

c/o Division of Economics & Markets,  
Department of Agriculture,  
PRETORIA.

27th. February, 1940.

Dear Prof. Frankel,

About two weeks ago I called up the University but found that you and all your associates were still away. I want very much to see you again before we leave but my time is getting short. We hope to sail for Australia some time early in April - actual dates of sailing of course are uncertain. Next month we hope to take a little vacation and visit the Kruger National Park and the Victoria Falls. Owing to the uncertainty with regard to sailing dates we will have to leave for Cape Town or Durban not later than Mar. 28th. This program does not give us much free time.

My work here is just about completed. I have been able to get a tremendous amount of valuable information. Early on I found that I was unlikely to gather much valuable data by means of interviews. Most people had very decided opinions either for or against control schemes individually or generally, but could give me very little factual material, so I adopted the more fruitful though more laborious process of going into files, reports, and the numerous documents available in the various boards and in government departments. I am very gratified at the data I have been able to collect. Since our very valuable group discussion at your home, I have become firmly convinced that a quantitative measurement of the effects of control was totally out of the question, i.e. the measurement of added cost. I have tackled the problem of the effect on production, upon secondary industries, upon living standards, upon margins and costs of distribution, upon political and farm morale, upon direct costs of operating and supervising control etc. Then too there are considerations of the broader effects of control upon the general adaptability of the economy as a whole to necessary technological and economic changes - or conversely the tendency of control to freeze existing institutions, costs and margins.

I am afraid that the proponents of control will not approve of my general conclusions when they are finally published. I may say that I am convinced that South Africa has not developed a substitute for the competitive system with all its alleged weaknesses, that the veneer of prosperity that S.A. has enjoyed since 1933 is due not to the fact that its economy is being organized upon sound lines, but to the fact that it has been fortunate enough to have large supplies of a commodity (gold) for which there has been a great and sustained world demand. This industry has formed the basis for development of secondary industries and has also been milked to supply the wherewithall to maintain agriculture and white labor on artificially high levels. Whatever the future of gold may be the process of inevitable readjustment has been made more difficult as a result of the development of so-called economic planning in agriculture.

The reading of the various reports of the Board of Trade and Industries on the sugar and wheat industries is like a fairy tale. The reports show clearly that these industries were just about as inefficient as they could be and yet the Board recommended protection and other measures, which could have no other results but to encourage an increase of production. Then there is the operation of the maize control with an almost callous disregard of the interests of natives both as consumers and as producers (in the territories). The powers recently granted to the wheat and dairy industries to con-

trol prices right down to consumers and to control agents to handle these products would make Hitler turn green with envy. An extension of production into areas totally unsuited has been encouraged in the case of most products controlled. Land values already high in the light of their long time earning capacity have been raised still higher. There has been a bad breakdown of morale on the part of the farming population. Efforts are made to avoid responsibilities under the various control schemes and to run to the government for special handouts whenever the control schemes have been ineffective in enhancing returns sufficiently. Costs of administration of many of the control boards seem to be mounting by leaps and bounds and the end is not yet in sight. Margins upon which millers and bakers, and creameries and cheese factories operate seem to have been fixed on the basis of what would keep the least efficient operators in business. In several cases margins seem to have remained unchanged since the control board came into being in spite of the fact that all boards have as one of their primary purposes the rationalization of their particular industries. Rationalization is a nice word, the implications of which are perfectly understood. Nobody seems to have been interested enough to attempt to work out the varying degrees of elasticity of demand for the various products. Even if the demand for a commodity is inelastic the degree of elasticity is important when coming to a decision as to what would cost the country less - lower domestic prices and the total value of that proportion of the product sold locally or hold up domestic prices and dump the balance overseas at ver low process.

