

THE STATE, MINEOWNERS AND LABOUR REGULATION IN THE TRANSVAAL, 1887-1906

by

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Despite the alleged backwardness of the social formation, the State in the South African Republic substantially guaranteed the most important conditions for capital accumulation by the gold mining companies as well as for the acquisition of land for its citizen-farmers. In respect of the latter, it had from its inception in the mid-century secured social relations through its system of segregation, and set aside seventy million morgen of land for Whites and (nominally) restricted the territory of the African rural population to less than one million morgen. (1) African agriculture and grazing, however, continued to be an important factor in the Transvaal exchange economy, at least until 1913, during which access to productive land served to check migration to the mines. (2) Though excluded from the institutions of the State and the franchise, their presence was always reflected in State policies in respect of the administration, land, labour and the military.

With the discovery and extraction of gold on the Witwatersrand in the late 1880s and the influx of international capital, mining engineers and a substantial foreign population associated with the industry, the State varied its system of segregation by physically excluding these elements from its various institutions and accommodating the owners of mining capital with legal guarantees regarding the conditions of ownership of working claims, the mineral wealth and the profits from its extraction. The amended Gold Law of 1886, subsequently to become Law No. 15 of 1898 and amended once again in 1908, maintained the conditions of Article 76 of the original Law and confined the licences to mine the gold to foreign (or local) capital provided it was "White". "No coloured person, coolie or Chinese can hold a licence or be in any capacity engaged in working the gold fields, otherwise than in the service of white men." (3) There was hardly any likelihood of non-white individuals having the necessary capital to embark upon such investment, but possibly the mineowners feared collective enterprise (common in African farming) and included the conditions of Article 76 in all variants of the Gold Law. Both the Republican and post-Republican States provided advantageous conditions for mining capital. Neither State gave farmers or landowners protection (from prospecting) of homesteads and lands under cultivation or any guarantees for damage to the surface or land or stock. (4) Taxation was generously low at 5% of the admitted profits of mining until 1900, and 10% in a revised system thereafter. In 1898, one of the Rand magnates claimed that the Gold Law placed in the hands of the mineowners "probably a higher percentage of the ... extracted mineral wealth, than ... the mining laws of any other country". (5) Four years later, the Attorney General for the Transvaal described the Gold Law as "the most capitalistic law in the world". Not surprisingly, he added "... they would like to see it left alone". (6) Milner appointed a Commission in 1900 to enquire into the working of the old law, "abstained from any interference with ... fundamental principles ...", and ignored the recommendations of a dissenting minority.

The role of the State in regard to labour recruitment and the regulation and control of this labour force was, however, subject to considerable conflicts and

pressures during the first decade of mining. "Legal" interference with mine labourers by the police in search of the requisite travelling passes was common, as was arrest and fines. Migrants were subject to harassment by white farmers over whose land they passed. If they were without food or money, they were compelled to work without payment for a few days for the white farmer on the way to the goldfields, and frequently on their return journey they were prone to fines for trespassing. (7) The mineowners sought various remedies from the State for this position until the mid-nineties, when they achieved some internal reorganization of their recruiting mechanisms and coped with internecine company competition for labour. They saw their conflict with the State as indicative of their position in the social formation, where mining capital was of paramount significance but its representatives had no formal presence in the narrowly based institutions of the State.

Despite this exclusion, there were several areas of an informal presence of mining capital, evidenced by the large-scale bribery of centrally placed members of the Executive and Volksraad, the frequent presentation of memorials to the Government, the formal acceptance by the executive of the Chamber of Mines (its leading members were honorary presidents of the Chamber), the bribery of officials in the practical administration, the acceptance of laws drafted by the mineowners (the Gold Law and the new Pass Regulations) and the general impact of the gold industry on the social formation. (8) To a lesser extent these factors served to off-set the absence of representatives of mining capital in the formal institutions of State. But this was never enough for the mineowners to involve the State sufficiently in the maximization of labour recruitment, the securing of labour contracts, or to reverse the monopolist concessions which prevented the mines from reducing the costs of freight, explosives and stores. In the formative years of mining, the failure of the Chamber to obtain an extension of State intervention in labour recruitment and measures to restrict the turnover of recruits led it to refine its methods of pressure upon the State and constitute informal institutions that would parallel those of the State and possibly by-pass them. Thus, in 1890, the Chamber made representations to transfer the Native Registry Department from the control of the Government to itself, and to give it the necessary enabling powers to enforce regulations. But the social classes of farmers and landlords within the State were not prepared to release the control of the labour supply to the mining companies to this degree. After a further round of representations to the Volksraad, hoping that the government "would not allow [another] session to go by without making some legislative provision" either "by raising the hut tax" or some other means, the Chamber established its own Labour Committee which introduced control measures for the "supply-price" and regulation of the labour force. More specifically, it appointed "an experienced official" as Labour Commissioner to organize the supply and provide official sanction for labour contracts entered into with African headmen. The same official was endowed with the responsibility for the redress of grievances of the African work force. (9)

