Development as Unfreedom: the role of mine migrant labour institutions as agents of ‘development’ in the Transkei, 1886 – 1980s

Michael Glover

(glvmic002)

A dissertation submitted in fulfillment of the requirements for the award of the degree of Master of Arts in Historical Studies

Faculty of the Humanities
University of Cape Town
2015

COMPULSORY DECLARATION

This work has not been previously submitted in whole, or in part, for the award of any degree. It is my own work. Each significant contribution to, and quotation in, this dissertation from the work, or works, of other people has been attributed, and has been cited and referenced.

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Acknowledgements

Special thanks to Riette Zaaiman from the University of Johannesburg’s Special Collections library for enabling my time there to run smoothly. Thanks also to Riette for kindly freighting me from Melville to the Doornfontein campus.

I want to thank the UCT librarians at the African Studies Collections and Rare Books and Government Publications, especially Laureen Rushby and Sue Ogterop.

I extend thanks to Graham Herbert and Kevin Cotterell for the progressive and forward-looking spirit with which they allowed me to conduct research at the TEBA head office archives in Eloff street extension Johannesburg in 2013.

Thanks to the Mandela Rhodes Foundation for funding most of this project, and to Jonathan and Janice Glover for financial support.

I would like to thank Anne Mager for her dedication to this project, and for penetratingly reading numerous earlier drafts. Thanks also for the many long and rich conversations surrounding this project.
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Abstract

Early liberal historians predominantly criticised the migrant labour system for its economic irrationality. After high GDP growth and steady benefits from gold mining in the 1960s, Marxist scholars in the 1970s pointed to the destructive impact of the system. Since 1994, the challenge inter alia has been to forge a new developmental path for the economy. In 2012 the National Development Plan set out its aim to “eliminate poverty and reduce inequality by 2030”. This is the challenge. For the country or region to ‘develop’ and eliminate ‘poverty’ we need to know what we are trying to eliminate and what our development is trying to achieve.

This thesis examines the migrant labour system in the Transkei through a lens of development and asks how and to what extent the system inhibited the development of the Transkei and its peoples. Using Amartya Sen’s conception of development – which sees development as a process of expanding social, political, and economic freedoms/capabilities - this thesis offers a view of migrant labour institutions in terms of how they created and engendered deprivation and unfreedom in the Transkei. It is an attempt to understand our ‘developmental past’ and to understand how development in the Transkei has been frustrated and inhibited by formal institutions. Amartya Sen’s notions of ‘development’ and ‘deprivation’ offer an autonomy- and freedom-centred approach to thinking about poverty and development. Specifically the thesis examines the nexus of formal institutions underpinning the migrant labour system – including state laws, the Native Affairs Department, and the Native Recruiting Corporation – in terms of how they acted to inhibit the development of mineworkers and labour exporting regions like the Transkei.

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>AVS</td>
<td>Assisted Voluntary Scheme</td>
</tr>
<tr>
<td>BAD</td>
<td>Department of Bantu Administration and Development</td>
</tr>
<tr>
<td>CSR</td>
<td>Corporate Social Responsibility</td>
</tr>
<tr>
<td>DPIF</td>
<td>Deferred Pay Interest Fund</td>
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<td>FRELIMO</td>
<td>The Mozambique Liberation Front</td>
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<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
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<td>GNLB</td>
<td>Government Native Labour Bureau</td>
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<tr>
<td>GNP</td>
<td>Gross National Product</td>
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<tr>
<td>IMF</td>
<td>International Monetary Fund</td>
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<tr>
<td>NAD</td>
<td>Native Affairs Department</td>
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<tr>
<td>NIE</td>
<td>New Institutional Economics</td>
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<td>NPO</td>
<td>Non-Profit Organisation</td>
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<td>NRC</td>
<td>Native Recruitment Corporation</td>
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<tr>
<td>NUM</td>
<td>National Union of Mineworkers</td>
</tr>
<tr>
<td>PAC</td>
<td>Pan African Congress</td>
</tr>
<tr>
<td>PTSD</td>
<td>Post Traumatic Stress Disorder</td>
</tr>
<tr>
<td>RNLA</td>
<td>Rand Native Labour Association</td>
</tr>
<tr>
<td>TB</td>
<td>Tuberculosis</td>
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<tr>
<td>TEBA</td>
<td>The Employment Bureau of Africa (Limited)</td>
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<tr>
<td>THOA</td>
<td>TEBA Head Office Archives</td>
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<tr>
<td>UJSC</td>
<td>University of Johannesburg, Special Collections</td>
</tr>
<tr>
<td>UTTGC</td>
<td>United Transkeian Territories General Council</td>
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<tr>
<td>VRG</td>
<td>Valid Re-engagement Guarantee</td>
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WHO World Health Organisation

WNLA Witwatersrand Native Labour Association
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Chapter 1

Introduction, migrant labour, Amartya Sen’s development as freedom

The life of money making is a life people are, as it were, forced into, and wealth is clearly not the good we are seeking, since it is merely useful, for getting something else.¹ – Aristotle

This thesis is an investigation of the ways in which formal institutions underpinned the Chamber of Mines’ migrant labour system, and how the Chamber’s actions were legitimated through a particular notion of ‘development’ of mineworkers. This thesis focuses on mine labour recruitment in the Transkei region of the Eastern Cape from the late 19th century until the 1970s. It demonstrates how a matrix of formal institutions – the political power embodied in Native Affairs Department (NAD) magistrates, commissioners, and headmen, and a raft of enabling legislation implemented by the colonial, national and apartheid states – supported the Chamber of Mines’ centralised recruitment agency, the Native Recruitment Corporation (NRC), and worked in concert. This nexus of formal institutions was used at the behest of the Chamber of Mines to narrow the range of choices available to Transkei men, precisely so that these men would be compelled to accept low wage unskilled mine work. They forged and sustained the mining industry’s migrant labour system in the Transkei region and created the conditions for the destruction of its developmental potential.

In the Transkei mine work was an employment of last resort taken up by pastoralists whose alternative options had been pulverised by the repressive formal institutional architecture constraining their lives. Labour recruiters, Crush, Jeeves, and Yudelman have pointed out, performed better in “least-developed” regions where wages were low and employment prospects bleak.² Underground mine work was among other

things dangerous, morbific, poorly paid, and extremely physically taxing. Only when no other options were available, were workers unable to avoid mine work. The story of migrant mine labour recruitment in the Transkei in this thesis is a story of formal institutional mechanisms working in combination to nullify the choices and freedoms of persons so that the mining industry could successfully embroil persons in the low wage migrant labour system.

The link between using formal institutions to constrain the freedoms of Transkei people so that they would accept mine work, and how this process related to the development of migrants and labour sending regions, is brought into sharp focus by an application of Amartya Sen’s conception of ‘development as freedom’. Using Sen’s conception of development - understood as a process of expanding the substantive social, political, and economic freedoms or capabilities of individuals – the formal institutions underpinning the migrant labour system are perceived as antithetical to development precisely because they aimed to destroy the economic, social and political freedoms of people in the Transkei.

The contexts of deprivation in which mine recruiting could occur, that is to say, the contexts of nullified freedoms, were necessary conditions for successful recruiting. For the gold mines to maintain their position as the central driver of economic transformation in the South African economy, something of a developmental zero sum game had to occur, where labour sending regions needed to suffer a sufficient measure of deprivation (an absence of choice) in order to supply the low wage labour which underwrote gold mining production. Native Recruiting Corporation district superintendents in the Transkei would indeed use “recruitment condition” metrics – such as the condition and number of livestock, rainfall patterns, agricultural conditions, and disease prevalence – to estimate labour supplies in the coming months. As deprivation in the Transkei deepened, so estimates of labour supplies increased. NRC officials, who were in the best position to realise this, relied for their recruitment operations on the assumption that successful recruitment was premised

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3 Crush Jeeves, and Yudelman, South Africa’s Labour Empire, 33.
4 A detailed discussion of Sen’s concept of development follows.
5 See chapter 3.
upon deprivation. This thesis examines how the deprivation-creating formal
institutions of the mine’s labour system related to increasing deprivation in the
Transkei from its creation in the late 19th century until the late 1970s.

Migrant labour institutions and their relationship to development

The gold mining industry was central to the development of the South African
economy. Hobart Houghton described gold as providing South Africa with a “rocket-
powered thrust” to take off in classic Rostowian development and so provided the
rationale for the Chamber’s actions. Using data they marshalled themselves, the
Chamber of Mines pointed out the unquestionable necessity of vast numbers of low
paid workers if the industry was to render profitable the deep level low grade ore
which characterised many South African gold deposits.⁶

The early liberal scholarship criticised the mining industry. De Kiewiet (1941), van der
Horst (1942), and Hobart Houghton (1964) for the most part saw the industry’s
migrant labour system and its accompanying institutions as wasteful, inefficient and
unnecessarily costly.⁷ As liberals, they saw capitalist development as at its best when
it was efficient, with production expanding so that the “optimum combination” of the
factors of production – land, labour, resources, and capital – was accomplished.⁸
Furthermore, as the liberal economic historian van der Horst put it, a “population can
only become better off by increasing the production of wealth”.⁹ In this view, what
was good for capitalism – efficiency, productivity, expansion – was good for human
wellbeing.

