased income and a higher standard of living.

It was also plain that Transkei natives could obtain a greatly increased income by selling more of their cattle at the present high prices, with benefit to the Transkei, which was overstocked, and to the rest of the Union, which was short of meat. The fact that only 44,000 cattle were sold in 1942 out of a total stock of 1,500,000 surely indicated that there was no pressing need for additional cash.

There appeared to be some loose thinking on the right of employees to a progressively increasing standard of living without increased production by them. On what criterion was the higher standard to be determined? To what particular standard had each class of employe a right, above that subsistence to which every employe was entitled? There was no standard which stood out as claiming adoption, for there could be as many standards as there were opinions on the subject.

In any case it would not be right to require employers to pay more for exactly the same work solely to enable workmen to attain an increased standard of living, which they could readily attain by their own efforts if they wished, and indeed for which they already had a margin in present wages.

EAST COAST AND TROPICAL

Thus far Mr. Gemmill had discussed the economic position of Union and High Commission Territory mine natives. As regards East Coast and tropical natives, it had been shown in evidence that their cash requirements at home were small as compared with Union natives. An increase of their wages would merely result in sending out of the Union, quite unnecessarily, wealth which was at present retained here; and, moreover, would seriously upset the native wage position in the countries concerned, already disturbed by the relatively high wage paid by the gold mines.

All natives on the mines were on the same schedule of pay, and it would not be feasible or desirable to pay lower rates to extra-territorial natives than were paid to Union natives for the same work.

The evidence, Mr. Gemmill submitted, proved conclusively that the economic requirements on the 1939 basis of mine natives in their different categories and according to their tribal and other needs were more than adequately provided by the remuneration and benefits they received in cash and kind.

Some witnesses were under the impression that while European workers on the mines had received substantial additional benefits since 1933 (when the increase in the price of gold took place) native mine workers had received very little. The evidence giving a comparison between the value of concessions granted to European and native mine employes respectively since 1933, showed that this was an entirely mistaken idea, which it was as well to explode. Both European and native mine employes had received increases in pay plus concessions representing an increase of about 20 per cent. on their 1933 earnings.

(To be continued.)

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Native Labour and Gold—V

EFFECTS OF CHANGES IN COST OF LIVING

WHY NO ALLOWANCE IS PAID

IN HIS ADDRESS to the Witwatersrand Mine Native Wages Commission last Tuesday, Mr. Gemmill discussed changes in the cost of living as these affect mine natives, and explained why mine natives had been excluded by the Government from the cost of living allowance.

He said mine natives were affected to a comparatively small extent because usually maintenance of a native and family in the reserves was largely provided by the produce of their land; and when on the mines the native was maintained free of cost to himself. For these reasons, mine natives, farm labourers and domestic servants were excluded from the cost of living allowance payable by law to other classes of employes.

This radical difference between the position of tribal natives on the one hand and Europeans and detribalised urban natives on the other, was evident from the figures submitted. These showed that an urban native with wife and three children spent about 90 per cent. of his income on food, rent, water and sanitation, fuel, light and transport; whereas most of this expenditure did not fall on the average mine native either at home or when on the mines.

The mines had borne the whole cost of increased prices of rations supplied free to their natives.

The only increase in the cost of living that fell on mine natives was the increased cost of commodities bought at home in the reserves, plus the increased cost of necessities when working on the Rand. One of the main articles of a mine native's clothing, the woollen blanket, was now being produced in the Union at virtually the same price for the same quality as before the war.

CATTLE AND WOOL

An itemised analysis of the position, calculated on Government controlled prices, showed that since 1939 the increased cost of living of the average married mine native during the period of 26 months—12 months at home and 14 months on the mines—was about £8; against which must be set the increased value of surplus production of agricultural produce at home since 1939. Cattle prices had increased from £6 in 1939 to £10 in April, 1943; and wool prices from a maximum of 6d. per lb. in 1939 to a minimum of 8d. per lb. in 1942. Since 1942 there had been a further increase in wool prices of 15 per cent.; and the price of hides had gone up from 6d. to 8d. per lb.