The Chamber's Native Labour Committee became increasingly involved in forward planning and policy construction and concentrated on creating effective arrangements for drawing labourers from the Cape Colony, Basutoland and Zululand - areas where the Committee felt "confident" that sufficient labour could be procured. These arrangements, however, were dependent for their success on the co-operation of the Governments concerned. The State in the Cape Colony co-operated by reducing railway fares for commuters (10), but on their arrival most of the recruits adamantly refused to work underground and others absconded. The total recruitment from this source was 800. (11) Better results were obtained from Basutoland, where arrangements were made for the recruitment of "one or two thousand labourers" at reduced rates at six-monthly contracts. The response from Natal was totally negative, where the State frankly advised the Committee that it was not prepared to "do more to encourage the emigration of natives to the goldfields". (12)

The relative failure of this move led to yet a further attempt at an informal quasi-official institution in parallel with the State. This was the Chamber's Native Labour Department. The mineowners' Native Commissioner was to be responsible to this Department, which would make recruiting arrangements on an even larger scale. According to the Chamber, this official would "occupy the place which in countries where state-aided immigration obtains, is filled by the government officer". (13) He would provide the liaison between the Chamber's mine managements and the colonial

government officials to sanction contracts and inquire into complaints. In order to increase the official muscle of this individual, the Chamber thought his power and usefulness would be "augmented if his appointment were stamped by government recognition", i.e. with the title of Justice of the Peace of the Republic. (14)

For the most part, the State more or less ignored these moves and, predictably, made no appointment of a Justice of the Peace. Instead, it (a) prompted missionaries to "make the natives understand that industry is one of the most important and essential principles of civilisation", and (b) acted on the findings of a Commission of the Volksraad on the regulations and supply of African labour, which provided for the "united co-operation of the Captains and Heads of the locations and kraals with the [Government] Commissioners and Sub Commissioner of Natives and employers". (15)

As neither the Chamber's nor the State's intervention did much to improve the labour supply, the mineowners vented their frustration on the government, whom they accused of failing to assist the supply and increasing the scarcity of labour - with the consequence that wage rates had escalated. The mine managers were equally disenchanted with the State's performance but turned their criticism on the Chamber for the high wage rate and called for extra economic measures to increase the labour supply by State intervention through an increase in the hut tax. Significantly, they combined their demand for State intervention with a proposal for a further informal institution, such as Native labour bureaux whereby company agents would arrange the supply of labour with chiefs under the supervision of the bureaux in order to avoid the purchase of potential recruits by touts. The scheme anticipated the "great" agreement for rural recruitment that led to the establishment of the forerunner of the WNLA in 1896, but inevitably failed, owing to lack of State assistance and company indiscipline.

While the various informal institutions gave coherence to the specific requirements of the mining managements, the Chamber was never prepared to accept the apparent "official" status as the real, and continually stressed the indispensability of more extensive intervention by the State. Whilst this was not forthcoming in regard to the organization of the labour supply, the State would intervene in policing the work force and strike-breaking when required. Hence, when the first inter-company agreement was introduced in 1890 to increase the control over the labour supply, lengthen the average period of labour service and reduce wages for unspecialized African workers from 63/4 to 30/- per month, the Chamber anticipated resistance to these measures and sought State assistance in the event of "desertion" or a "general strike". (16) In the event, the resistance was on a small scale and the State police were not deployed. But the Chamber was assured of this protection and made use of it in October 1896 and after that date. Since there was little help from the State in marshalling labour supplies, the Chamber concentrated on acquiring expanded State intervention in enforcing contracts, protecting the supply and revising taxation. Ultimately, it was forced to lean more heavily on what it saw as its alternative labour resource: the East Coast of Africa, especially the area south of the Save River.