Alan Jeeves and David Yudelman, “New Labour Frontiers for Old: Black Migrants to the South Africa Gold Mines,”
⁷ Sheila Van der Horst, Native Labour in South Africa (Cape Town: Juta & Co., Ltd., 1942), 180. Houghton, The South
1941, reprinted 1957), 166.
⁹ Van der Horst, Native Labour in South Africa, 301.
Relying predominantly on the Chamber’s official records, government commission reports, and the few secondary sources which existed, van der Horst was the first to systematically examine and document the manner in which the mining industry obtained its large numbers of low paid African workers. But she deviated from the official records, which stressed the strong relevance of formal institutions in securing low-wage workers. While noting that institutions like the Mines and Works Act (colour bar), and the Native Labour Registration Act (including the pass laws) were of “great assistance”, van der Horst denied that the benefits of the low wage labour could be understood apart from the additional statutory obligations contained in the laws and administrative regulations.\(^\text{10}\) The colonial state and the mining industry had to register contracts, provide recruitment licences, run the relevant bureaucracies, manage compounds, keep records, pay wages, house, feed, provide medical attention for, and repatriate miners. Van der Horst argued that these administrative and bureaucratic costs should be “set off against” the benefits of the low wage migrant labour achieved in light of the institutional environment.\(^\text{11}\) She argued that the institutions which controlled and coerced Africans into accepting mine work were problematic because they were economically costly to the mining industry and the state. She was also concerned that the restrictive institutions associated with mine migrant labour inhibited the “full use of South Africa’s greatest resources, the labour of her Native population.”\(^\text{12}\) The Mines and Works Act of 1911 (colour bar) which restricted Africans to the lowest paid echelons of mine work prevented “progress and growth in wealth”.\(^\text{13}\) In the final pages of her book van der Horst contends that the restrictive institutions of the mining industry had in the reserves engendered a “caste system” premised on “authoritarian action” which not only limited national income but was “highly unstable” and a significant cause of social turmoil.\(^\text{14}\) Van der Horst gestured towards the idea that economic prosperity cannot and should not be separated from the social and political context in which it occurs; that the political,\(^\text{10}\) Van der Horst, *Native Labour in South Africa*, 178 – 180.  
\(^\text{12}\) Van der Horst, *Native Labour in South Africa*, 324.  
\(^\text{13}\) Van der Horst, *Native Labour in South Africa,* 324.  
social, and economic spheres are not mutually separable. Though she still posited economic expansion and growth as the key aim of development – a “population can only become better off by increasing the production of wealth” – she was not unaware that authoritarian politics and deep social ills were antithetic to even this narrow view of development.\textsuperscript{15}

De Kiewiet conceived of the formal institutions underpinning the migrant labour system as limiting the value of labour and placing upon the mines the “burden of a social policy” intended to bring into being and defend the economic superiority of white settlers.\textsuperscript{16} He saw the main purpose of the post 1910 legislation as raising the “supply and tractability of native labour”.\textsuperscript{17} Like van der Horst and de Kiewiet, Houghton saw the high running costs of the migrant labour system’s institutions (on his understanding these comprised of the pass system, reference books, labour bureaux, and influx control) as the state “cross[ing] purposes with itself”.\textsuperscript{18} He argued that the persistent exodus of capable workers from Reserve areas also led to the “declining productivity” of labour sending regions, whereas de Kiewiet had argued that “low spending power” in the Reserves further hindered development.\textsuperscript{19} Migrant labour and its accompanying institutions, Houghton contended, also entailed low productivity in the urban areas, through an inability to acquire skills, a “quantitative waste” of “manpower”, “general instability” and an unnecessarily high turnover of labour.\textsuperscript{20}

These scholars did not criticise the official Chamber of Mines view that a centralised monopsonistic recruitment agency was required. In 1902 WNLA began operating in Mozambique and to the north of South Africa and in 1912 the NRC began recruiting within South Africa as well as in the three British protectorates. Like the Chamber of Mines, these scholars believed that competition among recruiters was driving up

\textsuperscript{15} Van der Horst, \textit{Native Labour in South Africa}, 324 – 325.
\textsuperscript{16} De Kiewiet, \textit{A History of South Africa}, 166.
\textsuperscript{17} De Kiewiet, \textit{A History of South Africa}, 163, 230.
\textsuperscript{18} Houghton, \textit{The South African Economy}, 85.
\textsuperscript{20} Houghton, \textit{The South African Economy}, 85, 90 – 99.
costs, encouraging desertion, and engendering widespread fraud and duplicity on the part of touts and private recruiters. Since competitive recruiting did not, according to the Chamber, increase the flow of workers onto the goldfields, it was more or less accepted that a centralised recruitment agency made economic sense – since as sole purchaser of labour it could control the price and, by pooling resources, extend its operations further afield to increase supply.\textsuperscript{21} Van der Horst was aware that large scale recruitment in the Reserves was driven by the tax burden placed upon Africans, as well as the inevitable debt incurred from purchasing European goods.\textsuperscript{22} How mine migrant labour and its institutions circumscribed development in the labour sending regions, however, was not a topic of focus in the early liberal scholarship. When the enabling formal institutions of the migrant labour system were criticised in the liberal scholarship it was in terms of narrowly economic concerns, while the pervasive social and political harms and unfreedoms entailed in such institutions were not seen as themselves inimical to development. This tied in with the liberal conception of development as the generation of wealth through optimal employment of the factors of production.

In sum, while paying cursory attention to the specific developmental effects of migrant labour institutions in the labour sending regions, the liberal scholarship was predominantly concerned that the migrant labour system in general prevented capitalism from most efficiently and productively using workers to generate wealth. The generation of wealth was held to be the guiding telos of successful capitalism, and migrant labour was criticised on the grounds that it inhibited the most efficient production of wealth. Since all South Africa’s major sectors – mining, transport, commerce, agriculture – were based upon large numbers of unskilled workers recruited via the migrant labour system, the inefficient and restrictive nature of the system was a problem for the entire economy.\textsuperscript{23}

\textsuperscript{21} Van der Horst, \textit{Native Labour in South Africa}, 163; De Kiewiet, \textit{A History of South Africa}, 161, 218.
\textsuperscript{22} Van der Horst, \textit{Native Labour in South Africa}, 316 – 317.
\textsuperscript{23} Houghton, \textit{The South African Economy}, 96.
In 1972 Francis Wilson offered a more rigorous critique of the mining industry’s migrant labour system.\textsuperscript{24} While he did not elaborate, Wilson contended that legislation (or formal institutions) structuring the reserves and the Chamber’s recruiting organisations were critical to ensuring sufficient labour supplies.\textsuperscript{25} Two classes of laws, labour taxes and restrictions on land ownership, Wilson argued, had their origins in the Glen Grey Act (described by Alan Jeeves as the “epitome of capitalist-induced, labour-mobilizing legislation”), and the third, the pass laws, which controlled the movement of Africans after slavery was abolished in 1834, were passed at the “behest” of the Chamber of Mines in 1895.\textsuperscript{26} Wilson was keenly aware of the “economic necessity” which drove men from the reserves in South Africa to seek employment on the mines, and cited Hobart Houghton’s 1955 study of the Ciskei’s Kieskammahoek which found that without migrant remittances the population of the district “would starve”.\textsuperscript{27} Whereas earlier liberals noted the declining productivity of the labour sending reserves, Wilson went further. So overcrowded and denuded were the reserves by 1955 that subsistence in most of the Transkei and Ciskei could only be achieved if 57\% of the residents exited the district permanently.\textsuperscript{28} The relevance of migrant labour institutions to the development of labour-sending regions was not a central theme for Wilson, however, and descriptive facts evincing the reserves’ failure to develop were left to an appendix.\textsuperscript{29}

In the 1970s the liberal claims that migrant labour and its institutions were antithetical to efficient growth – that migrant labour was harmful to capitalism – came to seem a little less plausible as South Africa’s growth rates continued to climb. High growth amid increasing poverty led to the vigorous emergence of revisionism and an adoption of class analysis in the historiography of mine migrant labour.\textsuperscript{30} The three

\textsuperscript{27} Wilson, \textit{South African Gold Mines}, 130.
\textsuperscript{28} Wilson, \textit{South African Gold Mines}, 134.
\textsuperscript{29} Wilson, \textit{South African Gold Mines}, 188 – 189.
\textsuperscript{30} Martin Legassick, ”Gold, Agriculture and Secondary Industry in South Africa: From Periphery to Sub-metropole as a Forced Labour System,” in \textit{The Roots of Rural Poverty in Central and Southern Africa}, ed. R Palmer and N
most representative contributors to this shift in methodology are the Canadian Marxist Frederick Johnstone, Martin Legassick, and Marxist scholar Harold Wolpe.\textsuperscript{31} They broke from the liberal view of the irrationality and inefficiency of migrant labour, and demonstrated a “basic compatibility” between the mining industry’s desire for “ultra cheap” and “ultra exploitable” labour, on the one hand, and South Africa’s racist and discriminatory (formal) legislation on the other. In contradistinction to the liberals, Johnstone found a pronounced “economic rationality” at play in the oppressive institutions undergirding the migrant labour system.\textsuperscript{32} Johnstone noticed that race and class converged; rather than the colour bar being dysfunctional to capitalism, as liberals had previously argued, Johnstone interpreted the colour bar as a “class instrument” – institutions on this view were racist precisely because they served the class interests of the white minority.\textsuperscript{33} Radical revisionists were centrally preoccupied with the question of how the unfolding of ‘capitalist development’ came to forge and shape racist policies and institutions.\textsuperscript{34} In a seminal paper in 1974, Legassick endeavoured to show that “specific structures of labour control”- or, institutions underpinning migrant labour - were “increasingly functional to capital” and facilitated capitalist growth in South Africa.\textsuperscript{35} He was followed by Wolpe who, influenced by the social anthropology of French Structuralist


\textsuperscript{35}Legassick, “South Africa: Capital Accumulation and Violence”, 269.
Claude Meillassoux, offered a strongly structuralist account of apartheid and its formal institutions.\textsuperscript{36}

For Wolpe, apartheid was a structural response to the decline of the reserves. He saw segregation and apartheid institutions as “mechanism[s]” to maintain “capitalist exploitation” such that a “cheap and controlled labour force” was guaranteed by ensuring that workers continued to partially subsist on rural production and therefore reproduced themselves in labour sending regions.\textsuperscript{37} He saw labour sending regions as a rural precapitalist “mode of production” in a “functional” relationship with the urban capitalist mode of production. In this view, Apartheid policies and institutions are a “function of the economic changes in the Reserves, which generate[d] a threat to the cheapness of labour power”\textsuperscript{38}. As “material” circumstances in the reserves degenerated, and thereby threatened the “reproduction of [the] labour force” on which capitalist development was premised, so institutions would emerge to maintain “conditions of reproduction” and enable the reserves to persist in their functional capacities as reservoirs of cheap and dominated labour. In Wolpe’s rigidly structuralist model, labour sending regions and their inhabitants are paid scant empirical attention and are perceived as an expression of capitalism’s need for cheap labour.\textsuperscript{39} Capitalism acts upon migrants, in this view, and the autonomy of labourers is not a major theoretical concern. In sum, the revisionist scholars argued that the migrant labour system and its institutions were coercive in the interests of a cheap labour system highly functional to the white minority capitalist class. The revisionists showed a greater acknowledgement of the crucial role of formal institutions in maintaining the mining and apartheid labour system, but like the liberals they did not ask precisely how such formal institutions related to the development of migrant workers and labour sending regions. This thesis seeks to address the ways in which


\textsuperscript{38} Wolpe, “Capitalism and Cheap Labour-power”, 442.

\textsuperscript{39} For further discussion see Bozoli and Delius, “Radical History and South African Society”, 21.
formal mine migrant labour institutions nullified the freedoms of African migrants and inhibited their development.

Sociologist Michael Burawoy argued that the distinguishing feature of institutions underpinning migrant labour were their functional role in separating the processes of “renewal and maintenance” of the labour force. He worried, however, that the notion of cheap labour was essentially question-begging. ‘Cheap for whom?’ he asked. He showed that the migrant labour system could only be understood as cheap when viewed exclusively from the perspective of the state and the Chamber of Mines. Burawoy assumed that migrant labour institutions would unavoidably frustrate efforts of these areas and their inhabitants to develop but he did not make nor explore this point explicitly.