It must also be taken into account that since 1939 mine natives had received certain benefits in increased minimum rates of pay and increased wages, an average increase of £1 1s. per annum; and also in payment of the inward rail fare, which itself was an average benefit to Transkeian natives of £2 0s. 5d. These increased benefits would remain after the increased cost of living had disappeared.

The evidence thus showed that the average married mine native was to-day on balance in very much the same position financially, so far as purchases of necessary cost of living items was concerned, as he was in 1939.

A cost of living allowance was never given in respect of luxuries, but only in respect of ordinary necessary cost-of-living items. Further, the full increase in the cost of living, even of these necessities, was not granted in the cost of living allowances laid down by the Government as a war measure. It was usual to reduce the extent to which the increased cost of living was set off by the cost of living allowance as the employe's margin to meet such increases became greater. These assertions could be checked by reference to the Census Department. As shown in evidence, tribal natives had considerable margins out of which they could meet increases in the cost of living.

The cost of living allowance of 1d. a shift in Southern Rhodesia, laid down by the Southern Rhodesia Government, and payable to married natives only, was not payable to natives who received free food and quarters. The Northern Rhodesia Copper Mines cost of living allowance of 2d. a shift was based on the position of a married native mine employe with his wife and family living with him at the mine.

IN OTHER OCCUPATIONS

It had been contended that because some compounded tribal natives employed elsewhere than on the mines received the Government cost of living allowance, this should be paid to mine natives, farm labourers and domestic servants. This was fallacious. There was no justification for applying this allowance to mine natives. If certain other tribal natives living in compounds in somewhat similar circumstances received the allowance, this did not mean they were rightly getting it. The allowance laid down in the war measure was designed to meet the conditions of urbanised natives, and to apply it to tribal natives living in compounds was obviously quite wrong.

It had been asserted that this position was rectified by fixing the amount of the allowance on

the net remuneration, i.e., the remuneration less deductions under wage determinations for rations and quarters. This again was fallacious. In the first place, the grading of the cost of living allowances in the war measure was such that the deduction of the small allowance for rations and quarters made no difference to the actual cost of living allowance payable to many of the natives concerned. Thus a native receiving the wage determination rate of 26s. a week, less the 5s. a week deducted for rations and quarters, received exactly the same cost of living allowance as if he fed himself.

The second error was that far too small a deduction for rations and quarters was made in the wage determination. The deduction allowed was equivalent to the pre-war cost to the employer for rations and quarters. This deduction should be the value to-day of these items to the native if he had to provide them himself; and not their cost to the employer. Their value to the native was much more than 5s. a week.

Thirdly, the method adopted was based on the assumption that the only difference between compounded tribal natives and urbanised natives was that the former received board and lodgings for himself while in employment. It ignored the far more important fact that the cost of living of tribal natives and their families in the reserves was much less than that of urban natives.

For these reasons, the methods of dealing with non-mining compounded tribal natives in the wage determinations and under the cost of living allowance measure were so fundamentally wrong as to furnish no proper standard for considering the remuneration of mine natives.

A SIGNIFICANT FACT

Questions put to a large number of ordinary mine natives whom the Native Affairs Department presented to the Commission elicited the information that mine natives were, generally speaking, satisfied with their conditions of employment. It was true that, when asked, they, all, whether earning 2s. a shift or 5s., and whether or not they possessed ample land, sheep and cattle, expressed a desire for higher wages; as indeed would almost any employe of any industry, whether white or black, at any rate of pay. But it would not be correct to say that mine natives were clamouring for increased wages. Very significant indeed was the fact, established in evidence, that there was no unrest at all on the mines on the question of wages.

Such trouble as had occurred had either been the usual tribal fight, or due to temporary restrictions in certain rations necessitated by Government regulations. The fact that there had not been any unrest on the mines on wages was a surprise to some witnesses; "but here again, I venture the opinion," said Mr. Gemmill, "that just as the view that mine wages may be inadequate has arisen from a confusion of the remuneration and economic requirements of the mine native, who is a tribal native, with the remuneration and economic requirements of the detribalised urban native, so the idea that there is unrest on the mines over wages is due to confusing the unrest on wage questions that occurred towards the end of last year among urban native workers (e.g., in the meat trade) with the position on the mines."

