

criminal class, the scheme should given efficient administration and goodwill, have remarkable financial results." 1

At the time the Report was produced it was calculated that something like £250,000 per year was not collected, and in addition some £50,000 to £60,000 was spent in maintaining defaulters in prison. The total yield of the tax was approximately £1,000,000. 2

In 1939 changes were made in the method of tax collection in order to facilitate the payment of taxes and "to avoid making criminals of tax defaulters." The law, as it then stood, necessitated tax defaulters being dealt with under the Criminal Procedure Act:

"That is to say, they must be formally charged and released within 48 hours, and when charged are liable on conviction to fine or imprisonment." 3

The new Bill provided for machinery by which the Native commissioner could deal with the arrested tax-defaulters without the defaulter having been formally charged. The commissioner can now, for example, give the defaulter the opportunity of paying his tax by deductions from his wage payments. But where the defaulter is recalcitrant he may be detained in camps "where his services will be hired out a a portion of the money which he earns will be allocated to the payment of the tax. This will tend to ensure that the amount will be paid." 4 The sentence of the court is not exceed more than one month for every £1 of the tax in arrears.

There /.....

))-----

1. Report of Departmental Committee of Enquiry into the Collection of Native Tax. Para. 170.
2. Ibid.
3. Minister of Finance: House of Assembly Debates, 1 June, 1939.
4. Ibid.

There seems little doubt, as can be seen from the figures of Natives sentenced for non-payment of taxes, that the Act has operated to the benefit of the Native population. Yet the number of convictions is still very considerable and it still remains true that the penalty of imprisonment for the non-payment of taxes is a penalty which is peculiar to the system of Native taxation.

#### The Broader Issues and Conclusion.

It should be noted that the total amount of revenue raised by means of Native Taxation constitutes only a small part of the total revenue of the State derived from taxation. In the fiscal year 1937/38 it constituted approximately 1 per cent of the total revenue from taxation of all kinds, direct and indirect. Thus the adjustment or even the elimination of the present system of Native Taxation would not raise insuperable financial difficulties. Indeed the main points which would have to be considered are not in fact fiscal matter but concerned with much broader issues. Here it seems that the following points are the most important. First, a regressive tax system tends to accentuate the inequalities in incomes within a community. This is a matter of the greatest importance in the Union of South Africa where there are abnormally large disparities in incomes. Secondly, where a tax is imposed on persons on or below the subsistence level it will in the long run reduce the efficiency of their labour and decrease the productivity of labour. Where as in the Union, productivity is low, this too is of great importance. Thirdly, by reducing the cash income of the Native population, it reduces the spending power of this section of the population and tends to keep down the demand for many of the products of secondary industry. Fourthly, such taxation may by accentuating or maintaining the low level of income of the Native taxpayer/.....

taxpayer ensure a continuation of large supplies of labour at low rates to certain industries. Thus certain sections of the population may benefit at the expense of others. Fifthly, due to the severity of the tax burden and the difficulties of collecting the tax, it may exert a deleterious influence on a large mass of the Native population. In deciding what should be the future of the Native tax system and devising suggestions for its reform, these points should be considered for they are probably much more significant than the purely fiscal ones. In all probability they will determine the future of the Native Tax system.

-----o-----

- TABLE I. -

AMOUNTS PAID BY NATIVES IN RESPECT OF TAXES  
DURING THE FINANCIAL YEARS ENDED 31ST MARCH, 1944 TO 31ST  
MARCH, 1946.

(a) GENERAL TAX.

	CAPE	NATAL	TRANSVAAL	ORANGE FREE STATE	TOTAL
1941	£203,607	£271,154	£771,983	£82,039	£1,328,783
1942	£214,912	£281,757	£814,626	£86,269	£1,397,564
1943	£241,955	£264,611	£791,550	£85,358	£1,383,474
1944	£277,917	£303,164	£773,918	£92,122	£1,447,121
1945	£282,028	£309,034	£774,800	£93,969	£1,459,831
1946	£249,137	£321,621	£797,110	£96,864	£1,464,732

(b) LOCAL TAX.