As part of a growing literature on ‘underdevelopment’ in Latin American and Africa, Colin Bundy and Roger Southall described the Transkei’s shift from a pastoral, subsistence economy to a migrant labour reservoir in terms of “underdevelopment” and a “structural dependence” on the commodity markets of the Cape’s mercantile economy. The political economy approach enabled Bundy and Southall to show that capitalism in the Transkei entailed political decline, drastic changes to class and social structures and served to ‘underdevelop’ the region. These scholars demonstrated that during the late 19th to the early 20th century the Transkei was stratified into a wage-labouring majority and a small privileged elite. Bundy and Southall were alert

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44 Southall, Political Economy of an 'Independent' Bantustan, 87 – 88. Bundy, Rise and Fall, 133.
to the strong relevance of formal institutions in undermining the independence and livelihoods of Transkei inhabitants. This thesis draws heavily on these accounts but employs Amartya Sen’s agency-centred conception of development and focuses specifically on the effects of formal institutions on the agency and developmental prospects of Transkei inhabitants.

Social and cultural historians saw human agency and symbolic meaning as critical to the history of mining in South Africa. It was these cultural and social historians who first depicted migrant workers as full, rich humans exercising agency in their own right and embedded ontologically in cultural and social worlds of their own. This emphasis meant that migrant workers were no longer faceless, acted upon, and passive; it meant that Africans should be perceived as featuring meaningfully in the development of South African capitalism. This group of historians offered a ‘history from below’ where culture, social systems, and human agency were portrayed as inseparable from, rather than being merely subordinated to, the workings of capitalist development, as the characterizations the liberal and radical scholars had misleadingly put forth.

Delius demonstrated that in Sekhukhuneland migrant labour offered the only opportunity whereby young culturally initiated men could attain the required funds to marry and build homesteads and thus attain “full adult status”. Achieving adult personhood and the cultural and social value it conferred, then, was contingent upon accepting mine work. Similarly, Patrick Harries, using the writings of missionaries,

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46 Discussion of Sen’s notion of ‘development’ follows below.
48 See Bozoli and Delius, “Radical History and South African Society”, 29 and Harries, Work, Culture, and Identity, xiv – xvii for a historiography of cultural history relating to migrant labour.
49 Delius, “Migrants, Comrades and Rural Revolt”, 4, 6.
folklore, songs, idiom, and oral testimony, indicated the role played by culture in compelling men to work on the South African mines. Harries described the force of culture in securing sufficient mine labour.\textsuperscript{50} “Labour recruiters”, he wrote, “described migrancy as a rite of initiation” and migrants who returned from the mines were esteemed for their “wealth, experience, and generosity” as well as being “markedly superior in status to men who refused to work on the mines.”\textsuperscript{51} Men who refused mine work were socially and culturally scorned as mamparas or “inexperienced and ignorant provincials”.\textsuperscript{52} For Harries, mine recruitment was premised upon more than simply economic necessity, it was a means to adulthood and social standing – migrant labour conferred a cultural prestige. Importantly recruiters played the cultural value attached to marriage and experience to their advantage.

Culturalist and social historians demonstrated that in labour sending regions culture, social norms and informal institutions could not be divorced from the workings of the migrant labour system, and that both formal and informal institutions worked in ineluctable combination to drive men onto the gold mines. These authors depicted recruitment processes and formal institutions as locking into cultural and social institutions (like initiation, cultural prestige, and marriage) so that the former could function; they spotlighted the strong cultural and social reasons informing and entrenching the migrant system. Institutions of chieftaincy, as Delius argued, for example, were crucial to the workings of labour recruitment, and as they increasingly received state legitimacy and salaries, chiefs felt less accountable to their communities and became more amenable to the apartheid state and to securing migrants for mines.\textsuperscript{53} With the introduction of tribal labour bureaux, chiefs found that they could effectively control their peoples by denying employment or land to fractious or unbending citizens.\textsuperscript{54}

\textsuperscript{50} Harries, \textit{Work, Culture, and Identity}, 129 – 157.
\textsuperscript{51} Harries, \textit{Work, Culture, and Identity}, 157.
\textsuperscript{52} Harries, \textit{Work, Culture, and Identity}, 157.
\textsuperscript{53} Delius, “Migrants, Comrades and Rural Revolt”, 13.
\textsuperscript{54} Delius, “Migrants, Comrades and Rural Revolt”, 12.
Importantly, these authors offered an analytic shift in perspective from big overarching categories like ‘capitalist development’ and ‘modes of production’ to a recognition of agency and informal (social and cultural) institutions in the workings of the migrant labour system. As explained in the next section, this thesis expands this analytical shift by placing agency at the centre of how development is theoretically conceived, and explores the association between formal institutions and the circumscription of agency.

In the early 1990s three important labour migration scholars, Crush, Yudelman, and Jeeves pooled their vast sources and produced a comprehensive and empirically rich history of black migrancy to the South African gold mines. On the question of formal institutions, like the colour bar, these scholars argued that, in terms of monetary costs and productivity, the Chamber of Mines was keenly aware of the higher costs entailed in protecting white jobs, but found that they could “off-load” much of these costs onto black workers. Moreover, in order to employ higher-skilled black workers productively the Chamber would have had to stabilise its work force, and provide permanent family housing and requisite pay, which would have been antithetical to the influx controls so energetically pursued by the state. Apart from noting that formal institutions crucially underpinned the production of gold, these authors did not explore formal migrant labour institutions in depth.

Although Wolpe and Legassick’s ‘labour-reserve’ thesis had gained currency in the 1970s, Crush et al disagreed with these authors on how recruitment of workers in the reserves was undertaken. Understanding it to be a central feature of the labour reserve thesis, they conceded that before 1950 mine bosses were eager for the state to impose taxes, land title restrictions, and other devices to impoverish Africans, undermine rural self-sufficiency, and thereby drive African men into mine employment. Taking seriously the Chamber’s submissions to the Fagan (late 1940s)

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55 Crush, Jeeves, and Yudelman, *South Africa’s Labour Empire*, passim.
56 Crush, Jeeves, and Yudelman, *South Africa’s Labour Empire*, 80 – 81.
57 Crush, Jeeves, and Yudelman, *South Africa’s Labour Empire*, 81.
58 Crush, Jeeves, and Yudelman, *South Africa’s Labour Empire*, 8 – 9.
59 Crush, Jeeves, and Yudelman, *South Africa’s Labour Empire*, 55.
and Tomlinson (early 1950s) Commissions, which emphasised the overly forlorn reserve economies, these authors argued that the Chamber of Mines “paradoxically” requested that the state intervene in the reserves by way of “large-scale government investment”. The Chamber feared that wholesale collapse of reserve economies was imminent, and that this would threaten the basis of its migrant labour system.\(^{61}\)

Ironically, it was the forced removal of hundreds of thousands of black persons from white areas into the reserves which enabled the NRC (and TEBA after 1977) to fill the Chamber’s labour quota in the 1970s.\(^{62}\) Moreover, Crush et al argued that, at least up to the 1950s, before the full scale forced removals, migrant labour was a means of “preserving the economy of the rural household” rather than the “primary means of its destruction”.\(^{63}\)

Of course, that these rural households depended on subsidies from migrant remittances does not imply that migrant labour developed labour sending regions. Rather, Crush et al reiterate the view - put forward by Wilson and Ramphele and others - that mine migrant remittances merely enabled households to survive.\(^{64}\) Like the scholars which preceded them and while grasping the importance of such institutions in maintaining the labour system, the question of how migrant labour institutions related to the developmental prospects of migrants and labour sending regions was not taken up. These authors did not focus on how the contexts of deprivation in which mine remittances enabled rural households to survive were in large part exacerbated by and premised upon formal institutions associated with the mining industry.

Wilmot James’ 1992 study, which presented a sociological and historical account of migrant labour to the gold mines from 1970 – 1990, and drew on NRC and TEBA official records, devoted a full chapter to the Chamber’s recruitment operations. James distinguished what he called “dependency processes” as necessary to securing adequate labour supplies in the 1970s. He thought that, while necessary, dependency

\(^{61}\) Crush, Jeeves, and Yudelman, *South Africa’s Labour Empire*, 55, 69.
\(^{62}\) Crush, Jeeves, and Yudelman, *South Africa’s Labour Empire*, 70.
\(^{63}\) Crush, Jeeves, and Yudelman, *South Africa’s Labour Empire*, 70.
processes were not sufficient to attract labour. Work seekers from the Bantustans in the early 1970s when migrant worker numbers from outside the country were declining sharply had to be “actively drawn” into the labour market by means of shorter contracts (26 and 28 week contracts rather than the hitherto 52 week contracts). While all these authors appear aware of the relevance of formal institutions in enabling the Chamber of Mines to sustain and forge its labour force, none of them specifically examined the relations between such formal institutions and the developmental prospects of migrants and their communities.

It is clear from the historiography that scholars have long acknowledged the importance of formal institutions in the workings of the migrant labour system. However, there has been no direct examination of how a combination of formal institutions – including the Chamber of Mines, the NRC, the Native Affairs Department, and the legislation of various permutations of the state – worked in league to forge and maintain the migrant labour system. This thesis spotlights the formal institutional context of mine migrant labour, examines how these interlocking institutions worked in combination, and explores the ways in which such institutions either constrained or enabled the development of mineworkers and labour sending regions. The thesis does not offer a social or culturalist ‘view from below’, nor a ‘view from above’ which describes the economic history of the Transkei in terms of grand concepts like ‘capitalist development’, modes of production, dependency, or structural underdevelopment. Rather it locates itself ‘in between’ these two conceptual frameworks by focusing on the manner in which formal institutions actually functioned to forge and maintain the Transkei’s mine migrant labour force – and how these migrant labour institutions related to the ‘development’ of mineworkers and the Transkei. Following the cultural and social historians, and breaking from the revisionists, this thesis recognises the primary relevance of agency, and it endeavours to examine formal institutions in terms of how they impinge upon or enable agency.

Beyond the South African historiography, institutions and capabilities

Following Douglass North, economic historians several Nobel Laureate economists, have since the 1970s understood formal institutions such as constitutions, laws, and property rights as vital to variations in the growth paths economies follow. Bureaucratic institutions are understood by New Institutional Economists as comprising the ‘players of the game’, where laws, constitutions, and property rights were the ‘rules of the game’. One important weakness of the NIE and the Cliometric school, however, is their attachment to neoclassical economics as the staple and most valid economic theory, so that getting the ‘rules of the game’ right amounts to achieving the most efficient and unhindered allocation of resources (a free market) to drive economic growth. In this view, formal institutions are decisive in enabling efficient free market trade, which in turn powers economic growth.