He submitted that it was conclusively established by the evidence that the economic requirements of mine natives on the 1939 basis were abundantly provided for in the wages they received; and, further, that the increase in the cost of living of these natives since 1939 had been small and had been offset by additional income and benefits received.

(To be concluded.)

AWARDS TO SOUTH

THE following list of honorees follows the award of the Order of the British Empire to the following:—
 Major-General Sir John Dill, G.C.B., G.C.M.G., G.C.V.O., D.S.O., D.F.C., D.P., D.L.D., D.L.C., D.L.S., D.L.M., D.L.A., D.L.F., D.L.H., D.L.I., D.L.J., D.L.K., D.L.L., D.L.M., D.L.N., D.L.O., D.L.P., D.L.Q., D.L.R., D.L.S., D.L.T., D.L.U., D.L.V., D.L.W., D.L.X., D.L.Y., D.L.Z.
 Colonel Sir John Dill, G.C.B., G.C.M.G., G.C.V.O., D.S.O., D.F.C., D.P., D.L.D., D.L.C., D.L.S., D.L.M., D.L.A., D.L.F., D.L.H., D.L.I., D.L.J., D.L.K., D.L.L., D.L.M., D.L.N., D.L.O., D.L.P., D.L.Q., D.L.R., D.L.S., D.L.T., D.L.U., D.L.V., D.L.W., D.L.X., D.L.Y., D.L.Z.
 Major-General Sir John Dill, G.C.B., G.C.M.G., G.C.V.O., D.S.O., D.F.C., D.P., D.L.D., D.L.C., D.L.S., D.L.M., D.L.A., D.L.F., D.L.H., D.L.I., D.L.J., D.L.K., D.L.L., D.L.M., D.L.N., D.L.O., D.L.P., D.L.Q., D.L.R., D.L.S., D.L.T., D.L.U., D.L.V., D.L.W., D.L.X., D.L.Y., D.L.Z.

Native Labour and Gold—VI.

SOURCE OF UNION'S PROSPERITY IN MINING REVENUE

THE Union's dependence on the gold mining industry was described by Mr. W. Gemmill in his address to the Mine Natives Wages Commission, in reference to the commission's second term of reference—the effect of any modification of such native wage rates upon the mining industry itself and on the economic position of the country generally.

Although the vital importance of the gold mining industry to the Union of South Africa had been recognised for a long time, no comprehensive investigation into the part played by the industry in the Union's economic structure and the extent to which the population was supported by the gold mines, had been made until the Low Grade Ore Commission in 1930. Immediately before the Union left the gold standard in 1932 about 50 per cent. of the population, Europeans and natives, obtained its livelihood directly or indirectly from the gold mining industry.

Following the increased price of gold at the end of 1932 the Union's prosperity and the national production greatly increased, owing to expansion of the gold mining industry and the consequent expansion of secondary industries. As during that period there was no corresponding expansion of other primary industries, it followed that the extent to which the Union's economy depended on the gold mines must have greatly increased since 1932. (The prosperity ascribable to temporary war conditions did not come into account in this connection.)

A SNOWBALL EFFECT

It was comparatively easy to estimate the number of individuals who obtained their livelihood directly from the gold mining industry, but the extent of indirect dependence was often not realised. For example, if 85 per cent. of the Rand's population was supported directly or indirectly, any total showing the extent to which the Union's whole population was supported must include not only the Rand's 85 per cent., but the population elsewhere which obtained its livelihood by supplying the needs of the gold mines and of the Rand's 85 per cent. And just as these individuals outside the Rand were supported by the gold mines, so they themselves supported other Europeans throughout the country; and so on with a snowball effect. All these individuals, in the final analysis depended for their support on expenditure by the gold mines.