In 1890, 7000 Africans were drawn from the Portuguese territories on the East Coast - approximately 50% of the total African mine labour force. By contrast, only 4000 were recruited from the Northern districts of the Transvaal. (17) Despite the preponderance of East Coast men on the mines and a close working relationship between the Portuguese officials and the chamber's, larger drafts of labour from this source were not at first desired. Although longer contracts could be negotiated at lower rates than local ones (rural poverty, especially among the Inhambes, where "a state of semi starvation existed", accelerated migration), the "expedient" of obtaining labour from distant territories was considered disadvantageous to mining capital and embarked upon on a large scale only because of the Chamber's difficulty in securing more labour from the northern districts of the Transvaal. On the whole, the mine-owners considered East Coast labour to be expensive at £3 per head, administratively cumbersome to organize, and in the main unnecessary. The decision to expand recruitment in the Portuguese territories was taken only after an unsuccessful last-minute attempt to increase the labour supply from the northern districts of the

Transvaal, and the promise of increasing the physical control over the recruits by the enactment of the new Pass Regulations which were framed by the Chamber. In addition to this, there were signs that the Transvaal State would fall into line with the states in the OFS, Natal and the Cape and "find it wise to regulate taxation so that it bears most heavily upon the natives who live in comparative idleness". (18) Unfortunately for the Chamber, it took time before the effects of taxation could be felt.

The creation of East Coast labour as the Chamber's staple supply source required greater organization than the Chamber anticipated and increased its dependence on the intervention of the State. In seeking larger numbers of labourers from the East Coast, the Chamber found its arrangements for the contracting, transportation and the security of recruits inadequate. In addition, there were protracted delays by Portuguese officials who charged "excessive" per capita costs. To add to the difficulties, the recruiting agents of the Chamber found themselves in sharp competition for East Coast labour with contractors for the railway construction, which was taking the Northern railway line to Pretoria. The Chamber had little alternative than to persevere, however, and eventually came to an agreement with the chiefs and Portuguese officials, which was sanctioned by the Transvaal State - an intervention which helped to augment the labour supply on the Rand and take the pressure off the shortage of agricultural labour. The agreement, however, was jeopardized by the absence of further State intervention to enforce contracts. This led the Chamber to note in its press (with an eye to pressurizing the State into enacting the new Pass Regulations, over which there was some procrastination) that "were effective protection afforded by law, it would be possible to introduce labour from the Portuguese possessions to any extent that might be required ...". (19) Paradoxically, the greater the acquisition of labour from the East Coast, the greater the mineowners' dependence on State intervention. Contracts negotiated relatively far afield needed to be firmly secured if the mineowners were to be protected from capital loss. This was all the more urgent, given the increased costs of recruitment, transportation and associated expenses. All in all, the State was increasingly drawn into expanding its activity to secure contracts and contain the turnover of African mine labour.

The mechanism for this protection was found largely in the new Pass Regulations which were drafted by the Chamber in 1894 in anticipation of its projected increase in recruiting. The Regulations, which were originally subsumed under Articles 83 and 88 of the Gold Law (20), sought "to give legal security to any company prepared to incur the necessary expense of importing Natives from a distance" (21), by imposing particular constraints on the mobility of all labour recruited. According to the Chamber's description, the Regulations were "for the purpose of facilitating and promoting the supply of Native Labour on the Gold Fields ... and for the better controlling and regulating of the Natives employed". (22) To this might be added the reduction of wages, once rigorous control over the supply had been achieved. This in fact occurred in 1896, when an interim reduction of 20% (between 3 and 4 pence per shift) was made as well as substantial alterations in shift work. (23) The function of administering the Pass Regulations was assumed by the State, as were the punitive measures in cases concerning the infringement of the Regulations. Bolstering these laws was the Master and Servant Law (Law 13 of 1880), which defined relations between employers and employees and in particular discriminated against African labour and further restricted its mobility. The intervention of the State thus became an increasingly indispensable factor in securing the supply of labour to the Rand, assisting the mineowners in scaling down wages and increasing the surplus extraction. That the Pass Regulations were not immediately effective - owing to inadequate mechanisms of control - does not deflect from their significance at a time when labour needs in agriculture were high and the gold industry was undergoing a transition to deep-level mining, causing two-thirds of the Chamber's constituent companies to register a serious shortage of labour.

The new Pass Regulations and the Chamber's large-scale entry into the East Coast labour market were linked to the establishment in November 1896 of the monopsonistic Native Labour Supply Association, subsequently to become the ubiquitous WNLA. (24) As the sole purchaser of African mine labour, the Association sought to secure its position within the State by seeking legislation by which "any attempt

[other than through the NLSA] to obtain natives [would be] a criminal offence punishable by imprisonment with hard labour without any option of a fine". (25) Though the State declined to pass such legislation, it left the NLSA free to recruit labour within the country and did not interfere with its extensive activity in Mozambique. The ability of the new association to recruit large supplies of labour and to impose discipline on the mining companies rapidly enabled a 30% reduction in the wage rate (an average wage of 48/7 per month on a scale ranging from 1/2 to 2/6 per shift). (26) In addition, Article 15 of the Objects of Association of the NLSA enabled it to act as a pressure group upon the legislature, thereby adding - albeit informally - to the Chamber's influence within the State.

