

“A substantial rise in the earnings of Africans is the only way to safeguard the way of life of the Europeans.”

INDUSTRY COMES TO SOUTH AFRICA

By E. P. BRADLOW



WHITE SOUTH AFRICANS may be forgiven if they are somewhat confused. Economic progress has destroyed within the space of a few years the colonial type society which they had expected would last indefinitely, and they are being called upon to solve problems the nature of which they do not fully comprehend. It would indeed be surprising if some difference of opinion did not exist as to the policies to be followed. Time will have to elapse before the consequences of industrialization will be fully realized, and in the interim there will be considerable reluctance to surrender privileges inconsistent with the new order.

In 1910 when the Union of South Africa was formed very few people could have foreseen the nature of the development that would occur here. At that time farming and mining were the main forms of economic activity and there was every reason to believe this position would continue. There seemed no likelihood, therefore, that Africans would settle permanently in the cities in large numbers. The real problem seemed to be to obtain sufficient migrant labourers for the primary industries.

In South Africa, as in most other countries, war was responsible for the beginnings of secondary industry. Cut off from foreign supplies by the outbreak of the first world war, the country was compelled to produce some of the goods it had previously imported. The growth of manufacturing, however, for a long time was very slow.

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During the inter-war years South Africa continued to be a mainly primary producing country dependent on outside sources for most consumer goods.

“Poor White” problems

Nevertheless, during this period the government recognized the necessity to foster secondary industry by active measures. Tariff protection on a modest scale was introduced and a Board of Trade was formed, the main function of which was to secure balanced industrial growth. This action was probably taken because an expansion of the economy was regarded as necessary to provide new employment opportunities for Europeans. Throughout the twenties the “poor White” problem was causing considerable concern to the authorities. The great depression which began in 1929 had disastrous effects upon the White population, many of whom found themselves workless and destitute. It was hoped therefore that the factories which were being encouraged to start would employ mainly Europeans.

Illusion of two economies

The possibility of a shortage of labour which would necessitate an influx of Black workers seemed remote, and it appeared possible that industrialization could be achieved without a complete change in the structure of society. South Africa would continue to consist of two economies

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INDUSTRY COMES TO SOUTH AFRICA (Cont.)

— a subsistence economy in the Bantu areas and an exchange economy in the remainder of the country. As a general rule Africans would not be part of the latter. Their services would be required in certain spheres, but it was not contemplated that those who came to work in the European areas would sever their ties with their homelands. When they had earned sufficient cash for their immediate needs it was thought they would be anxious to return to their farms.

But the second world war completely shattered this illusion. The acceleration of industrial development caused by that event transformed the labour situation. The problem of unemployment among Whites disappeared. Instead businessmen and the authorities were hard put to it to find labour for the new factories which were springing up everywhere. To an ever-increasing extent manufacture began to rely on Bantu workers. Owing to a fortunate concomitance of circumstances these were in plentiful supply. At the very time they were needed by industry overpopulation was forcing many of the inhabitants of the Native Reserves to seek new ways of earning a livelihood. As alternative occupations were not available in their own territories they migrated in their thousands to the cities.

Prosperity is indivisible

In South Africa, as elsewhere, there has been no return to pre-war conditions. By and large since the cessation of hostilities in 1945, economic progress here has been continuous. It is true there have been periods when our growth has been comparatively slow, but they have been of short duration. During almost the whole post-war period full employment has existed for the White population, and the enlargement of our productive capacity has depended in no small measure on the availability of African manpower. The fiction that the Bantu is not a permanent part of the exchange economy can no longer be maintained. The withdrawal of their labour would cause a collapse of most of our industry and spell ruin for the Europeans.

The fears entertained that the economic advance of the Native peoples would undermine the position of White workers have proved groundless. **It should be abundantly clear to all today that in South Africa prosperity is indivisible and that an improvement in the position of one race group always results in an improvement in the position of all the others.** The rise in the number of economically active Africans has widened our

"Fore!"



market and made it possible to produce locally many articles we previously had to import from abroad. In consequence opportunities for Europeans have increased and the poor White problem has disappeared.

Expansion of secondary industry

It is generally accepted today that it is necessary to expand the secondary industry sector of our economy in the interests of all the population. What is more, it is clearly recognized that most of the labour that will make this possible will be drawn from the Bantu areas. It is for this reason the Government is attempting to encourage industries to establish themselves on the borders of these territories. It apparently believes that if its border area policy is successful we can have our cake and eat it: industrialization can proceed without an increase in the Bantu population in the cities. I do not want to create the impression that I am opposed to attempts to decentralize industry. There is much to be said in favour of bringing the factories to the workers instead of the workers to the factories, especially when those affected are backward individuals who will suffer much hardship if they are forced to move from their homes. Later in my address I shall endeavour to explain the objections to the Government's policy in this regard. At the present moment I merely want to emphasize that it is a recognition of the fact that further industrialization will augment the number of Africans engaged in industry.