The findings of the Industrial and Agricultural Requirements Commission (the Van Eck Commission) in its third interim report (October, 1941) emphasised the pre-eminent importance of the gold mining industry to the country. The report pointed out the close correlation between the rate of increase in gold mining revenue and expenditure and the rate of progress of other branches of South Africa's economic system. Manufacturing industries, Union Government and railway revenue, registrations of new motor cars, all increased pari passu with increased revenue distributed by the gold mines. Insolvencies decreased at much the same rate. The impetus given to the Union's economic life by the gold mining industry's increased scope was, indeed, extraordinary.

"HAS BECOME DOMINANT"

As the Van Eck Commission stated, "gold mining has become dominant in the local situation." In its report the Van Eck Commission declared: "The correspondence between the rate of increase in gold mining revenue and expenditure and the rate of progress of other branches of South Africa's economic system is, however, so close as to confirm strongly that gold mining has become dominant in the local situation. During the depression, when other industries curtailed their operations and personnel, the modification of gold mining costs as a result of reduced commodity prices enabled the gold mining industry to offer more employment and to increase its expenditure. No other country had such a powerful stabilising force to come into operation automatically when economic conditions deteriorated. The subsequent rise in the price of gold gave a rapid flip to the community's purchasing power, and in conjunction with the multiplier effect on total income of the increased capital expenditure of the gold mines, it has been the main factor in the general economic progress made by the Union in all directions since 1933."

This commission also stated: "Since the gold mines are of the utmost importance to the national economy—both for the maintenance of the income level and for making overseas payments—the desirability of postponing the inevitable exhaustion of the industry for as long as possible is self-evident."

And again: "In view of the importance of the gold mining industry in the economy, the commission recommends that a most serious and early investigation be made into the best means of maintaining a stable production for the longest possible period."

"LIFE-BLOOD OF THE UNION"

Two eminent authorities, Professor H. S. Frankel, in his book "Capital Investment in Africa" (1938), and Professor C. W. de Kiewiet, of Cornell University in his "History of South Africa: Social and Economic" (1941), said the same thing.

Professor de Kiewiet, on page 155 of his book, wrote: "The gold mines are the life blood of the Union. Mining, especially of gems and precious metals, has played an important part in the economic life of all the Dominions. Valuable mineral products are, as it were, concentrated forms of wealth, easily converted into the money and the credit

upon which young communities so greatly rely. Whereas in Australia and New Zealand, gold at an early moment gave way in importance to wool and pastoral products, the economic structure of South Africa continued to rest upon gold."

Gold mining in South Africa was the industry to which the bulk of the country's other activities were ancillary. Round it, and dependent on it, were many secondary industries, including many agricultural activities. Some had assisted in the production of mining revenue, while others had interfered with it by forcing the industry to purchase goods at prices above those at which they could be delivered from world sources; thus reducing potential mining revenue by rendering ore unpayable.

MANUFACTURES AND AGRICULTURE

The Van Eck Commission showed that neither the Union's manufacturing industry nor its agriculture was self-supporting. The former, according to this commission, depended upon protection costing about £10,000,000 a year; and in agriculture in 1939-40 a minimum of £7,500,000 of farmers' total incomes was in the nature of a transfer to them from other sections of the population. These transfers were, in the ultimate analysis, provided from the mines; indeed, without revenue produced by gold mining, secondary industry, as at present operating, could not exist.

The Customs Tariff Commission (1934-35 report) pointed out:

"If secondary industries are to take the place of the gold mining industry they must themselves become economic. The fulfilment of this condition is absolutely essential, for otherwise when the gold mining industry does disappear the resulting adverse effect on the country's economy will be much greater than if secondary industries had not been developed at all."

Before secondary industry (and agriculture) could begin to take the place of the gold mining industry, it would have first to go through a transition stage from its present position to the position when it could exist without any assistance, direct or indirect; and then subsequently progress to the position when it could compete in the world's markets. This was a task of great difficulty, which could be achieved, if at all, only over a long period during which the mining industry continued on a large scale. It was not to be wondered at that the Van Eck Commission's outstanding recommendation was that the gold mines should be encouraged in every way to continue for as long a period as possible.

PAY-LIMIT OF GOLD ORE

The total revenue from gold mining rose and fell inversely with the "pay-limit" of gold ore; and it was upon the level of this pay limit that the Union's prosperity at present rested. The "pay-limit" meant the minimum amount of gold in a ton of ore which could be mined without monetary loss.