A few NIE scholars have worked on African institutions. Rod Alence has analysed the relationship between political institutions and governance quality in sub-Saharan Africa, while stressing the need to align short term political incentives with the requirements of longer-term economic development. In similar vein, Nicholas

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69 Add refs on other studies using institutions to quantify their effects on FDI, growth, etc. See mendley collection of papers on this topic.

Amponsah’s study of Ghana’s economic performance highlighted the need for efficient bureaucratic machinery, the upholding of contracts and law, and the protection of property rights to create “institutional credibility”. Institutions are good, Amponsah argued, insofar as they attract domestic and foreign investment and enable investors to “cooperate in the national development endeavour”. More specifically Acemoglu and Robinson have analysed the Eastern Cape and emphasized institutional features such as the 1913 Land Act and the colour bar in explaining the failure of the Transkei to develop. These authors argued that the Transkei’s poverty and lack of development were the outcome of government policy creating a labour reservoir for the mines and farms by “forcibly stamp[ing] out” African economic activity. By focusing on property rights (1913 Land Act) and the removal of economic incentives (the colour bar), these authors simply reiterate the parochial view that economic and political institutions are best when they are conducive to “economic progress” or growth in the size and scope of the economy. When Acemoglu and Robinson discuss the social and cultural power of chiefs they do so only in relation to the chiefs’ control over land distribution (property rights), and ignore the social and political unfreedoms entailed in apartheid chieftaincy systems.

The central core of NIE-driven institutional studies is the link between institutions and economic growth or incentives. In South Africa an unfree labour market and unfree workers powered the gold mining industry, which in turn powered economic growth. High economic growth, however, was coupled with widening and deepening deprivation, and therefore institutions in South Africa can be viewed as obstacles to development.

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72 Nicholas Amponsah, "Institutions and Economic Performance”, 106, 110.
74 Acemoglu and Robinson, "Why is Africa Poor?", 36.
75 Acemoglu and Robinson, "Why is Africa Poor?", 23.
76 Acemoglu and Robinson, "Why is Africa Poor?", 37.
Absent from these approaches is a conception of economic growth linked to the growth of human capacities, freedoms, and potential. In contrast, Amartya Sen’s capabilities approach is an attempt to shift the analytic focus so that human development – or its opposite, deprivation – is placed at the centre. Rather than asking how institutions relate to economic growth, this thesis asks how institutions relate to the expansion or circumscription of human freedoms or agency.

Where most of the NIE and Cliometric school understood economic growth as a primary goal for development, Amartya Sen’s capabilities approach is a broader, agency-centred conception of development. Following Sen, this thesis examines institutions in terms of how they relate to development and human agency/freedoms. Since Sen defines development as a process of expanding freedoms/agency, this conception of development enables a broader view of how mine migrant labour institutions related to development. The next section describes Amartya Sen’s conceptions of development and deprivation, and explains how they are applied in this thesis.

Development as freedom

In the early 1970s philosopher and economist Amartya Sen first began to articulate a powerful challenge to the dominant understanding of development. Both liberals and Marxists thought increasingly generating wealth must relate in some measure to the increased wellbeing of a given population, so when development economics emerged after the Second World there was a strong focus on achieving rising GNPs and full employment. In a series of papers, which culminated in his book Development as

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Freedom, Sen argued that a focus on growing GNPs and rising per capita incomes obscured the fact that generating wealth is only one of the means to development and is not an end in itself. This critique cuts to the heart of economics as a discipline, for it argues that economics cannot coherently be concerned only with how to generate and distribute wealth. The social and political spheres are inextricably bound up with economics. The telos of development, argued Sen, is not to generate wealth tout court.

Wealth is not wanted for its own sake, but for its instrumental value, for what it can do to achieve something else. For Sen, human wellbeing is the goal of development. Generating wealth, therefore, cannot be the telos of development, for generating wealth (measured in terms of rising GNPs and per capita incomes) does not translate straightforwardly into increased human wellbeing. Efficiently produced wealth does not trickle down into operationalized human wellbeing. To powerfully and unmistakeably illustrate this point, Sen examined a cluster of five developing countries; namely, China, Sri Lanka, Brazil, Mexico, and South Africa. As illuminating - if rough - proxies for wealth generation and wellbeing, Sen employed two indicators, GNP per capita and life expectancy at birth.

**Figure 1: GNP and life expectancy in five middle income countries (1984)**

<table>
<thead>
<tr>
<th>Country</th>
<th>GNP per capita (US dollars)</th>
<th>Life expectancy at birth</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>310</td>
<td>69</td>
</tr>
<tr>
<td>Sri Lanka</td>
<td>360</td>
<td>70</td>
</tr>
<tr>
<td>Brazil</td>
<td>1 720</td>
<td>64</td>
</tr>
<tr>
<td>Mexico</td>
<td>2 040</td>
<td>66</td>
</tr>
<tr>
<td>South Africa</td>
<td>2 340</td>
<td>54</td>
</tr>
</tbody>
</table>


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Drawing on data from 1984, Sen showed that despite China having the lowest GNP per capita ($310), its citizens’ life expectancy at birth (69 years) was second only to the life expectancies of Sri Lankan citizens; Sri Lanka’s GNP per capita was the second lowest ($360), and yet its life expectancies the highest (70 years). But it was South Africa which vividly and demonstrably drove home Sen’s distinction between the means to and the ends of or telos of development: While South Africa’s GNP per capita was the highest among the cluster of countries ($2 340), the life expectancy of its citizens (54 years) was the lowest by ten years. While South Africa scored comparatively well in terms of one of the means to development (generating wealth), its fared appallingly in terms of the ends of development (human wellbeing). Equatorial Guinea’s wealth from oil booms further demonstrates that the generation of wealth does not necessarily imply increased human wellbeing: economic growth is not a sufficient means for attaining the ends of development. With per capita purchasing power parity at $50 240 Equatorial Guinea could boast the second highest GDP per capita in the world in 2005, yet its citizens’ life expectancy was among the lowest (46 years for men and 49 years for women), and in 2005 the World Bank’s purchasing power indicators described 76.8% of the country as living in poverty. Equatorial Guinea’s GDP was, however, among the fastest growing in the world; the IMF predicted its economy would grow at 45% in 2005. Economic growth may be a necessary condition for development, but the case of Equatorial Guinea undermines the view that economic growth is a sufficient driver of development. The GNP approach does not correlate well with key elements of human wellbeing. Human wellbeing, in Sen’s account constitutes the end of development and is calibrated in terms of the degree to which one’s freedom is operationalised. Combining notions

83 Sen, Development as Freedom, passim.
from Adam Smith, Aristotle, and Karl Marx, Sen defined freedom as possessing the capabilities or choices and opportunities to live a life one has reason to value.\textsuperscript{84}

As Sen and Dreze put it,

It should be clear that we have tended to judge development by the expansion of substantive human freedoms — not just by economic growth (for example, of the gross national product), or technical progress, or social modernization. This is not to deny, in any way, that advances in the latter fields can be very important, depending on circumstances, as ‘instruments’ for the enhancement of human freedom. But they have to be appraised precisely in that light — in terms of their actual effectiveness in enriching the lives and liberties of people — rather than taking them to be valuable in themselves.\textsuperscript{85}

Sen’s greatest insight was to perceive economic growth and rising income levels, not as an ends in themselves, but as means or instruments to achieve freedom, the latter being of ultimate, or inherent value. The raison d’être of development is securing freedom, not merely generating wealth: generating wealth is a means to an end (and is of instrumental value), whereas securing freedom is an end in itself (and is of inherent value). Freedom is the telos of development, and wealth generation is merely an instrument of subordinate value used to achieve freedom, but not worthy of being pursued in and of itself. Since development is defined as expanding substantive freedoms/opportunities/capabilities to choose the life one has reason to value, all obstacles to such freedoms are antithetical to development.\textsuperscript{86}

Freedom for Sen consists broadly of two parts. On the one hand freedom is concerned with having access to the “processes” which enable freedom of decisions and action.\textsuperscript{87}

Access to processes of freedom relate to political rights (free speech and election participation), as well as civil liberties (like freedom of movement and association)

\textsuperscript{84} Sen, “The Concept of Development,” 15 – 16.
\textsuperscript{86} Sen, Development as Freedom, passim.
\textsuperscript{87} Sen, Development as Freedom, 17.
and the freedom or entitlement to sell one’s labour and participate in the market unhindered.\textsuperscript{88} Secondly, freedom is concerned with social and economic “capabilities” or “opportunities”, like the capability to acquire basic education, and/or a skill or trade; the capability to be healthful (secure primary healthcare) and escape morbidity and premature death.\textsuperscript{89} Rather than calibrating development in terms of per capita incomes and GNP, Sen argued that development should be calibrated in terms of the extent to which people have the capability to choose lives they have reason to value; oppositely, deprivation and poverty should be calibrated according to the circumscription of freedoms, the extent to which one is unfree. The freedom and choice to select and live a life one has reason to value is at the centre, is the guiding lodestar, of Sen’s understanding of development. Rather than being understood in terms of lowness of income, poverty and deprivation is understood as having one’s capabilities and freedoms constrained and frustrated. Poverty and deprivation is then more to do with the inability to acquire basic health, education or a skill, being unable to exercise political freedoms and civil liberties, or participate in markets freely and gain access to credit. Since none of these freedoms are suitably captured in an income graph, the informational base used to characterise the nature of poverty and deprivation is richer and broader than what an income graph can grasp. Moreover, expanding human capabilities and freedoms is simultaneously a means to and an end of development. In Sen’s language, the expansion of human freedoms is both “constitutive” of freedom (the end or telos of development), and also “instrumental” in further securing and entrenching development (the means to development). Apart from being an achievement in its own right, expanding basic human capabilities (like education, skills, health care) is also an effective means of generating wealth, since a skilled, educated, and healthy citizenship is generally agreed to foster increased

productivity and efficiency." Sen’s ideas on capabilities indeed constitute some core principles of the Human Development Reports.

By employing a conception of development which speaks directly to the ends of development (political, social, and economic freedoms), this thesis is able to explore more broadly the developmental impacts of the migrant labour system’s institutions on migrants and the Transkei region. When deprivation is understood as an absence or paucity of political freedoms, social opportunities, and economic choices, a far richer picture of how migrant labour institutions engendered deprivation emerges. Since, as this thesis argues, migrant labour institutions functioned in large part to foreclose alternative choices, such that morbific, dangerous, poorly paid, unskilled migrant mine work became the last option available to men, migrant labour institutions were effectively used to create conditions of deprivation and forestall development. In brief, the colonial administration of hut and other taxes, political subjugation, laws pertaining to free movement, restrictions on freedom to trade and accumulate cattle, laws forbidding unionization, blocked access to semi-skilled and skilled occupations, the criminalization of contract breaking, as well as ecological disasters, all acted to impinge upon the agency or freedom of rural Africans in and from the Transkei and elsewhere. Colonial institutions clamped down powerfully on social and political freedoms. In the capabilities approach, such institutions are conceived as freedom-destructive institutions, or institutions of unfreedom. Prospective Transkei migrants faced an onslaught of institutional mechanisms

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90 Sen, Development as Freedom, 38, 39, for more on the instrumental role of expanding capabilities, see 8–9, 16–17, 36–46, 50–53, 149–151, 185–186, 195–199.
attempting to diminish their social, political and economic freedoms so that mine work would become the last alternative.