From my analysis of government controls in agriculture in S.A. I am more than ever convinced that state interference is defensible only if it promotes general as opposed to individual or group interest; if it facilitates, not retards, forces that work towards reducing costs margins and prices and so permits the benefits of improvements in technological efficiency to become widely dispersed; and finally if it facilitates the absorption of persons displaced in obsolete or over-expanded industries in new industries. In South Africa the effect of controls has all been in the opposite directions. But still worse there is developing a tendency to prostitute democratic institutions and to undermine political, group and individual morality. As a matter many people tell you frankly that democracy is a washout, and must be replaced by a system of beneficent dictatorial planning, as if under a dictatorship you don't have all the evidences of corruption and the perpetual urge to promote the welfare of strong or vociferous groups at the expense of the welfare of the mass of the people.

I hope to spend a few days in Johannesburg some time next month and will then be able to discuss the matter more fully. I believe I have a mass of evidence to support all my conclusions - some of it is such dynamite that I would hesitate to use it here.

Kind regards,  
Sincerely yours,

(Sgd.) J.M. Tinley.

TO THE NEWS EDITOR:

(7)

Prof. L. Robb's Soil Conservation Project at Keiskama Hoek.

Emergency financial assistance by three voluntary organisations has temporarily rescued a remarkable Government-sponsored soil saving experiment at Keiskama Hoek, near East London, from the scrap heap.

The project was started in 1948 by a team working under Professor Lindsay Robb, a leading botanist and soil conservation expert.

The results have been spectacular. Thousands of acres of formerly bare, sun-baked earth capable of sustaining only the hardiest (and inedible) plant life are now rich grassland. Streams which have not run in living memory -- except for a few days after heavy rains -- have been induced to flow steadily. "Sponges" on the mountain plateaux, over which trucks drove three years ago, are today uncrossable marshland.

The National Council for Social Research was responsible for launching this work, and granted Prof. Robb £5,000 a year for it. At the end of last year, however, the Council informed Prof. Robb that funds were no longer available and he would have to close down at the end of this month.

Vigorous but fruitless efforts were made to get this decision reversed. It seemed as if the project must end -- two years before its full benefits could be realised.

Then Mr. George Stent, organising secretary of the S.A. National TB Association, visited the scheme and was so impressed with its value that he not only pledged his own association to a gift of £260, but also persuaded the East London Red Cross to give £200 and the Buffalo Catchment Association to give £400 -- enough to keep the unit intact for several months.

What is more, he has interested powerful State officials in the scheme and there is every hope that the Government and other interested bodies, such as the Veld Trust, will put the scheme on a permanent footing.

Why do the TB Association and the Red Cross back such a scheme? Both argue that poor soil must inevitably produce poor food -- and the Keiskama Hoek is the heart of a country notorious for TB. If they can help repair the soil, they also help to rehabilitate the human beings who live

upon it/.....

upon it.

When Prof. Robb was appointed by the National Council, he was instructed to investigate all aspects of Native life and welfare in the district of Keiskama Hoek. With the help of professors and students of the Witwatersrand and Rhodes Universities; of officers of the Departments of Native Affairs and Agriculture and of the National Botanical Survey, he initiated a dozen different surveys covering every phase of life.

Several thousand Natives of various ages were medically examined; records were kept of family budgets; of what they ate, what they grew and what they sold.

A thorough investigation was made of their housing facilities; their educational facilities and capabilities. A study was made of the part played by traders in the life of the Native; of the effects of migration of the male population to urban centres. Generally, a complete social and economic survey -- the most comprehensive of its kind ever done in Africa -- was begun.

But Prof. Robb believes that man and his environment must be considered as one whole problem: that it is neither possible or wise to divorce the effects on man of social and economic factors from the condition of the soil that feeds him. He therefore first of all turned his attention to the source of the district's water supply.

The many streams that eventually merge to form the Keiskama River rise in the Amatola Mountains, dominated by the Hogsback at a height of 6,360 ft. When Prof. Robb first went there in 1948, he found there had been serious deterioration of the vegetation on a vast scale.

The grass on the "sponge" areas, Nature's collectors of rainwater to supply the springs, streams and rivers, had been eaten and trampled out. Many of the streams had long ago dried up. Large areas of the mountain range and the upland plateaux were eroded. Fynbos and Helichrysum, a silver-grey, clover-like plant which cattle and sheep cannot eat and which does not hold water, grew in profusion. Where they did not grow there was only hard, bare earth.