The level of the pay-limit depended first on the world purchasing power of gold in terms of goods and services, which was entirely beyond the control of the mines or of the Union. It was this "fixed" price of gold that so markedly differentiated the position of the gold mines from commerce and industry, the railways, government departments and manufactures, which could "pass on" increases in wages. This cardinal point was so obvious as to be clear to all.

Apart from variations in the purchasing power of gold, the pay-limit was affected by changes in the level of working costs; that was to say, by the quantity of resources that had to be expended to mine and treat a ton of gold ore. In 1914 these costs were 17s. 1d. per ton milled; and they rose steadily until by 1921 they averaged 25s. 8d. per ton. As a result, mining revenue by 1921 had sunk to its lowest level for a decade; and the steadily deteriorating position created great alarm in responsible quarters.

A DISASTER ESCAPED

The position improved somewhat with the reduced working costs that followed the 1922 strike; but in a report issued in 1925 the Government Mining Engineer drew Parliament's attention to the grave outlook for the country unless new mines were opened. In a report in December 1929, quoted in the Low Grade Ore Commission's final report, he showed how the future revenue to be distributed by the gold mines was expected to diminish from the end of 1929. The estimate was based upon the maintenance of the ex-

isting cost level and the "standard" price of gold.

It afforded an authoritative view of what the present position would probably have been if the price of gold had not risen. But for this increased price, and consequent lowering of pay-limit, the industry by now would be distributing revenue at a rate of £20,000,000 per annum instead of £110,000,000; and a decline from £20,000,000 to £10,000,000 per annum would have taken place by 1947. This would have been a disaster to the Union of the first magnitude.

Mr. Gemmill submitted that it had been conclusively shown that the country's prosperity depended upon the quantum of revenue distributed by the gold mines; and that this, in turn, depended upon keeping down the pay-limit, which in so far as the Union had a say in the matter, could be accomplished only by lowering costs. When mining costs in terms of gold had fallen prosperity had followed. When they had risen, depression had come. From history itself, therefore, could be deduced the economic truth that nothing should be allowed to cause the pay-limit of existing or potential gold mines to rise unless this was absolutely unavoidable.

Recent multiplication of the difficulties of gold mining had already caused a decline in revenue to set in. The figures for 1942-43 showed substantial declines on those for 1941. If these difficulties were to be further increased by raising native wages, the proved method of bettering the whole community by keeping the pay-limit down would have been rejected in favour of giving a sectional gain; which would be wasteful of natural resources, and must lead to a contraction of the national income at a time when expansion of this income was an urgent necessity.

(To be concluded.)

Half Stomach

WOMAN'S STRIKING RECOVERY

The remarkable recovery of a native woman after a protrusion of the abdomen by intestinal hernia, treated by the method of Dr. J. H. ...

Native Labour and Gold—VII

EFFECTS OF INCREASED WAGES ON MINING COSTS AND ON INDUSTRY ALL OVER THE UNION

IN his address to the Mine Native Wages Commission last Tuesday, Mr. W. Gemmill, in summing up the evidence presented by the Gold Producers' Committee, dealt with the widespread implications of alterations in working costs.

By far the most important investigation on this subject was made jointly by the Low Grade Ore Commission and the Gold Producers' Committee in 1930-1. The commission endorsed the conclusion of this joint investigation that a reduction of 2s. per ton milled in working costs and yield would extend the Rand's life by at least 50 per cent.; and a reduction of 4s. per ton by over 100 per cent.

Similarly, an increase in costs would render unworkable enormous quantities of ore. Such ore was present in every mine from richest to poorest. An increase in native wages of even 1d. a shift would add £460,000 per annum to the wage bill, equal to 1.7d. per ton milled. And the adverse effect of a rise in costs was not just less profit for the mines, but a reduction of the total mining revenue distributed over the whole country. For three mines, Van Ryn Estate, Langlaagte Estate and Van Ryn Deep even a small increase in native wages would cause immediate notice of closure.