In the history of the NRC, the Native Affairs Department and enabling legislation and institutions of the colonial, national, and then apartheid government created a context of deprivation (constrained choice) within which the NRC could successfully draw workers into the oscillating low wage migrant labour system. The multiplicity of formal institutions shoring up the oscillating migrant labour system in the Transkei amounted to a series of destructive obstacles to development. Despite the benefits of state legislation and formal institutions in the development of South Africa’s economy – Charles Feinstein describes such institutions as those which “enabled gold to drive forward South Africa’s economic transformation” – these institutions entailed devastatingly inhibitive obstructions to the development of labour sending regions like the Transkei and the people who inhabited these regions. Sen’s notions of development and deprivation provide a powerful conceptual framework to understand the multiple hindrances to rural development entailed in the mine migrant labour system institutions. Rather than examining institutions as tied exclusively to economic performance and incentives, this thesis examines how formal institutions relate to the ends of development (or the substantive freedoms people enjoy).

The thesis is comprised of four chapters. This chapter has provided an overview of the ways in which formal migrant labour institutions have been previously understood by scholars, how these views related to understandings of the development of labour sending regions, and how studies of formal institutions and economic development have been conducted in the past. In doing so it locates this thesis within the existing literature. More particularly, this chapter has introduced an explanation of Amartya Sen’s conceptions of ‘development’, ‘deprivation’, and ‘capabilities’, and motivated for the use of these concepts when studying the mining

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industry’s migrant labour system and its effects on labour sending regions like the Transkei.

Chapter 2 focuses on the emergence of the NRC in 1912 and examines the Chamber’s attempts from the late 19th century to institutionalise a low wage oscillating migrant labour system until monopsony was achieved in the Transkei in the early 1920s. It develops an exploration of how formal institutions, especially after Union, were necessary for the construction of a labour monopsony in the Transkei. It examines the ways in which the Chamber of Mines was able to secure the support of the boer and colonial states’ formal legislation, as well as the Native Affairs Department’s interest in transforming the Transkei into a labour exporting economy. The South African gold mining industry, this chapter argues, could only function as it did with the assistance of freedom-destructive state legislation in the creation of its low wage labour monopsony.

Chapter 3 centres on the relationship between deprivation and the migrant labour system and its associated institutions. It traces the deepening conditions of deprivation in the Transkei from the 1920s until the 1970s and spotlights the ways in which successful recruitment was directly related to an absence of choice. Even during the terrible droughts of the 1960s, when deprivation was exacerbated, there were frequent NRC reports that prospective migrants refused to accept work on ‘unpopular’ mines. Migrants preferred to face acute hunger rather than work on such mines. By examining the multiplicity of disincentives making mine work unappealing, in the context of institutionalised capability destruction, chapter 3 attempts to account for why it was rational for migrants to face hunger rather than work on unpopular mines. Chapter 3 further examines the disease burdens externalised via the migrant labour system, and explores the ways in which such burdens constituted significant obstacles to the development of mineworkers, their families, and the Transkei generally.

The final chapter studies the NRC’s Deferred Pay Interest Fund (DPIF), and examines how interest earned on mineworkers’ deferred wages was used to finance so-called welfare projects in Transkei from the 1950s to the 1970s. By examining examples of
how the NRC spent Deferred Pay Interest Fund, which was earmarked for welfare projects, this chapter offers insights into how the Chamber of Mines and its recruiting arm understood the welfare of Africans, and shows that in combination with the NAD, the Chamber had created a sinister kind of ‘corporate social responsibility’ fund in 1917. The Deferred Pay Interest Fund attempted to market the NRC as a philanthropic institution and financed projects such as sports stadiums and beauty competitions which had nothing to do with the welfare of labour sending regions. By spotlighting the NRC’s refusal to fund education projects, the final chapter argues that the NRC was faced with the perverse incentive not to direct funds towards any projects which would expand the capabilities and freedoms of migrants, since this would then undermine their recruiting activities.

This thesis provides a fresh perspective on the investigation of the NRC as an institution. It examines the institutional values of the NRC and how it was embedded within a nexus of formal institutions, the roles these institutions played in shutting down social, political and economic capabilities, and how this hindered and preempted the development of migrants and the Transkei from the late 19th century until the 1970s. It both recasts historiographical debate and examines new material on the effects of the NRC on the Transkei region.
Chapter 2

The Native Recruiting Corporation as an institution of unfreedom, 1886 – 1920

Development consists of the removal of various types of unfreedoms that leave people with little choice and little opportunity of exercising their reasoned agency. The removal of substantial unfreedoms ... is constitutive of development.¹

– Amartya Sen

Since achieving control of the supply of labour (to drive down wages and secure an adequate supply) was one of the Chamber of Mines’ principal objectives, the centralized monopsonistic recruiting agencies (WNLA and NRC) were a central feature of the Chamber of Mines and the mining industry generally.² In his sanitised and industry-endorsed history of the Chamber of Mines, Jonathan Lang is unambiguous about the Chamber’s concern with labour and state intervention:

The underlying motive of the... Chamber was to contain the costs of mining, especially those which resulted from the action or inaction of the state, or the unbridled competition for goods and labour in short supply.³

After the formation of the Chamber of Mines in the late 1880s, achieving monopsony in the South African labour market took some thirty years to materialize, after which the gold mining industry’s formal institutions and labour system were more or less secure and unfaltering for the next 50 years (1920 – 1974).⁴

¹ Sen, *Development as Freedom*, xii (emphasis in original).
This chapter traces the formation of the Chamber’s recruiting agencies, their successes, failures, and most importantly the formal institutions underpinning their functioning before the early 1920s. It argues that the NRC and the institutions associated with mine labour recruitment impeded the social, political, and economic freedoms of Transkei migrant workers, and so directly impinged on the ends of development. These institutions brought about an assault on the constitutive elements of rural development in the Transkei. Antithetical to development, in Senian terms they were institutions of unfreedom par excellence. The overarching telos of these institutions was the creation of a controlled, unfree, politically voiceless, and obedient labour force which had no choice but to accept below-subsistence wages, and thereby subsidise the mining industry at the expense of their human, social, and material development.

These institutions, this chapter will show, were a necessary feature of the migrant labour system. The use of powerful formal institutions to cement a low wage oscillating migrant labour force entailed the capability destruction, not only of migrant labourers themselves, but also of the developmental prospects and capabilities of labour sending regions like the Transkei. It will argue that the success of the Chamber of Mines’ monopsonistic recruiting agencies in the Transkei was in large part predicated upon the power of formal state institutions circumscribing the freedoms of Transkei migrants.

Capability-destruction meant that these institutions served to constrain the options of Transkei residents by systematically shutting down and foreclosing the range of avenues that they could pursue to meet their needs. The flow of mine migrants from the Transkei in the late 19th and 20th century increased in proportion to the level of deprivation (absence of choice) in the Transkei. WNLA and the NRC in large part depended on these institutions to sustain their monopsonies. To be sure, African collaborators, including chiefs and headmen inserted within colonial political

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6 See for instance Bundy, Rise and Fall, 134; Southall, Political Economy of an 'Independent' Bantustan, 21; Beinart, Political Economy of Pondoland, 62.

7 This point is further developed in chapter 3. See Southall, Political Economy of an 'Independent' Bantustan, 75. On Mozambique’s outstandingly severe deprivation, see Harries, Work, Culture, and Identity, especially 145 – 152.
structures, were from the earliest days (late 19\textsuperscript{th} century) crucial to the gold mining industry’s labour system. Throughout the 20\textsuperscript{th} century the state (in its discrete realizations) and industry would not have drawn Transkei workers successfully onto the Rand without the assistance of local headmen or state-favoured chiefs.\textsuperscript{8} These processes of collaboration between colonized elites and colonial powers express in part what Jean-François Bayart has referred to as “strategies of extraversion”.\textsuperscript{9} By strategies of extraversion Bayart means the strategies for accumulation and political power which Africans enact by drawing their people into unequal (even dependent) relationships with an external colonial power.\textsuperscript{10} In the case of the Transkei, there is much evidence that African elites played important functional roles in the NRC’s labour recruitment system, and that there were material and other benefits making this role attractive to African elites dependent on the colonial state for stipends.\textsuperscript{11} Chiefs, elites, and institutions like the NAD and other state legislation are an important part of the reason Transkei men came to choose mine work as a last option. On the other hand a range of forces like drought, crop failure, depression, war, initiation into adulthood, the desire for guns or money for bride wealth, as well as cattle diseases, and other ecological catastrophes also served to drive reluctant migrants to the mines.\textsuperscript{12}

These broad, causative, and enabling forces in the emergence and success of the NRC in the Transkei provide the context in which the formal institutions underpinning the migrant labour system were generated. The question posed in this chapter is how these institutions constrained the autonomy and freedom of people in the Transkei and other Southern African migrants and prevented the Transkei from developing. The argument made is that that in many cases the ecological and other disasters which befell the people of greater Xhosaland (Transkei, Ciskei and beyond) were strongly

\textsuperscript{8} Jeeves, \textit{Struggle for the Gold Mines' Labour Supply}, 156, 157, 163, 165.
\textsuperscript{10} Bayart, "History of Extraversion", 222 – 224.
\textsuperscript{11} Discussion of this follows. See also Jeeves, \textit{Struggle for the Gold Mines' Labour Supply}, 153 – 183.
\textsuperscript{12} See chapter 3.
exacerbated by the colonial institutional context. This chapter employs Sen’s autonomy-centered conception of development, which sees the end goal of development as the freedom to choose a life one has reason to value. It shows how ‘institutions of unfreedom’ linked to the migrant labour system were obstructive to the development of labour sending regions.

The formation of the Chamber of Mines, 1886 – 1900

The discovery of promising deposits of gold on the Witwatersrand in 1886 galvanised deep social, economic, and political transformations both in South Africa, and the Southern African region more generally. Before the turn of the century, South Africa’s mining industry was the largest gold producer in the world. The Transvaal’s revenue shot up markedly (almost tenfold) from £178 000 in 1885/6 to £1 500 000 in 1888/9. In the immediate aftermath of the 1886 discoveries, a flood of investors, engineers, technicians, geologists, prospectors, lawyers, traders, labourers, and vast sums of capital were drawn to the Transvaal’s gold deposits. Significantly, by 1887 powerful mining companies had formed an association known as the Chamber of Mines. The increasing concentration of capital in fewer and fewer monopoly firms in the early 1890s came to be the ‘group system’ of the Chamber of Mines – whose primary desire for a rigorously controlled labour system is central to understanding the system of recruitment that followed.