None the less, despite the expansion of State intervention on behalf of the mineowners, their absence from the formal institutions of the State frustrated their capacity to acquire the removal of the monopolist concessions in explosives which inflated their costs of production, as did the monopolist freight charges which increased the cost of coal and stores. In addition, deficiencies in the administration of the Pass Regulations and the liquor laws, respectively, increased the labour turnover and reduced productivity. Collectively these factors were seen to "constitute an unwarrantable burden of indirect taxation on the industry and two and a half million sterling annually". (27) Hays Hammond (with much over-simplification) summarized the situation for the mineowners: "with good government there will be an abundance of labour, and with an abundance of labour there will be no difficulty in cutting down wages ...". (28) Kruger, less simplistically, but also naive as to the extent to which the mineowners had already influenced State politics, had noted earlier:

The only fly in the ointment of the multi-millionaires controlling mining destinies is the existence of a government at Pretoria which they cannot influence ... (29)

The role of Wernher, Beit and Co was singled out for special attention, the official press noting:

as the Chamber of Mines is now constituted, we are justified in considering it merely a new branch of Messrs. Wernher, Beit & Co. (30)

More generally, the major deep level interests of Wernher, Beit & Co (referred to parochially as the House of Eckstein) and to a lesser extent Consolidated Goldfields were identified as the chief antagonists of the regime, whose aim was "to steadily push for the complete ascendancy of capitalistic influence in politics". (31)

The historiography of the war is largely ambivalent on the precise role of the mineowners. But, leaving this question aside (for it cannot be dealt with in this brief paper), the major institutional framework for the production and reproduction of the labour force under the system of migrant labour had been laid by the latter part of the nineties of the last century. But "normality" in the modern state is the exception rather than the rule, and the constraints of the existing State restricted the mineowners' scope for capital accumulation. Hence the transition from the Boer to the British State (after an estimated loss of £30 million, some of which was retrieved through tax remissions and generous allowances plus the reduced cost of production) released the potential of mining capital to maximize its opportunities (within a state in which its dominance was undisputed) to explore further means of cost reduction.

## II

The transition from the "Boer" to the British State immediately released the mining industry from the "unwarrantable burden of indirect taxation" that Fitzpatrick had previously referred to. (32) One and a half years before the war formally ended, the concession given to the Netherlands Railway Co by the former State was expropriated and the monopoly dynamite concession cancelled so that the price of explosives was

subsequently halved and 9d or 10d saved on each ton of ore milled. (33) With confidence of new opportunities for State co-operation, and the weakening of the rural economies (largely due to stock losses during the war), average wages on the mines were reduced from 47/1 in 1897 to 26/4 in the second six months of 1901 and 26/8 in the first half of 1902. The average rate was subsequently increased to 35/- in 1902 and only in April 1903 exceeded the pre-war levels. (34)

The centralized recruiting organization was restructured as the Witwatersrand Native Labour Association (WNLA), under the chairmanship of F. Perry, a former Imperial official. His brief from the chamber was to recoup its stock of labour at the lowest possible cost. Institutionally, WNLA was endowed "with larger power and wider scope ... [and was] absolutely responsible for all agents in Portuguese territory". (35) Milner was told by the mineowners in 1900 that, subject to certain alterations (largely concerning capititation fees), the old regulations of 1897 would provide a "reasonable working arrangement". (36) On this basis the so-called Modus Vivendi 1901-3 was concluded.

The liquor concession held by the Hatherley Distillery Co was cancelled and worker discipline and productivity improved by 20% and food costs lowered when the mines were allowed to brew their own beer (to be issued to African miners as a "supplement to their diet ... It would make the natives more contented and help to prolong their stay on the Rand"). (37) The crucial Gold Law of the SAR was retained until 1908 (see above) and the tax system of the former State which was introduced in 1898/9 but never implemented because of the war was put into effect. The new system largely benefited the deep-level mines by distributing taxation more generally on the "outcrop" mines. (38) In addition, generous amortization allowances were given and beneficial tax allowance granted in respect of reconstituted companies. (39) Despite the increase in the tax on gold from 5% to 10% over which there was some disagreement among the mineowners, the overall tax arrangements - which were not retrospective - and the abolition of monopoly concessions were accepted as direct benefits of the war. The Chamber acknowledged this in 1903 when it noted:

It is a matter of satisfaction to all of us that the general conditions under which our industry is today being carried on, compared with pre-war days, [has] certainly changed for the better. (40)

A subsequent statement of the chamber noted:

The chief gain that we must recognise in comparing our position today with our position before the war is that we now have a pure and sympathetic government in the place of the one which was, I fear, neither the one nor the other. Moreover, we have a certain amount of representation which we could never say we had before. (41)

The new State built on the framework of the previous one. Labour recruitment and control were facilitated by the retention of the Pass Law Regulations (now Proclamation Transvaal No. 37 of 1901) and the extension of the Pass Department as well as the creation of a system of courts to deal with breaches of the Master and Servant legislation (now taken over by the post-war State as Proclamation No. 37 of 1901). Native Commissioners were actively encouraged to recruit mine labour and there was a direct intervention by Milner to augment the migrant work force from territories in British Africa. (42)

Milner also gave his stamp of approval to the mineowners' strategies of depressing wages and bringing the conditions of labour more firmly under their control. In a despatch to the Colonial Office in 1901 he wrote:

Mineowners were entitled to combine in order to depress the level of wages ...

He saw the function of the State vis à vis the mines as being one of cementing the existing division of labour by not interfering with wages and work arrangements. More specifically, the role of the State was "to ensure and enforce labour contracts resulting from such combinations of employers and disorganisation of employees". (43) Accordingly, the post-war State incorporated many of the pre-war laws that were favourable to the mining interest and added some significant new ones. Praagh (44) lists 17 laws that were important to the gold industry in 1906. The list includes much legislation which was carried over (either altered or unaltered) from the old State. The record is incomplete as it does not include tax and pass laws or the Master and Servant legislation enacted in the previous period. Nor does it include the various regulations enacted under these laws. It is none the less an impressive list. Lagden, the new Native Commissioner, referred to the old laws as "sound in principle" and echoed the Chamber's view that the former State's administration was "notoriously defective" rather than that its legislation was inept. (It should be noted, however, that the accusations of administrative inefficiency frequently masked the deeper reasons for State inaction. These concerned the conflict between the social classes formally within the State institutions and the mineowners over labour and political control.)

Whilst much emphasis has recently been placed on the close interchange of correspondence and personnel between Milner's officials and the mines' (45), it is not necessary to prove collusion between the agents of the State and the Chamber to characterize the new regime and all the advantages it afforded mining capital. The plethora of laws that supported the mineowners and the accelerated intervention by the State on their behalf were sufficient to define the nature of the transition in the so-called "Milner period". Where the State did intervene decisively, however, was in assisting the mineowners to preserve their labour structure and to maintain the conditions for the reproduction of migrant labour. Despite the rhetoric and the official attitude to the virtues of wage labour (46), care was taken to check any substantial increase in the separation of Africans from the land. In fact, African access to productive land was made easier under Milner, and some marginal change in the social relations occurred whereby "farming on the halves" was frequently converted to formal tenancies. As an "unorchestrated" increase in the separation of Africans from the land would have undermined the reproduction of migrant labour and the whole production system on the mines, the five Native Commissioners under Lagden were instructed not to sanction without reference any changes of succession that had taken place during "violent disorder" and "to facilitate the return of farms of those natives who formerly lived there and wished to return". (47) The adoption of further measures of labour compulsion through the medium of increased taxation or "modifications of the tribal system" were rejected by the State following the Report of the carefully selected Transvaal Labour Commission. (See below.)

In respect of increased taxation, the Commission concluded (and the State clearly accepted their logic) that increased taxation was prejudicial to the labour supply because Africans responded to taxation by raising their output in agricultural produce - i.e. they rented arable land from private landowners in order to increase the surplus and meet their tax requirements. (48) This was effectively a voluntary tax which African rural producers preferred to migration to the mines. The policy adopted was therefore a cautious one, for inevitably taxes were applied indiscriminately and an increase in taxation might lead either to an extension of the acreage under cultivation or serve in the circumstances to weaken the capacity of the rural economies to reproduce the workforce or provide the required welfare. (49)

On the "modification of the tribal system" - a euphemism for measures to alter radically the social relations by changes in land tenure - the Transvaal Labour Commission noted that, whilst changes in the system of African land tenure were important, they would (a) take time before yielding results, and (b) should be applied generally throughout South Africa. Substantial changes would therefore have to await the political union of the territories of British South Africa. The Commission therefore opposed measures to tamper with the existing system and recommended its conservation rather than any measures that would destroy it. Change would bring about a number of (undisclosed) "social evils". Hence:

Communal responsibility was an advantage which should be strengthened rather than weakened. (50)

"Stabilized" urban African communities (which Milner had favoured during the Bloemfontein Conference) were similarly opposed for the reason that "its consequent evils would outweigh its advantageous effect on the supply". (51)

The role undertaken by the State in preserving the labour structure of the mining industry was bound up with the Chamber's wages policy and the post-war shortage of labour. As a consequence of the acute shortage of labour in 1903 (the reasons for which were partly due to the recruiting and wage strategies of the Chamber as well as "natural" shortages pertinent to African access to productive land), the State was led to intervene extensively in the extension of the migrant system to the mainland of China as well as in the determination of the division of labour on the mines and railways. The warning signs that WNLA would not be able to meet the labour needs of the mining managements came during the 16 months after the post-war resumption of milling.

In the last quarter of 1902, the labour force on the mines comprised 42,000 African miners, compared with 97,800 in June 1899. (52) The shortage of labour was attributed by the Chamber to the competition for labour in public works and in the towns as well as the post-war reduction in the schedule of wages. (53) The labour "crisis" was, in fact, the product of a determined exercise by the mineowners to secure recruits (preferably "old hands") at drastically reduced rates despite the large, unsatisfied demands on the various mines. As WNLA's chairman explained, having begun the "experiment" the Chamber felt disposed to carry it on:

You may say for too long, but you cannot look for success or failure to be settled in a month, or six months, in a matter of this sort. (54)

The experiment needed "time" and "boldness". The Chamber's confidence seems to have been bolstered by the new opportunities it had for securing State co-operation in acquiring the labour supply and because the rural economies had been weakened as a result of the war. The latter view was bolstered by regular reports of African poverty from the Native Commissioners in the rural areas. By resisting any revision of the reduced wage rate, it hoped that the labour force would trickle back to the mines when subsistence and tax needs caused them once more to enter the labour market. There is no direct evidence to suggest that this strategy was a preliminary move to acquire Asian labour, but this was an item in the terms of reference of the Special Committee the Chamber established to consider measures to deal with the labour shortage.

The Special Committee considered two alternatives to supplement the existing migrant labour force, both of which were significant and were soon to involve State intervention. The first of these alternatives was the substitution of white unskilled labour for African labour, and the second the indenture of coloured labour from outside the African continent to augment the unskilled labour force. The Committee rejected the latter alternative but were more ambivalent in respect of the first, proposing that, "should the supply fall short of the present", unskilled whites should replace African miners in certain categories. (55) Although the Chamber rejected this as a general principle, the number of Whites in non-supervisory, unskilled positions increased between 1901/1902 and 1906/1907. (56) The number of African workers in the categories of clerks and rock drillers increased from 57 to 335 in 1903/4, after which these categories were reserved, under Schedule 1 of the Transvaal Labour Ordinance of 1904, for whites. (57) The erosion of the Chamber's pre-war labour structure was reflected in the Black/White labour ratio on the mines, which fell from 8:1 before the war to 5:1 in 1902. In numerical terms this meant that there were 49,500 Africans and 10,000 Whites. (58) The State (through Chamberlain) was invoked by the Chamber not to impose any dogmatic constraints on the labour structure on the mines or to identify itself with those Whites in the country who advocated that the mines absorb workless Whites in unskilled capacities at the expense of shareholders.

The initial strategy of the mineowners in this matter was to deflect the pressures on them to recruit an expensive White unskilled labour force by demanding

that the cost of employing white unskilled labour be externalized to the State, i.e. that they be employed as an "experiment" on the railways and public works. (59) Milner accepted the argument, pointing to his use of imported navvies on the railways at great cost - which, he explained, "the government could no doubt afford for a great public object". (60)

Milner similarly supported the mineowners in their ultimate decision to meet their labour requirements and reduce working costs by indenturing Chinese labour. The prolonged reduction of the wage rate between 1901 and 1903 had failed in its aims, and the revision of the wage schedule in April 1903 (which had been recommended by the Chamber's Special Committee) was similarly unsuccessful in restoring a sufficient number of the labour supply to meet the gluttonous needs of the deep-level mines - despite some vigorous recruiting activity by WNLA and assistance from Milner and the Colonial Office to draw labour from Central Africa. (61) The route by which the mineowners acquired the necessary approval to indenture Chinese labour involved the State in several important respects. First, Milner assisted the mineowners by securing for the Transvaal Labour Commission "A vast majority of commissioners [who] were in favour of the importation of Chinese labour and a small minority ... opposed to it". (62) Secondly, Milner publicly defended the cost structure of the mining industry during the intense "agitation debates" which preceded the importation of Chinese labourers. (63) Thirdly, the incorporation of the white miners as well as the agricultural and commercial sectors was secured by legal guarantees restricting Chinese from trading and agricultural activities. (64) To win the alliance of the white miners, restrictions against Chinese labour would be introduced into the law "... in such a way that the position of the white workman ... would be in no way jeopardised, nor any loophole left by which this coloured labour would compete with them". (65)