LOSS TO WHOLE COUNTRY

These three relatively small mines in 1942 distributed £3,300,000 in working costs and employed 2,100 Europeans and 17,000 natives. They made hardly any profit, and were not paying dividends. Together they constituted about 5 per cent. of the Rand's gold mining industry. If it be assumed that 60 per cent. of the national production of the Union arose directly or indirectly from the gold mines, then as the total national production was about £500,000,000 the elimination of these three mines would destroy 3 per cent. of the national production; equal to about £15,000,000 per annum.

An increase in the revenue distributed by the gold mines initiated and supported a structure of secondary and ancillary activity, whose total revenue was a multiple of the gold mining revenue. Conversely, a decrease in gold mining revenue withdrew support from a wide circle of secondary and ancillary activity, and so caused a general diminution of revenue much greater than that directly ascribable to gold mining.

Taxes of various kinds now absorbed over 70 per cent. of the real profit from gold mining. Union Government revenue provided directly by the gold mines totalled £27,700,000 per annum. The Government imposed a so-called gold realisation charge of 3s. 3d. per ounce on the mines, ostensibly in respect of war-time realisation charges, although no such costs were actually borne by the Government. This war impost totalled £2,200,000 per annum, and its effect on the pay-limit was the same as though the mines were getting only 164s. 6d. per ounce for gold instead of 168s. the selling price in the Union. The margin of profit of the three low profit mines already mentioned would rise by 4½d., 5½d., and 5½d. per ton respectively if the gold realisation charge were eliminated.

THE MINING FUTURE

To give the Commission a general view of the country's gold-bearing areas, these were segregated into (a) the well explored Witwatersrand area of producing mines; (b) areas containing producing mines not in the Witwatersrand geological formation; (c) areas associated with the Witwatersrand geological formations partially developed or prospecting, or where gold deposits were believed to exist at workable depths.

Areas in category (c) represented, as far as at present known, the future of gold mining in the Union; for in them new mines must be sought. But opening a new mine could be warranted only if the likely profit was commensurate with the risk. And as increased native wages increased costs, the increase would render these prospects less attractive. If in the result a new mine was not opened, all the revenue which could have been produced was lost. Thus the loss in untouched areas was complete, whereas in producing mines—category (a)—only the ore affected by increased costs ceased to yield revenue. Further, a wage increase that might not deter the opening of small outcrop mines might prevent the opening of deep level mines; under which description fell all the potential large mines in the category (c) areas.

Every increase in native wages made ore unpayable, and thus reduced the total revenue which the gold mines could distribute. Any benefit to mine natives from increased pay involved the rest of the community in a loss greater than if it were merely a transference from the community to the natives. A far greater loss arose from the ore which was not mined. It was not the case that the only effect of raising

native wages would be to reduce the profits of the mines. For, apart from the fact that some mines made little, if any profit, the main effect on the country was the elimination of ore which would otherwise be worked.

A simple example was ore valued at 20s. a ton which could at present be worked at a cost of 19s. 9d., the profit being 3s. a ton. Virtually all this 19s. 9d. was spent in the Union. If by increased native wages the cost rose to 20s. 3d., obviously the mine would not work the ore, and the country would lose all the expenditure it previously enjoyed.

AN INESCAPABLE FACT

It had been suggested that the increase in native wages should not be treated as a working cost but be provided by a book entry from profits (if any) which otherwise would go in taxation or be paid to shareholders. No such benevolent juggling with headings would alter the fact that an increase in native wages was an addition to working costs, and that ore thus rendered unpayable would not be worked. The mines might be compelled to increase wages or other costs, but nothing could require them to work unpayable ore along with their payable ore, any more than a farmer could be compelled to work unprofitable land because he had other profitable land; or a dairyman to keep unpayable animals because he had other payable animals.

There was no getting away from the fact that an increase in working costs following an increase in native wages would render unpayable one that at present was payable; and not only in mines which as units were near the border line of payability, but in every mine on the Rand.