The motivation for a great many joint stock companies and smaller mining finance houses joined up in a ‘group system’, where smaller companies and mining houses were subsumed and consolidated into larger monopolistic ‘parent’ companies, had

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14 Refer to chapter 1 for a discussion of Sen’s ‘development as freedom’.
16 Innes, Rise of Modern South Africa, 75.
17 Bundy, Rise and Fall, 111.
18 Callinicos, Gold and Workers, 8 – 9.
19 Callinicos, Gold and Workers, 18.
much to do with the gold market, and the nature and location of South Africa’s gold bearing ore. By 1892 discoveries of gold on the Witwatersrand indicated to the industry that while long term mining projects were viable, the deep level low grade ore implied that profit maximization required a low wage and tightly controlled cost structure to achieve long term profitability. Since gold was in high demand by countries adhering to the gold standard from at least 1870 onwards, and despite the price remaining static for long periods, the market for gold was essentially unlimited. The Bank of England, for instance, doubled its gold reserves to a total of £49 million in 1896. Importantly, an unlimited market for gold meant that companies did not have to compete for market share. This absence of competition for gold markets was, according to Duncan Innes, the “dominant factor” which drove companies and mining houses towards monopoly collusion in the late 19th century.

That gold was predominantly exported implied also that the Chamber had no incentive to raise the purchasing power of mineworkers. To drive for the maximum exploitation of ore, and maximum financial returns, companies needed only to concern themselves with raising sufficient capital to float their ventures and maintain low costs. Moreover, since there was little the Chamber could do to control the costs of equipment, supplies, machinery, skilled labour and so forth against inflation, coupled with the fact that the gold price would remain steady from 1870 – 1920, the Chamber’s principal area of cost reduction became its low wage oscillating migrant labour force. Strategies to reduce costs could render profitable low grade ore that would otherwise have remained underground. The Chamber of Mines reasoned that African migrants could be paid less than white settlers because black families were supported by subsistence agriculture, and old and sick miners received care from their

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21 Innes, Rise of Modern South Africa, 52.
24 Innes, Rise of Modern South Africa, 53.
26 Beinart, Twentieth-Century South Africa, 29.
In its own terms, then, the Chamber of Mines was subsidized by deeply impoverished labour-sending regions. Beinart has described the industry’s refusal to pay adequate wages to black mineworkers, and their justification for doing so, as the “Logic of the Mines”. Migrant labour institutions relating to Africans increasingly came to reflect the Chamber’s implicit view that Africans were ontologically subordinate to white persons: white supremacy would become institutionalized in the Chamber’s labour system.

During the 1890s, however, the supply of capital on the Rand was not sufficient for the large-scale longer term projects of deep-level low grade ore extraction, and considerable investment from capital markets in Europe was required. To attract such capital, investors had to be ensured of high returns and low risk. High returns could be achieved by maintaining a low cost structure, while risk could be reduced by diversifying investments across a number of ventures. The group system ostensibly offered a solution to both these difficulties. By melding a number of mining houses and joint stock companies into discrete parent companies or ‘groups’, investors could spread risks and reduce the speculative nature of investments. The colossal companies which emerged in this manner were able to diversify investments into other sectors, and even countries, and so further diminish the prospects for loss. Once melded into discrete groups, companies would not only benefit from economies of scale, as with bulk purchases of chemicals and other required inputs, but could also augment and share their resources, expertise, technology, insights, and equipment – and thereby keep down costs. By the early 20th century six major groups dominated gold mining on the Rand. While the ‘group system’ emerged to attract investment, and lowered costs by centralizing production and administration, the group system alone could not maintain a sufficient supply of low cost labour. The Chamber of Mines acted on behalf of member groups and mining houses, sought to coordinate and control the

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29 Innes, Rise of Modern South Africa, 54.
30 Innes, Rise of Modern South Africa, 55.
31 Innes, Rise of Modern South Africa, 55.
expansion of the labour supply, and provided a unified voice with which to implore the Boer Republic authorities to implement formal institutions favourable to mining interests. The Chamber shared expertise and knowledge, facilitated cooperation, and produced industry-wide statistics, and in this way wielded immense power with which mining groups could act in league. From the first the Chamber desired to drive down African wages while increasing supply.

The gold mines were unremitting in their quest for low wage labour during the first hundred years of their existence. In 1890 the mines had attracted some 15 000 Southern African migrant workers, and despite a declared shortfall of 12 000 workers on the eve of the South African war (1899), over 100 000 migrants were by then working the gold mines. In the early years on the Rand, workers made their own way or were marched and transported by touts and recruiters to the mines. These migrants came from various regions in Southern Africa, including Mozambique (the largest labour source), Bechuanaland, Swaziland, Natal, and the Transkei. Migrants were subsistence peasants drawn to the mines for reasons of taxation, the desire to purchase farming implements, guns or other assets, the need to earn cash for bride wealth, to build a homestead, or simply on the chief’s instruction (in turn inspired by local or mining interests). None of these factors proved sufficient to drive young men to the mines on an adequate scale and – most importantly – at the price the Chamber desired.

For the Chamber of Mines this pell-mell and uncoordinated supply of migrant labour entailed endless problems. The dangers encountered en route to the mines, the rising costs of middlemen, theft of recruits, contract fraud, high desertion rates, and intra-industry labour competition generally, all served to constrain the unpredictable labour supply while also driving up costs. The Chamber of Mines was by the late

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33 Lang, *Bullion Johannesburg*, 43
34 Lang, *Bullion Johannesburg*, 42.
19th century acutely aware that constructing the labour market and migrant labour system it desired would not be achieved without the assistance and backing of a strong state. It was recognized at the outset that a laissez-faire labour market was unacceptable. Capitalism in South Africa emerged in concert with the formation of the state – both the colonial government, the Boer Republic, and after 1910 the national state. Global historian Sven Beckert in his history of cotton and capitalism has argued that modern capitalism is by necessity dependent on state intervention for its emergence and success.39

In its quest for state support in the late nineteenth century, the Chamber of Mines beseeched the Boer Republic executive to intervene in the construction of its labour market. To this end, in late 1889 Paul Kruger, president of the Transvaal Republic, was asked to take the position of Honorary President of the Chamber of Mines.40 Cutting to the chase, the Chamber wrote to Kruger early the following year, stating unequivocally that:

Private enterprise has repeatedly failed in attempting to organize and maintain an adequate supply of Kaffirs. The task must be undertaken by the Public Authorities, and the Chamber trusts that the Government will lend it their indispensible assistance.41

Kruger’s government was not forthcoming, and despite enacting the pass laws drafted by the Chamber in 1895, the Transvaal government did not render the labour system the Chamber was after. The Chamber complained that the pass laws (prefigured by Cape slave passes of 1760) remained ineffective so long as the state lacked capacity to enforce them.42 Irrespective of how effectively the pass laws were administered, it is significant that that the Boer state was willing to intervene in constructing a labour market. With respect to its labour market, however, and so in large part the viability of its constituents’ companies, the Chamber wanted a vast, low wage, strictly controlled, predictable, and docilic labour supply. In the late 19th century, on behalf of

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40 Lang, Bullion Johannesburg, 39 – 40.
41 Chamber of Mines, Second Annual Report, Johannesburg, 1890, 61.
the Chamber of Mines, the Boer state passed legislation to hinder the free movement of Africans. It was a direct move to encroach upon the autonomy of Africans. The Chamber had a form of state ready to use legislation to close down the choices of Africans (deprive them, and hinder their development). The Chamber wanted far more forceful state intervention, however; it wanted a state that could shore up an entire labour market monopsony.

Rand Native Labour Association and the creation of WNLA, 1890 – 1912

Attempts to achieve monopsony via the Chamber of Mines failed persistently at least until the 1920s. Soon after the formation of the Chamber, the association undertook its first industry-wide wage reduction (from 63 to 44 shillings per month) and saw an immediate decline of mineworkers (15 000 in 1890 to 12 500 in 1891), which quickly convinced them to jettison the monopsony attempt.43 The Chamber was compelled to increase wages and by 1893 29 000 Africans worked the mines (with as many as 75% coming from Mozambique).44 By 1985 African miners earned between 40 and 60 shillings with drillers earning up to 70 shillings per month, but this increased cost to the Chamber was largely offset by a share price boom in Europe between 1894 and 1895.45 While the boom offset the Chamber’s wage bill, the Chamber worried that marginal mines (which mined low grade ore and were absorbed by larger mining groups) would not be productive unless wage costs were cut considerably. In 1896-7 the Chamber once again tried to establish monopsony by setting up the Rand Native Labour Association (RNLA, the centralized recruiting organization which presaged WNLA and the NRC) and reducing wage rates across the industry.46 Without strong backing from Boer state enforced institutions, a fall in the number of recruits meant that intra-industry competition (a laissez-faire labour market) soon won over. When RNLA cut wages workers responded by withholding their labour. The private

43 Innes, Rise of Modern South Africa, 52.
44 Innes, Rise of Modern South Africa, 52.
46 Wilson, South African Gold Mines, 3.
Jeeves, Struggle for the Gold Mines’ Labour Supply, 255.
recruiters and touts who supplied labour once again extracted large costs and thereby drove up wage bills.\textsuperscript{47} Despite drawing labour from as far as Sierra Leone, the Gold Coast, and Liberia, by 1899 the industry was both short of labour and relied heavily on private recruiters to deliver unpredictable and costly labour.