The instrument by which this was achieved was the Transvaal Labour Importation Ordinance No. 17 of 1904 (which prevented Chinese from acquiring licences to deal in liquor, farming, trading, hawking, building and fixed property); it provided a long list of occupational restrictions which determined the division of labour on the mines and enabled the mineowners to subordinate this component of the work force more completely than its African labour force. (66) However, the latter did not escape the provisions of the Transvaal Labour Ordinance. For the long list of restrictions intended for Chinese labour was absorbed under the Mines, Works and Machinery Ordinance of 1903 and made applicable to the African work force. The new post-war State had, therefore, expanded its activities from "ensuring" and "enforcing" contracts to combining with mining capital to depress the level of wages and assisting the mineowners to reap the rewards of what Milner had earlier described as the benefits of "the disorganisation of the workforce".

Note on sources

Despite all the recent studies, this paper is necessarily limited by the dearth of material on the early period of the Transvaal in relation to this particular theme. More specially, it is particularly vulnerable to a whole range of pitfalls - not the least of which being the bias of the mineowners - given the heavy reliance on the published reports of the Chamber of Mines. Yet, in view of the historical importance of this subject and its absence of systematic treatment, I have used the sources most easily available to me, hoping to augment this study later with a wider range of documentation.

Notwithstanding the above comments, I have attempted to characterize the intricate relationship between the mineowners and "their" State during the formative stages of the Transvaal's industrial history. Nowhere are the statements of their strategies explicit and the responsibility for interpreting (often decoding) them is entirely my own.

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Notes

- (1) cf C. Bundy, The Rise and Fall of the South African Peasantry (London, 1979), pp. 198/9.
- (2) Ibid., p. 200; Transvaal Labour Commission Maj. Rep., para. 91.
- (3) The Gold Law of the SAR as amended 1886, cited in Hobart Houghton and Dagut, Source Material on the South African Economy 1860-1970 (Cape Town, 1970). For a detailed description of the Gold Law, see Praagh (ed), The Transvaal and its Mines (Praagh and Lloyd, 1906).
- (4) Transvaal, Chamber of Mines, Annual Reports, 1900-1901, p. 291.
- (5) J. S. Marais, The Fall of Kruger's Republic (Oxford, 1951), p. 5.
- (6) Solomon to Milner, 12.1.1902, cited Denoon, The Historical Journal, Vol. XI, No. 2, 1968.
- (7) Witwatersrand, Chamber of Mines Annual Reports (henceforth WCMAR), 1890, pp. 76/7.
- (8) Details of bribery may be found in CO 879/51 No. 182 (secret); CO 879/51 No. 210; CO 879/55 No. 186.
- (9) WCMAR, pp. 66/7, 189. The Chamber had in mind the assistance afforded by the Government to the Railway Company, who received official labour regulating powers of the type the mineowners envisaged.
- (10) WCMAR 1893, p. 41.
- (11) Ibid., pp. 4, 79.
- (12) Corresp. H. C. Shepstone to Chamber of Mines, 29.10.1892, cited WCMAR 1892, p. 41.
- (13) WCMAR 1893, p. 43.
- (14) Ibid., pp. 30-31.
- (15) Report of Commission of First Volksraad, 22.8.1893, cited WCMAR 1893, pp. 40, 41.
- (16) WCMAR 1890, pp. 68, 69.
- (17) Ibid. Corresp. Chamber of Mines to Head of Mining Dept, 22.10.1890.
- (18) WCMAR 1893, pp. 4, 16.
- (19) The Star, 19,1.1898.