It is obvious, however, that the authorities have

decided that despite the risks involved an expansion and a diversification of our economy cannot be avoided. New measures to promote our industrial growth are constantly being introduced. At times it seems as if it is the intention to make South Africa self-sufficient at the earliest possible moment. Certain economists consider that some of the steps taken may adversely affect our future development because they are encouraging the production in South Africa of goods which can be purchased more cheaply abroad. Nevertheless, although there is no unanimity as to the means to be employed to achieve the purpose, there is broad agreement on the necessity to foster local industry.

Ambivalent approach

It sometimes seems to me, however, as if our attitude in South Africa to industrialization is rather like that of a man who woos a girl and loses his nerve when she is just about to succumb to his blandishments. As soon as our efforts to further it seem to meet with success we draw back in horror, fearful of the consequences. Because of this ambivalent approach, government measures often tend to cancel each other out. At the same time as inducements are offered to entrepreneurs to encourage them to embark on new ventures, laws are promulgated which seek to limit the supply of labour. Restrictions similar to those which in pre-Industrial Revolution England were designed to ensure a static society, are being introduced here at a time when it is our avowed aim to modernize our economy. Influx control and work reservation are attempts to preserve a social order which is being undermined by our determination to increase our national wealth. It is not always easy, therefore, for outsiders to understand the South African situation. It often appears to them as if we are holding back our own advance.

Economic forces not contained by laws

In actual fact the economic results of the repressive controls are not as serious as many people believe. Economic forces cannot be contained by laws. History records many instances of the failure of legislation to check the effects of technological progress. In England in the sixteenth century, for example, when sheep farming made necessary an increase in the size of farms, there was much concern lest the countryside became depopulated. Parliament, anxious to preserve the smallholders, passed a number of Acts to prevent enclosure. All, however, were ineffective and had eventually to be repealed. New circumstances required new

agricultural methods and the Government was powerless to prevent the changes that were taking place.

Perhaps more important from our point of view is the failure to arrest the course of the Industrial Revolution in Great Britain of the Trade Guilds and the Statute of Artificers. The latter was designed to safeguard the position of skilled craftsmen by compelling anyone wishing to practice any trade to undergo a long apprenticeship. The Guilds reinforced the effect of the statute by confining certain occupations to their members. The invention of power driven machinery, however, made imperative an enlargement of the labour force and the new industrialists found little difficulty in evading restrictions which were against the spirit of the age. Ways were found of employing people who were not qualified journeymen or members of guilds, and the structure of England's society was altered despite the laws protecting privileges.

In South Africa our growth has continued although legislation appears to be hindering it. The reason is that in practice ideological considerations have been subordinated to economic necessities. Prohibitions have not been enforced in such a manner as to interfere with the needs of industry. When a work reservation order is made there are many exemptions from its provisions. Reclassification of jobs constantly creates new opportunities for Africans. Even influx control is operated in such a way as to ensure there is no real labour scarcity. The transformation of backward agricultural workers into factory operatives has therefore gone on apace, and the African population of our cities has continued to increase.

A potential source of unrest

Can it then be argued that the restrictive measures are unimportant and should be ignored? I think this inference would not be warranted from what I have said. Their social consequences are profound as they cause a sense of frustration in those they affect. Non-Europeans become disheartened about the future because they fear they are going to be excluded from the benefits of progress. Moreover the enforcement of regulations which make it illegal for people to live in certain areas or work in certain occupations causes racial friction. It becomes necessary to grant arbitrary powers to officials to control the lives of people. Who can doubt that there are occasions when those powers are wrongly exercised? In addition, acts which have no criminal intent render people

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INDUSTRY COMES TO SOUTH AFRICA (Cont.)

liable to prosecution. Peaceful citizens, therefore, come to regard authority with hostility.

What we must realize is that if security is denied to those who man our factories it will be difficult to create the impression that ours is a stable economy. A proletariat whose future is obscure will always be a potential source of unrest. In the long term, of course, political factors will affect our rate of expansion. We can only develop into a rich country if the mass of the population are made to feel that they are going to share in the wealth which is being created.

Border industry policy

The border area policy of the Government is, in my opinion, an admission by it that negative measures are failing to achieve their purpose and will eventually have to be repealed. The objectives of the policy are far from clear. It is, however, a positive step to slow down the migration of Africans to the towns by providing them with work near their homes. If the Government had attempted to encourage the establishment of industries in the Bantu areas by White entrepreneurs, its action would have enjoyed universal support. From all points of view the development of those backward territories is highly desirable. In the first place, as I have already indicated, it would be much in the interest of Africans, many of whom would be saved the inconveniences inseparable from a change of environment. But more important, by slowing down the flow of Africans to the cities it would enable influx control and the pass laws to be jettisoned.

The policy of limiting development to the border areas, however, seems to indicate that an attempt is going to be made to preserve the system under which European industrialists in the White areas operate their undertakings with cheap Black labour. It is apparently hoped that the siting of factories near the Bantu homelands will enable industrialization to continue without the Africans becoming detribalized. This attempt to modernize our economy, and at the same time preserve an archaic institution, is doomed to failure. In the course of time all the citizens of South Africa will be drawn into the Western type of society we are creating here. South Africa cannot continue to exist half modern, half backward, because then it will be a house divided against itself which must fall.