The South African War (1899 – 1902), which saw a British Imperial administration take control of the former Boer Republic, brought the mining industry’s operations to a standstill. At the time the mining industry saw the Boer state as an “essentially rural agrarian economy” and claimed a “general inability of the Boer to understand capitalist development and industrialization”.\textsuperscript{48} Noting Alfred Milner’s 1897 vision of a self-governed white community “supported by… a black labour force from Cape Town to the Zambezi”, Marks and Trapido have argued that the failure of the Boer state to create the Chamber’s desired labour system is “key to understanding both the [Jamison] Raid and the [South African] war.”\textsuperscript{49} Given its regional interests, Britain’s military intervention had everything to do with the gold deposits on the Witwatersrand and the need for an Imperial power to control and enable a suitable migrant labour system (which would need to stretch across the entire Southern African region).\textsuperscript{50} This perspective was no doubt inspired by the Chamber of Mines. Two years before the war had drawn to a close, the Chamber wrote to the British Administration entreating them to take responsibility for recruiting African workers for the gold mines.\textsuperscript{51} Although the request was refused, the colonial state would increasingly intervene in the construction of the Chamber’s labour force.\textsuperscript{52}

Taking matters into their own hands, the Chamber’s next major institutional attempt to monopsonise recruiting saw the creation of the Witwatersrand Native Labour Association in 1900. This was the Chamber’s third attempt to establish itself as the sole buyer of labour. Although effectively stimulating supply, private recruiters, touts,

\textsuperscript{47} Jeeves, Struggle for the Gold Mines’ Labour Supply, 255- 256. Innes, Rise of Modern South Africa, 63.
\textsuperscript{48} Beinart, Twentieth-Century South Africa, 61. Marks and Trapido “Milner and the State”, 57.
\textsuperscript{49} Marks and Trapido, “Milner and the State”, 52, 60.
\textsuperscript{50} Marks and Trapido, ”Milner and the State”, 52. See also Eric Hobsbawm. The Age of Empire 1875–1914 (London: Weidenfeld & Nicolson, 1987), 66.
\textsuperscript{52} Jeeves, “Control of Migratory Labour”, 13 – 14.
desertions, and internecine intra-industry competition for labour had raised costs considerably, and the Chamber wanted to use WNLA to align all groups' interests in low wages.\footnote{Peter, Richardson and JJ Van-Helten, “Labour in the South African Mining Industry, 1886 – 1914,” in Industrialisation and social change in South Africa: African Class Formation, Culture, and Consciousness, 1870-1930, ed. Shula Marks and Richard Rathbone (London: Longman, 1982), 89.} WNLA was a centralized recruiting organization, representing Chamber of Mines member groups/companies, which attempted to establish itself as the sole purchaser of labour for the industry. Its board was comprised of major group representatives, Chamber of Mines executives, senior recruiters, a general manager, and a chairman. To give a sense of the type of person in charge of WNLA, it should be noted that the agency’s first chairman, Frederick Perry, was previously stationed as the Imperial Secretary, while WNLA’s first general manager, Major G.A Goodwin, had previously served as an official in the Transvaal military government: WNLA leadership was the preserve of imperialists and military men.\footnote{Jeeves, “Control of Migratory Labour”, 14.} From the first WNLA’s operations were tied to objectives of the Native Affairs Department, and the colonial state. The idea was that recruiters, traders, and rural elites would sell labour to WNLA, not individual groups or companies – in this way WNLA would be able to control the price.

Immediately after the war WNLA cut wage rates almost in half, from a pre-war average of R5 per month to R3 in 1902 – at the time, these were probably the lowest cash wage rates in the whole of Southern Africa.\footnote{Wilson, South African Gold Mines, 4.} In 1902 fathers watched their sons accept wages that were 60\% lower than those they received in 1890.\footnote{Harries, Work, Culture, and Identity, 182.} In the Cape WNLA commanded little by way of permanent staff and relied substantially on the 1000 odd traders operating in the Transkei by the early 20\textsuperscript{th} century.\footnote{Beinart, Political Economy of Pondoland, 59. Beinart, Twentieth-Century South Africa, 23.} A majority of recruiters were traders who passed out advances and loans, and stimulated recruitment by locking Africans into debt.\footnote{Southall, Political Economy of an ‘Independent’ Bantustan, 79.} Describing the period under consideration, the Chamber of Mines President later remarked in 1912 that only by
paying out large sums to recruiters, who in turn endeavour to induce the natives to come to work by offers of loans and the wherewithal to pay their taxes and their debts to the traders who have given them credit, that we have been able to keep up the supply of labour to what it is today.\(^5^9\)

This was the essential difficulty that the Chamber needed to overcome: private recruiters supplied high rates of labour, but exacted a high price, encouraged desertion, mislead migrants, and encouraged intra-industry competition (which undermined monopsony collusion). Since they controlled access to rural credit in a context of widespread deprivation, and were the sole purchasers of peasant produce, monopolized traders could impose a strong influence on men in the rural areas. These traders formed a crucial link between the reserve economy and the external labour market.\(^6^0\) Fearful of limiting supply, the NAD did not comprehensively attempt to undermine the position of traders in the early 20\(^{th}\) century.

Scholars of the Native Affairs Department have understated the institution’s role in forging and sustaining a labour reservoir in the Transkei. Evans claimed misleadingly that the institution’s “involvement in the gold mining industry was minimal”, while Posel notes that the Chamber of Mine’s influence on the NAD was powerful.\(^6^1\)

However, even before 1910, when the NAD became the Department of Native Affairs, the relationship between the Chamber of Mines/WNLA and the NAD Department was strengthened considerably.\(^6^2\) After studying NAD correspondence files from the time, Alan Jeeves argued that “it would be easy” to make the case that the Commissioner of Native Affairs (Godfrey Lagden) and his officials answered directly to the Chamber of Mines and WNLA rather than to their superiors in government.\(^6^3\) The Commissioner, and his Secretary of Native Affairs, W. Windham, exchanged extensive correspondence with the Chamber and WNLA, and met frequently with these organisations. Chamber and WNLA officials were cautiously regarded by

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\(^{59}\) See Johnstone, *Class, Race, and Gold*, 28.

\(^{60}\) Southall, *Political Economy of an ‘Independent’ Bantustan*, 79.


\(^{62}\) Jeeves, “Control of Migratory Labour”, 15.

\(^{63}\) Jeeves, “Control of Migratory Labour”, 15.
Native Affairs officials. Jeeves found that a tight relationship between the Native Affairs Department and the mines developed at “every level of the administrative hierarchy”. The NAD Commissioner was briefed and consulted before WNLA pursued policy changes, and in this way government criticism was forestalled. The desire for the Transkei to be a low wage labour exporting economy was shared by both the NAD and the Chamber of Mines.

Blocking African peasants from free trade and access to credit on even terms was a feature of colonial institutions and the Native Affairs Department, and it trapped many men into accepting mine contracts through white traders. The operations of traders relied on racist NAD policies pursued to realize the NAD’s goal of stimulating the Transkei economy by exporting labour. Africans in the Transkei were predominantly unable to sell their produce or labour freely, stripped of political agency, compelled to pay taxes, and crammed into spaces wholly inappropriate for rural cultivators. In this way the NAD viewed the Transkei as a labour sending region where the Transkei’s inhabitants were to be institutionally bereft of choice – it was in this manner a vision of deprivation. Mining interests were by the end of the war dominant in colonial regions like the Transkei, and colonial officials had already abandoned the idea of Africans becoming surplus producing peasants. The Transkei economy, Native Affairs officials had decided, would be powered by the export of migrant labour, and the NAD’s policies reflected this decision. Although not decisive, taxes (like the hut, poll, and labour taxes) were an important means for authorities to simultaneously finance colonial systems of governance, and at the same time push people in the Transkei into the external economy. A government report from 1903

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64 Jeeves, “Control of Migratory Labour”, 15.
65 Jeeves, “Control of Migratory Labour”, 15.
openly disclosed that taxes were devised precisely to “force the Natives to work in the towns and on the mines”.69

Colonial political administrations were increasingly consolidated and bureaucratised in the early 20th century. Already by 1903 the Magistracies of Pondoland, East Griqualand, Thembuland and the Transkei were melded to together to form the United Transkeian Territories under a Chief magistrate in Umtata.70 Magistrates in each district were responsible for governing their respective locations. As embodiments of legal institutions and colonial control, magistrates were heavily involved in recruiting, and the Native Affairs Department had as early as 1899 communicated to its officers that magistrates were “in the best position to bear on [potential recruits] and encourage them to go out and work”.71 As Alan Jeeves put it, “virtually nobody in Native Affairs could see any alternative to migrancy”.72 Similarly, after 1902, and although not sufficiently effective, the colonial state was increasingly willing to intervene in the labour market by enforcing the pass laws and the Master and Servants Act more rigorously, thereby further controlling African movement and driving Africans into unfavourable unskilled employment.73 If one generalization can be made about the colonial state and NAD institutions imposed on Transkei men, it is that these men were cast as labour units – profitably exportable commodities – rather than full autonomous persons. The point of early NAD and colonial state legislation relating to migrant labour was to constrain the choices of men (impose deprivation), so that they would have to accept mine work as a final option.

Despite these efforts, and notwithstanding the pressures of taxation, diminishing access to land, political subjugation, ecological disasters like the rinderpest epidemic, and worsening deprivation, all of which constrained the options of Transkei inhabitants, WNLA’s wage cuts in 1902 brought about crippling labour shortages.74

69 Transvaal Labour Commission Reports, 1903, quoted in Callinicos, Gold and Workers, 23. See also chapter 1 discussion of Rhodes’ vision of the reserves.
70 Southall, Political Economy of an 'Independent' Bantustan, 67.
71 See Beinart, “Labour Migrancy and Rural Production”, 61.
72 Jeeves, Struggle for the Gold Mines’ Labour Supply, 107.
73 Richardson, Peter and JJ Van-Helten, ”Labour in the South African Mining Industry”, 91.
WNLA soon raised wages to the 1896/7 schedule (desperate for labour, many mines broke rank and paid wages above this raised rate). The assistance of NAD officials and government laws like the Mines and Works Act and the pass laws, were not strong enough to undermine the lucrative private recruiting business. As long as private recruiters supplied labour, and groups and companies competed for this labour – or as long as the labour market was somewhat free – the Chamber was unable to drive down wage rates while maintaining supply and unable to secure its low cost structure. Notwithstanding the NAD and WNLA’s close cooperation and shared interest, the Chamber needed stronger and more coherent state institutions to drive out private recruiters and thereby force prospective migrants to accept the Chamber’s low wages. In other words the mining industry and pre-Union governments simply did not possess the capacity to monopsonise the labour market.

Only in Southern Mozambique did WNLA’s monopsony attempt meet success. A tragic and hideous combination of colonial conquest, civil war, harrowing ecological catastrophes in the preceding decades, hefty taxation, and a controlled recruiting agreement between Portuguese officials and the Chamber of Mines in 1897 rendered mine work unavoidable for many Mozambican men and quickly established WNLA’s monopsony in southern Mozambique. With over 1500 employees, by 1905 some 65 feeding stations (one every 300 square miles) delivered thousands of men to the fourteen WNLA camps in Southern Mozambique. WNLA’s stature and influence in Southern Mozambique was matched only by the Portuguese colonial administration. By contrast, in the Transkei WNLA was heavily reliant on loan-offering trader recruiters and advance-offering private recruiters. Mozambicans were unable to access credit in this way. In South Africa, traders offered credit and private recruiters offered loans to repay this credit – this was the predominant means whereby Transkei men accepted mine contracts before the formation of the NRC in 1912.