- (20) The regulations were promulgated after prolonged delay approximately 18 months after the submission of the draft by the Chamber. Cf The Star, 21.12.1895.
- (21) Report of the Native Labour Commissioner, 1895, cited WCMAR 1895, p. 38.
- (22) WCMAR, 1894, p. 51.
- (23) WCMAR 1896, p. 157.
- (24) In 1900 the name of the NLSA was changed to WNLA. In 1912 the Chamber established the Native Recruiting Corporation (NRC) to organize recruitment within South Africa and the British Protectorates. WNLA confined its operations to Mozambique.
- (25) Art. 14, NLSA, cited WCMAR 1894, p. 51.
- (26) Revised Schedule of Native Wages, May 1897, WCMAR 1897, pp. 238-42.
- (27) Fitzpatrick, cited A. J. Hobson, "Capitalism, Imperialism and South Africa", The Contemporary Review, 1900. For a succinct review of the Dynamite concession, see CO 879/55 No. 42, Chamberlain to Butler.
- (28) Speech by Hays Hammond, 14.11.1899, reprinted in Morning Leader Leaflet, No. 2, in S. Koss (ed), The Pro Boers (University of Chicago Press, 1973).
- (29) Standard and Diggers News, 1.2.1899.
- (30) Standard and Diggers News, 31.1.1899.
- (31) Standard and Diggers News, 16.3.1899.
- (32) See note 27, above.
- (33) TCMAR, 1903, p. xlv.
- (34) Report of Government Mining Engineer, 30.6.1902.
- (35) TCMAR, 1900-1, p. 108.
- (36) Denoon, A Grand Illusion (1973), p. 130.
- (37) SNA 14/185802.
- (38) Denoon, "Capitalist Influence and the Transvaal Government during the Crown Colony period 1900-1906", The Historical Journal, Vol. XI, No. 2, 1968, pp. 307, 308; A. A. Mawby, "Capital Government and Politics in the Transvaal 1900-1907", The Historical Journal, Vol. XVIII, No. 2, 1974, p. 400.
- (39) Ibid., Denoon pp. 307-308, Mawby p. 400. For the direct response of the Chamber, see TCMAR 1903, p. xlv.
- (40) TCMAR, 1903, p. XLV.
- (41) Ibid.
- (42) TCMAR, 1902, p. XVIII.
- (43) Milner to the Colonial Office, 1901. The citation is from Denoon, "Capitalist Influence and the Transvaal", p. 305.
- (44) The Transvaal and its Mines (Praag and Lloyd, 1906), pp. 516-518.
- (45) See Denoon, "Capitalist Influence ...", pp. 312, 316; Jeeves, "The Control of Migratory Labour in South African Gold Mines in the Era of Kruger and Milner", Journal of Southern African Studies, Vol. 2 (1), October 1975. For a contrary view, see Mawby, op. cit., p. 387-415.
- (46) See Marks and Trapido, "Lord Milner and the South African State", History Workshop Journal, issue 8, Autumn 1979, pp. 70-73. The official reports of the period and Milner's interventions during the "Agitation" Debates in 1903/4 generally reflect this rhetoric.
- (47) Transvaal Labour Comm., 1903, Maj. Rep., para.88.
- (49) On this theme, see Arrighi and Saul (1973), p. 194; Wolpe, "Capitalism and Cheap Labour Power in South Africa", Economy and Society (1972), p. 438.
- (50) Transvaal Labour Comm., Maj. Rep., para. 88.
- (51) Ibid., paras. 92 and 93.
- (52) Report of Special Committee of Chamber of Mines, 1902, cited TCMAR, 1902, p. 55.

- (53) Ibid.
- (54) TCMAR, pp. xxxvi-xxxviii.
- (55) Report of Special Committee of the Chamber of Mines, 1902, cited TCMAR, 1902, p. 55.
- (56) Govt. Mining Eng. 1901/2 and 1908/9, cited R. Davis, "Mining Capital and Unskilled White Workers in South Africa 1901-13", JSAS, Vol. 3, No. 1, 1976, p. 67.
- (57) Ibid.
- (58) TCMAR, 1902, p. xli.
- (59) Ibid., p. xliv.
- (60) Cd 1905, 1904, p. 37. See also E. N. Katz, A Trade Union Aristocracy (Univ. of the Witwatersrand, 1976), p. 83, who notes that the navvies were "packed home in disgrace" after seven months of exorbitant cost.
- (61) TCMAR, 1903, pp. 28, 48 and xxvii.
- (62) Debates of the Transvaal Legislative Council, 28.12.1903, Col. 162, p. 81.
- (63) N. Levy, "Problems of Acquisition of Labour for the South African Gold Mining Industry", Centre for Southern African Studies, Collected Papers 3, pp. 65-69.
- (64) See Transvaal Labour Ordinance No. 17 of 1904.
- (65) Cd 1895, p. 155. See also Transvaal Labour Ord. No. 17, 1904, Schedule 1.
- (66) See Cd 2786, 1905, p. 9, Selborne to Lyttleton. CO 879/90, No. 4, 21.7.05, and 879/90, No. 44 of 26.8.05, provide details of Chinese resistance.