What had been rich grazing land 50 years ago had been almost completely  
destroyed/.....

destroyed. In 1948, the stage was set for further disaster through rapid soil erosion on a vast scale.

Prof. Robb acted quickly. An area of 3,000 acres was fenced off and all cattle excluded. For a full year the whole area was rested to induce as much growth as possible around the Helichrysum, which is strongly resistant to fire. Then in July, 1949, -- the end of the dry season -- the whole area was thoroughly burned.

Six months after the total burning, grass began to grow: and the highly nutritious Rooigrass was predominant, as it was in that same area 40 years ago.

When the grass seeded, Prof. Robb brought in cattle to graze and tread the seeds into the soil. That done, cattle were again excluded from the area for a long period, with the result that the grass became denser and more widespread. Today, only three years afterwards, the area is completely restored and all rain that falls is held by the grass cover.

But Prof. Robb's work on the Hogsback is not complete. He would like to prove whether fertilisers would speed up the work of rehabilitation and enrich the grazing -- and if so, what types. He wants to know the stock-carrying capacity of the reclaimed land. He wants to know whether nutritious grasses would oust Helichrysum and Fynbros, providing the area was completely rested. These and other important questions remain to be answered, and only time and continuous experiment can provide the correct answers.

(Extract from the Sunday Tribune, Durban).

G.E. STENT.  
Secretary. SANTA.

MMD.  
P. 98.

16th February, 1951.

Offices of SANTA,  
347 West St.,  
DURBAN.

And

Perhaps the most urgent reason for co-operative  
organisation of production is the necessity to save the soil in  
Native areas. All efforts to persuade the people to ~~cultivate~~<sup>protect</sup> the  
soil ~~with~~ by contour ploughing - in other ways, are making  
but very slight impressions on their practice, & ~~understandings~~<sup>ignorance, national</sup>  
disinclination to adopt new ways, suspicious of the motives of those  
who instruct them (eg. they freely say that if they improve their land  
the White man will say that the <sup>land</sup> "too good for a Kaffir") & the  
ploughing of land by women & youths - here & there patches

67. Is the new organization to be a Joint Labor Exchange.

available for the purpose of the plan, we have to estimate that probably a generation will be required to make the desired changes general.

(209) SUMMARY. This, then, is the case dealt with in our survey: A fine coastal strip of country including land which the Director of the American Geographical Society considers one of the best potential centres of agricultural and industrial development in Southern Africa, was given more than half a century ago to the native people as their permanent homeland. Because the land is so good, because nature has treated this part of Africa with a kindness not extended to most other parts of Africa with a kindness not extended to most other parts of this continent, the native people in spite of their backwardness have thrived. In the last 60 years they have increased their numbers at an almost incredible rate. It is difficult to avoid the conclusion that the favourable natural conditions of the Transkei have to some extent spoiled the native people. There was, and to a large degree still is, little incentive to work, to foster agricultural skill, to improve standards of craft-work and of industry, or to keep pace with the rapid progress of knowledge as has during the last 50 years taken place in the Union wherever the white man had set his foot. Not that the native people themselves or the land on which they live are incapable of being developed and improved. On the contrary, there is good evidence that the native can be a good worker, not only in his traditional environment, but also in the new man-made European environment of production which utilises modern technique and science. In fact, the South African native is by nature particularly suited for the conditions of life which prevail on the African continent.

(210) The land in the Transkeian territories is good land. Provided it is cultivated by modern agricultural methods, the soil yields crops and pastures plentiful and good. The introduction of an agricultural policy based upon intensive pastoral as well as upon crop farming, is possible. This is an important point, especially if the great needs of the Union population for dairy products and for meat are considered, needs which the bulk of South Africa's agricultural land is not by nature destined to satisfy; and if it is remembered that during the last decade large quantities of maize had to be imported into the Transkei from the Union which can ill afford to part from its grain crop.

/Trees ....