	CAPE	NATAL	TRANSVAAL	ORANGE FREE STATE	TOTAL
1941	£138,826	£58,976	£24,513	£1,865	£224,180
1942	£141,008	£55,524	£25,255	£1,703	£223,490
1943	£148,507	£60,148	£25,404	£2,102	£236,161
1944	£145,990	£59,478	£26,770	£1,887	£234,125
1945	£141,340	£59,790	£27,777	£1,562	£230,469
1946	£136,321	£54,470	£26,598	£1,403	£218,792

(c) Quitrent.

1941	£62,270
1942	62,954
1943	64,829
1944	61,104
1945	55,528
1946	57,585

TABLE I. (CONT.)

D. PASS FEES.

	CAPE	NATAL	TRANSVAAL	ORANGE FREE STATE	TOTAL
1941	£436	£13,698	£724,615	£113	£738,862
1942	£202	£14,278	£752,043	£ 81	£766,604
1943	£201	£14,914	£718,550	£ 85	£733,750
1944	£330	£15,699	£680,569	£100	£696,698
1945	£337	£17,834	£699,168	£ 68	£717,425
1946	£315	£17,460	£727,780	£ 88	£745,643.

TABLE II.

CONVICTIONS OF NON-EUROPEANS UNDER THE NATIVE TAXATION ACT.

<u>YEAR.</u>	<u>NUMBERS CONVICTED.</u>
1932	64,659
1933	69,760
1934	61,487
1935	68,915
1936	63,072
1937	71,100
1938	55,079
1939	48,668
1940	13,315
1941	Net available
1942	do.
1943	21,315
1944	21,747

-----o-----

TABLE III.

ESTIMATED EXPENDITURE OF THE DEPARTMENT OF  
NATIVE AFFAIRS

	<u>1946-7.</u> £	<u>1945-6.</u> £
Administration .....	63,400	55,900
Native Affairs Commission .....	6,000	5,900
Native Appeal Courts .....	6,200	6,200
District Administration .....	545,000	488,800
Native Settlements .....	183,300	163,200
Eastern Caprivi Zipfel .....	4,700	4,900
Bushman Reserve .....	300	200
<u>GENERAL:</u>		
Grant to South African Native Fund ...	350	350
Present and Rations to Chiefs .....	1,000	1,000
Relief of Distress .....	35,000	15,000
Telegraphs and Telephones .....	13,000	13,000
Pensions, <u>ex gratia</u> allowances, and rations to needy Natives in respect of		
(a) Blind pensions £200,000		
(b) Old Age £800,000		
(c) Invalidity grants £200,000		
(d) Poor Relief <u>£ 35,000</u>	1,235,000	1,235,000
Natives Representative Council .....	2,750	2,550
Grants to needy ex-members of the Native Military Corps and to needy Natives who rendered service with the Union Military Forces during the Great War, 1914-1920 .....	35,000	33,000
Cost-of-Living and temporary non- pensionable special allowances .....	214,000	161,000
Loss on boring for water .....	1,000	1,000
Farm Labour .....	44,000	-
Non-recurrent .....	-	2,750
<b>TOTAL GENERAL</b> .....	<b>1,581,100</b>	<b>1,464,650</b>
<b>TOTAL</b> .....	<b>2,390,000</b>	<b>2,189,750</b>

**Collection Number: AD1715**

**SOUTH AFRICAN INSTITUTE OF RACE RELATIONS (SAIRR), 1892-1974**

**PUBLISHER:**

*Collection Funder:- Atlantic Philanthropies Foundation*

*Publisher:- Historical Papers Research Archive*

*Location:- Johannesburg*

**©2013**

**LEGAL NOTICES:**

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

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

People using these records relating to the archives of Historical Papers, The Library, University of the Witwatersrand, Johannesburg, are reminded that such records sometimes contain material which is uncorroborated, inaccurate, distorted or untrue. While these digital records are true facsimiles of paper documents and the information contained herein is obtained from sources believed to be accurate and reliable, Historical Papers, University of the Witwatersrand has not independently verified their content. Consequently, the University is not responsible for any errors or omissions and excludes any and all liability for any errors in or omissions from the information on the website or any related information on third party websites accessible from this website.

This document forms part of the archive of the South African Institute of Race Relations (SAIRR), held at the Historical Papers Research Archive at The University of the Witwatersrand, Johannesburg, South Africa.