Several statements presented to the commission suggested that the gold mines in the Union's economic structure could readily be replaced by expansion of the base metal industry. Mr. T. C. A. Meyer, a recognised authority on the subject, regarded as unlikely any development sufficient to replace even a small part of the gold mining industry; and his view was shared by the Gold Producers' Committee.

It must not be assumed, however, that the gold mining industry could not be made to last for several generations, provided it received adequate consideration. There were enormous quantities of low grade ore below the present pay-limit which could be worked if costs were sufficiently low.

THE SHAREHOLDERS

An important aspect often overlooked was the interests of the shareholders; the owners of the mines. Some witnesses appeared to think that these persons, most of them South Africans, were of no consequence in the problems before the commission, and deserved no consideration.

The conditions of gold mining in the Witwatersrand area entailed very large capital expenditure, and until great sums had been spent in shaft sinking, development and equipment, the value of the ore deposit could not be determined. As a profit-making undertaking, gold mining must always be considered in the light of the fact that, even after making full allowance for skill, experience, enterprise and even for luck, investors knew beforehand that a number of undertakings would result in partial or total loss of capital and waste of labour and material.

An assessment of the profitability of the gold mines since their inception in 1887 to the end of 1932 was carried out by Professor H. S. Frankel, who reached a mean yield of only 4.1 per cent. It was true that after the Union left the gold standard the industry entered a period of greatly increased prosperity; but if Professor Frankel's calculation was brought up to date, taking into account the £80,000,000 to £90,000,000 new capital invested since 1932, the mean yield would exceed 5 per cent. by little, if by anything at all.

TECHNICAL EFFICIENCY

Some witnesses, all without practical knowledge of mining conditions, contended that the cost of an increase of wages, or a considerable part, might "conceivably" be offset by increased efficiency; particularly by the use of mechanical appliances. In other words, that inducement to greater efficiency would be increased.

This was another fallacy. In every mine large bodies of low-grade ore could be worked if costs were reduced. Thus the incentive to reduce costs to bring additional ore into commission was always pressing; and the use of mechanical and other appliances was advanced to the fullest possible extent. Continued investigation was part of the managerial functions of the mines and the controlling groups. On most large mines there were study departments on this type of investigation. It would be absurd to say that there was no possibility of improvement, but the assumption that means existed to meet increased native wages in this way was too vague to carry weight.

REBATE PROPOSAL

In some evidence, for example the Trades and Labour Council's, it was suggested that to prevent the elimination of ore through increased native wages the Government should bear the cost, or part of it, and if necessary impose additional taxation. And the commission had referred to the minority proposals in the Low Grade Ore Commission's report for the payment of subsidy or rebate by the Government. But these latter proposals were made with a view to bringing into com-

mission ore which at that time was unpayable; a thing different in practice from the idea that increases in mining costs might be more readily recommended if the ill-effects could be side-stepped by a Government subsidy or rebate.

The principle of a subsidy or rebate on the working of low-grade ore had never been accepted by the Government (it was not even accepted by the Low Grade Ore Commission as a whole), and clearly it would not be adopted by the Government without thorough investigation. The very fact that it had now been put forward showed, however, that the danger of increasing the cost of production was realised; and emphasised the argument that there should be overwhelming evidence of the necessity of any proposal that would increase costs before that proposal was adopted by the commission.

ALL EMPLOYMENT

Mr. Gemmill then turned to the commission's third and last term of reference—the effect on the extent and conditions of employment of Europeans and non-Europeans in gold mining and other industries throughout the Union; and to make recommendations which might seem to meet the circumstances.

To estimate the full effect of an increase in mine native wage rates on the extent and conditions of employment of Europeans throughout the country would be a complex affair. So far as an increase in native wage rates would reduce the scope of the gold mining industry, its effect on European employment throughout the country would be: (a) in the gold mining industry a reduction pro rata to the reduction in the scope of the industry; (b) in other industries a reduction pro rata to the extent to which their scope depended on the scope of the gold mining industry.