Whilst there is general agreement that efforts should be made to disperse economic activity more evenly throughout the country, I do not think any-

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(Rand Daily Mail)



body should be under the illusion that this would entirely halt the flow of Black workers to the so-called European areas. It would be unrealistic to believe that all future development will take place in or near the Bantu territories. For a variety of reasons many manufacturers will desire to site their factories in existing towns. Furthermore, the situation of our natural resources determines to no small extent the location of new industrial plants.

Sheltered position of Whites

Struggle as we may we will not escape ultimately from having to answer the fundamental question as to whether the White man's interests are better served by protective devices or by industrial expansion. I do not doubt what the answer will be once the nature of the problem comes to be understood properly. Halting our expansion will imperil the economic and political security of the European. Opposition to the employment on an ever-increasing scale of Africans in industry will therefore be more apparent than real.

Nevertheless, the reluctance of the Whites to abandon their sheltered position will have profound consequences for the country. Because of it the period during which a sizeable proportion of the population remains poverty-stricken will be unnecessarily prolonged. The repressive laws will perhaps prove less harmful in the long term than will our failure to take positive action to provide the Africans with new skills.

In the past a scarcity of capital and foreign exchange slowed down our progress. For both of

these we had to rely heavily on the foreign investor, always a somewhat fickle individual. When, for any reason, we lost his confidence, it became necessary for the Government to damp down activity. His assistance is still necessary if we are going to achieve our full economic potential in the near future. But we are less dependent on him than we were. It seems likely now that our own savings will be sufficient to supply most of our capital requirements. The healthy state of our Foreign Exchange Reserves makes it improbable that deficit on our balance of payment account will necessitate the imposition of restraints.

Main factor limiting growth

A shortage of skilled workers will, I think, therefore be the main factor limiting our growth. **Many projects will have to be postponed because of a lack of qualified personnel. This need not have been the case had our attitude to the training of the Africans been more in harmony with reality.** The technicians needed could then have been drawn from their ranks. Establishing freedom of entry to all occupations will serve little purpose if we do not provide educational facilities to enable people to equip themselves for new tasks.

It is understandable that Europeans in the Republic should be fearful that an exposed position will endanger their living standards. Because the overall supply of labour exceeds the demand there is always a danger that a rush of new entrants into the labour market will depress wages. In the past it has not been found possible to find non-agricultural work for all those forced off the land in the Bantu areas. For this reason a state of full employment has never prevailed in the Republic. What is more, the number of persons who will have to be absorbed into secondary and tertiary industry is likely to increase greatly in the near future, because it will be necessary to remove many families from the soil if farming in the Reserves is to be conducted on an economic basis. The Tomlinson Commission estimated their number at 300,000 but it is possible that this estimate was too conservative.

The existence of a large army of unemployed holds down non-European wages and threatens the security of the White worker. **A substantial rise in the earnings of Africans is the only way to safeguard the way of life of Europeans.** The disappearance of a plentiful supply of cheap labour will enable workers of all races to demand a living wage. The rapid industrialization necessary to

bring this about will only be possible if we allow and assist every man, irrespective of his colour, to use his talents to the full.

Testing time ahead

There is no policy we can follow in South Africa which is free of danger. The greatest risk we face, however, is that inertia may prevent action. In the words of President Roosevelt: "the only thing we have to fear is fear itself — nameless, unreasoning, unjustified terror which paralyses needed efforts". A policy of drift will be disastrous because of the speed with which events are now moving. Destiny has provided a unique opportunity for those now living in the Republic to ensure the happiness of future generations. But high optimism, great courage and stern resolution will be needed if we are to accomplish the task fate has selected us to perform. I am confident that in the testing time which lies ahead we will not be found wanting in these qualities.

No monopoly of wisdom

I must emphasize that tolerance of opposing points of views is essential if we are going successfully to solve our complicated problems. No group of people in South Africa should believe they have a monopoly of wisdom. Nor should they impute wrong motives to those who think differently from them. Our situation is without parallel in history and dogmatism about it should therefore be avoided. All citizens of the Republic should be mindful of Oliver Cromwell's famous exhortation to the Puritan pastors who were assailing him — "I beseech you, Gentlemen, to think you may be mistaken". The hurling of abuse at each other will certainly achieve no good purpose. If the great debate which is taking place about the future shape of our society is conducted with restraint it need not be a cause of disunity.

We should understand that we are masters of our destiny to a very limited extent. Historical trends cannot be resisted for long. Forces over which we have no control will determine the future history of the South African nation. The present generation should avoid bedevilling the lives of posterity by arousing implacable hatreds. In conclusion I would like to quote some famous words of Abraham Lincoln:

"With malice towards none, with charity for all, with firmness in the right as God gives us to see the right, let us strive to finish the work we are in."