(211) Trees grow well in the Transkei as was well exemplified, until a few decades ago by the abundance throughout the country of indigenous forests, most of which have now been destroyed. But with the help of scientific forestry, we can compensate for the losses suffered through human foolishness. We can replant trees, we can afforest vast stretches of land which to-day is bare, thus re-establishing and even greatly improving the invaluable natural sponge, capable of storing immense quantities of rainwater. There is a good annual volume of rainfall in the Transkei although, as is the case in so many other parts of Africa, rainfall frequently pours down "in bulk". A large percentage of the annual total may be concentrated within a few weeks or even days. But we possess to-day exact knowledge of the different components from which the climatic picture of the Transkei is made up, which enables us to draw up a plan to control many of its irregular features.

(212) There are distinct possibilities to establish centres of industry in the Transkeian territory. If we would have no other assets than the good farming potential of the country, and its excellent capability of growing timber, considerable industrial possibilities would lie before us. But there is more to include in the plan. It is likely that textile plants can be established in the Transkei. Furthermore, the Transkei possesses mineral resources. Inherent artistic gifts of the native people once they are canalised and cultivated, will allow the building up of efficient homecraft industry.

(213) The common denominator for all measures to translate into realities these and other potentialities is manpower. The Transkei has an immense volume of labour which so far has never been fully used. It has been calculated that as many as 1,500,000,000 labour hours can be contributed annually by the territory's population, of which at present perhaps one-quarter is being utilised. If it is realised that also the quality of virtually all native labour from the Transkei is poor and that training will be able to bring about improvements in this direction, the immense significance of this issue is obvious. The appropriate methods to render Transkeian native manpower available for action are organisation so far as its quantitative aspect of the problem is concerned, and education which will ensure that the quality of work is raised. Organisation and education of the people are then the two essential procedures on which a plan to rehabilitate and develop the territory must be based. A census of the people and a detailed survey of the territory, universal schooling and regulation of water supply; the training of personnel and the introduction of an intelligent agricultural policy; the elaboration of a comprehensive transport scheme and the establishment of a health service. None of these essential

/measures....

measures can be efficiently carried out unless the manpower of the territory is harnessed for use.

(214) The issue before us can be compared with a complicated jig-saw puzzle. First of all there is a large volume of human labour, yet undifferentiated, yet unorganised. But we know that this volume of labour can be differentiated and organised, and moreover that it can be differentiated and organised in a short time. Secondly, there is the remarkable agricultural potential of the land. The capacity of the land to give good crops; the capacity of the land to maintain fine cattle; the capacity of the land to grow dense forests and to yield minerals. Then there is the sea with its inexhaustible wealth, which if made use of, may profoundly affect the economic position of the native people especially of those who live along the long coastline of the Transkeian territories, and there are many further possibilities of productive development.

(215) The resources of the Transkei are so that the country can produce many essential commodities in quantities sufficient not only to satisfy its own population's needs, but even to make available surpluses. As it happens, most of these surpluses are of such a nature that South Africa is in need of them. The Union needs the labour of the native people; the Union needs dairy products and meat; the Union needs fish; the Union needs timber; and the Union needs the minerals which, as may be assumed, the Transkei can produce. The Union is capable of absorbing craft products, provided the native people will fabricate them on a high standard of artistic efficiency. Thus, there is a basis for exchange, for exchange first of all of such goods as the Union produces, or will produce in the near future, in surplus quantities. There is ample brainpower in the Union which can and will have to be imported into the Transkei if an efficient system of education and of good health services is to be established. Surplus capital from the Union will have to go into the Transkei to develop modern agriculture and industries. Finished products from the Union, e.g. clothes and household goods, machines and electric utensils, agricultural equipment and medical outfit will be needed by the Transkeian people.

(216) These, then are the principal parts of the jig-saw puzzle, and all that is necessary is to put them together patiently and intelligently piece by piece, according to a regional plan. The excellence of the principle of planning on which the Transkei scheme is based, has been established at Tennessee Valley and Boulder Dam, at the Ural Mountains and in Siberia; at the Zuider Zee and at the Sind Scheme in India. In time to come this principle will be used everywhere throughout the world. The earlier we adhere to it in South Africa, the better it will be for this country.

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