In addition to this easily understood reduction in the extent of European employment throughout the country, increased wages for mine natives would have further effects on European employment. The level of native wages in many important industries in the Union was, if not determined, at least materially influenced by the level set by the gold mines. Since native wage determinations in a large variety of minor occupations this effect had become less marked but it was still effective in the Union's mining industry other than gold mines, which employed 75,000 natives at rates usually rather lower than gold mining rates; and in all industries which competed for labour with the gold mines. It also had an important influence on wages paid by farmers, including the sugar industry, and on their ability to secure an adequate supply of native labour.

An increase in native wages on the mines would thus bring about an increase in many other occupations. It would also be used as the basis of a claim for higher wages to Europeans, both on the mines and elsewhere. All this would still further raise the already high price structure of the Union; increase the cost of production generally, including gold mining costs in the purchase of supplies; and render export trade still more difficult.

The effect on native employment would be similar to the effect on Europeans; except that if unemployment arose among Union natives one of the first steps would be to prohibit or reduce natives from tropical areas, Mozambique and even from the High Commission Territories. This possibility provided an indication of the loss the Union would suffer in a contraction of the gold mining industry sufficient to prohibit the employment of extra-territorial natives. The output of gold per native employed in 1942 was 39.7 ounces, valued at £334. Extra-territorial natives on the mines in 1942 numbered 178,000, including 63,000 High Commission Territory natives. The direct extent to which these natives were a factor in producing the national income was manifest.

THE COMMISSION'S TASK

The scope of the commission's inquiry had extended far beyond a mere wage investigation, and had once again brought prominently to the fore the gold mining industry's position as the main factor in the Union's economy; and the very great extent to which the country's economic well-being was bound up with the capacity of the gold mines to produce and distribute revenue. That this was the case was clearly demonstrated in the reports of the Low Grade Mines Commission 1919, the Low Grade Ore Commission 1931, and the Industrial and Agricultural Commission 1941. It almost appeared to be necessary to review the position once every decade.

The Union's general economic progress since the price of gold rose at the end of 1932 tended to obscure the fact that the origin of this prosperity was and remained the gold mining industry. The public, seeing progress on every side, with new manufacturing industries and commercial enterprises, tended to regard this expansion as something standing on its own feet; and to forget that, apart from war circumstances, it had happened on the back of increased purchasing power flowing from expansion of the gold mining industry.

The commission's task was quite a different order from the responsibility of a Wage Board deciding native wages in enterprises which could "pass on" extra cost. An increase in wages in the gold mining industry to be weighed not against market factors, such as a rise in as-

ment rates to meet increased wages to natives employed by a municipality, or an increased price of sweets to meet increased native wages in the sweet manufacturing industry; but against the consequent and inevitable reduction in the scope of operations of that industry which was the main factor in the economy and prosperity of the Union. The responsibility on the shoulders of the commission was very great indeed.

THE NATIVE PEOPLES

The Gold Producers' Committee had endeavoured to confine its evidence to facts, and to "decided cases" in findings of authorities such as commissions and Government inquiries; and to avoid mere expressions of opinion and sentimental considerations. It had assumed that the commission would reach its findings in the light of conditions and economic requirements as they existed today under the law and custom of the country; including the colour bar, the system of family cultivation in the reserves, and the native policy of the Union of South Africa as laid down by Parliament.

The uplift of the native peoples to a higher plane of civilisation was a worthy object, and one to which the mining industry had made, and was making, an important contribution. It might well be that the distribution of income in the Union was unjust to the natives; but the way to remedy this was surely not by imposing additional native wage costs on the industry which directly and indirectly was the main source of native employment, and so cripple that industry.

The Gold Producers' Committee had set out its case, Mr. Gemmill said in conclusion, "and submit that it is a good case as a sound one; and that as regards the main question referred to the Commission, namely, the remuneration of mine natives in relation to their economic requirements, it provides overwhelming evidence that the requirement of the average mine native more than adequately met by existing wage scale, leaving margin for progression to a high standard of living if the native desires it. In other words, wages provide for economic requirements plus a margin of uplift.

"At a time when the problem of post-war reconstruction, employment, and the avoidance of post-war depression and unemployment loom menacingly at the finding of the Commission will be awaited throughout the country with much anxiety by those who realise the grave implications of the matters on which it reports."

(Concluded.)

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