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75 Jeeves, Struggle for the Gold Mines’ Labour Supply, 256.
77 Harries, Work, Culture, and Identity, 178.
78 Harries, Work, Culture, and Identity, 178.
As a monopsonistic recruitment agency, WNLA recruited workers for general distribution across the industry, and in doing so encroached upon the little freedom available to Transkei migrants to choose between discrete mines and working conditions. Private recruiters offered migrants the choice between mines but WNLA did not. While private recruiters and traders offered higher wages and advances, WNLA cut wages and wanted to remove advances. Its inability to control the traders’ rural credit system was a large part of WNLA’s failure. By 1906 WNLA was “completely discredited” in the South African territories and had earned itself the epithet Mzilikazi (after the Ndebele King), which signified the institution’s tyranny, oppression, and failure.\textsuperscript{79} WNLA failed between 1900 and 1906 for much the same reason previous monopsony attempts failed.\textsuperscript{80} The different mines represented by the Chamber failed to agree on labour matters, they did not unanimously support WNLA, and the extent to which state legislation would supply labour was keenly exaggerated by the Chamber.\textsuperscript{81} Essentially WNLA failed to recognize that the advances and credit offered by labour contractors and private recruiters were the principal obstacle to eliminating competition, and that any monopsony attempt in South Africa would have to undermine the power of such independent recruiters and contractors.\textsuperscript{82} The moment a few mines offered higher wages, the monopsony was broken and competition for labour raised wages. Despite the post war depression, and a general recession until 1908, increasing proletarianisation, ecological calamities, and pass laws and taxation, Transkei men proved resilient in avoiding mine work.\textsuperscript{83} Since the post South African war colonial state had assisted the Chamber in securing some 50 000 Chinese workers between 1904 and 1906, WNLA’s failures in the Transkei were not an immediate cause for alarm.\textsuperscript{84} By the end of 1906, however, further Chinese recruiting was prohibited, and the Chamber of Mines turned its energies towards the Transkei as a key labour sending region.

\textsuperscript{80} Jeeves, “Control of Migratory Labour”, 23 – 27.
\textsuperscript{81} Jeeves, Struggle for the Gold Mines’ Labour Supply, 256 – 257.
\textsuperscript{82} Jeeves, Struggle for the Gold Mines’ Labour Supply, 133.
\textsuperscript{83} Jeeves, Struggle for the Gold Mines’ Labour Supply, 256 – 257.
In the first decade of the 20th century, colonial officials in the Transkei were concerned not to pursue any policies which would discourage Transkei men from accepting mine work. Migrant wages were vital to the Transkei local economy, and were in part used to finance colonial administration. All reforms which could impede the flow of labour from the Transkei had to be deferred. The NAD did not attempt to limit the number of recruiting licenses or the amount that could be advanced, since, like the Chamber, they feared that this would limit the flow of labour. Nor did the colonial state have the bureaucratic capacity to enforce control of the industry’s labour system. WNLA’s failure to achieve monopsony is explained by its inability to control private recruiters and the rural credit system.

Alan Jeeves rightly placed strong emphasis on the necessary role of private recruiters, costly advances, and competition between mining houses in stimulating and augmenting the labour supply from the Transkei. Disagreeing with scholars like Johnstone and Davies, Jeeves denied that there was any “inexorable drive to monopsony”, and argued, by contrast, that between 1906 and 1911 Transkei men faced a “seller’s market”. Between 1904 and 1910 labour from the Cape colony increased from 5.2% to 30% of the total unskilled workforce on the mines, representing over the same period a quantitative increase from roughly 4 000 mine migrants to in excess of 50 000. This proportional and quantitative increase in labour from the Transkei was a direct result of private recruiters’ higher wages and larger advances. WNLA could not weaken the position of private recruiters and traders. After 1906 WNLA was out of the picture in the Transkei, mining houses again competed aggressively for labour, costs ascended drastically, thousands of African runners were employed, and vast and unsustainable sums were injected into the Transkei in the form of cattle and cash advances. In Pondoland in mid-1904, the total value of advances over £26 per recruit

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86 Jeeves, Struggle for the Gold Mines’ Labour Supply, 120.
stood at £142, by the end of the year, the figure stood at £2 951, and by 1905 the sum rose to £17 264.\(^{90}\) While WNLA broke down by 1906, cattle and cash advances became increasingly widespread.\(^{91}\) Although the use of substantial advances and recourse to private recruiters was costly, wasteful, encouraged desertion and was ultimately unsustainable, these methods were effective at raising the participation rate of Transkei men with celerity. Where the pressures of WNLA, the market, natural calamities, and government intervention failed to supply sufficient labour in the early 20\(^{th}\) century, advances and costly private recruiters and contractors succeeded.

Importantly, Jeeves argued against the view that the “making of the mine labour force” in the Transkei could be explained by invoking structural changes in the Transkei economy, proletarianisation, the persistence of recession, natural disasters, or government coercion.\(^{92}\) Had these means been sufficient, Jeeves argued, it would have been unnecessary to pour so much money into private recruiter fees and cash and cattle advances.\(^{93}\) Moreover, even during the post war depression, most men found means of avoiding mine work, despite the increasing poverty and proletarianisation described by Bundy (in 1904 only 4000 men in the Transkei were drawn onto the mines).\(^{94}\) For Jeeves, the wage advance system and high recruiting fees “alone explain the making of the Transkei labour pool”.\(^{95}\)

But the creation of a labour pool at whatever cost was not the Chamber’s aim. The point of WNLA was to decrease wages while augmenting supply. The mining houses undoubtedly preferred expensive labour to no labour at all, but by 1909 in no real sense was a labour pool created. At best, private recruiters and the advance system created a necessarily short-lived and unsustainable labour pool. Private recruiters and advances raised participation rates, to be sure, but they did so unsustainably and participation was thus necessarily transient: the creation of the labour pool was by 1909 contingent upon unsustainable costs. As an implication of Jeeves’ argument,

\(^{90}\) Beinart, \textit{Political Economy of Pondoland}, 60.
\(^{92}\) Jeeves, \textit{Struggle for the Gold Mines’ Labour Supply}, 120.
\(^{93}\) Jeeves, \textit{Struggle for the Gold Mines’ Labour Supply}, 119 – 120.
\(^{94}\) Bundy, \textit{Rise and Fall}, 109 – 145.
\(^{95}\) Jeeves, \textit{Struggle for the Gold Mines’ Labour Supply}, 120.
were the unsustainable advances and recruiter fees to disappear, the “labour pool” too would disappear. High recruitment fees and advances were essentially an expedient and transitory strategy to induce Transkei men into mine work. Especially after Union, it was the national state intervention and formal institutions alongside increasing deprivation in the Transkei that enabled the Chamber to reduce costs and maintain high participation rates. Of course the increasing deprivation which afflicted the Transkei population throughout the first two decades of the 20th century was a significant catalyst for migration, but this general process of deprivation was also ineluctably bound up with the destructive institutions which characterized the Transkei after colonial conquest.96 It was institutions of unfreedom which created the Transkei labour pool: furthermore this only occurred in the second decade of the century.

The establishment of the Government Native Labour Bureau (GNLB) in 1907 represented a new and important involvement of government in the control, regulation, and recruitment of mine labour – it was a direct response to WNLA’s failure to restrict competition for labour and regulate supply.97 Wanting to undermine the position of private recruiters, the secretary of Native Affairs in the Cape (E. Dower) and the head of the Transvaal Native Labour Bureau (H. Taberer) agreed to use the GNLB to channel ‘voluntaries’ onto the mines by providing independent migrants with ‘free’ railway transport and food.98 Once at the bureau’s depot in Johannesburg, migrants would make their own agreements with mine employers – in this way private recruiters were bypassed and the GNLB avoided having to place migrants on unfavourable mines (which was part of WNLA’s downfall).99 Although only the beginning of a drawn-out and expensive administrative effort, the Transvaal and Cape agreement signalled an early but tight inter-regional cooperation on labour matters. The formation of the GNLB symbolized the Chamber’s active and progressive movement towards stronger state assistance in the forging of its labour market and

96 See chapter 3.
97 Jeeves, Struggle for the Gold Mines’ Labour Supply, 80.
99 Jeeves, Struggle for the Gold Mines’ Labour Supply, 80.
migrant system. The Assisted Voluntary Scheme was only properly operative in 1909 – 1910 when GNLB registrars took responsibility for labour matters and registration from Cape magistrates.\textsuperscript{100} The AVS system was not successful, however.\textsuperscript{101} Most relevantly, the collaboration signified a drive towards national legislation and institutions, which - though necessary - could only be realized after Union in 1910.

By 1908 the deterioration of recruitment operations – escalating costs, high desertion rates, and unpredictability – made it clear to most colonial officials that more comprehensive inter-region state intervention to control private recruiters had become a necessity.\textsuperscript{102} Since recruitment levels were relatively high, the Chamber and Transvaal and Cape officials believed that reform of the previously expedient system could now be pursued. At this juncture the Chamber had secured an acceptable supply of labour at unacceptable costs. The private recruiters had successfully raised participation rates in the Transkei (from less than 5% of total mine labour in 1904 to 30% in 1909), now the Chamber moved to cut advances, restrict licenses and effectively take back the labour market share from independent recruiters. At a conference in Cape Town in 1909 the Transvaal and Cape authorities agreed that labour bureaux should be set up and administered in each recruiting district and staffed by a new class of registry officials.\textsuperscript{103} This signified the increasing bureaucratisation of the labour system. Other proposed reforms included stringently licensing recruiters and runners and imposing a strict limit on wage advances, which – it was thought – would in turn make the Assisted Voluntary Scheme more attractive to prospective recruits.\textsuperscript{104} Essentially the conference consisted of proposals for national state institutions and legislation to undermine the position of private recruiters, and provided a “blue print for later legislative and administrative action by the Union government”.\textsuperscript{105} The conference clearly marked the Chamber’s requisitioning of the NAD and state legislation (for a national state yet to be born) to

\textsuperscript{100} Jeeves, \textit{Struggle for the Gold Mines’ Labour Supply}, 82.
\textsuperscript{101} Jeeves, \textit{Struggle for the Gold Mines’ Labour Supply}, 118.
\textsuperscript{102} Jeeves, \textit{Struggle for the Gold Mines’ Labour Supply}, 105.
\textsuperscript{103} Jeeves, \textit{Struggle for the Gold Mines’ Labour Supply}, 108.
\textsuperscript{104} Jeeves, \textit{Struggle for the Gold Mines’ Labour Supply}, 106 – 110.
control its labour market, as well as a common interest in a controlled low wage labour system. The NAD and elements of the state were by the end of the first decade extremely partial to the Chamber’s demands for assistance, and the Chamber, the Native Affairs Department, and leaders of the Union government were forging plans to institutionalize the Chamber’s monopsony in the national state.

The formation of Union in 1910 importantly enabled legislation and institutions to be implemented with national scope. An array of hitherto weakly enforced institutions was consolidated after Union. The Mines and Works Act of 1911 locked all African mineworkers into unskilled low wage positions with no chance of promotion, the Native Labour Registration Act entrenched the pass laws and the criminalization of contract breaking, it established the Director of Native Labour (of the NAD) as the sole receiver of complaints, standardized working conditions and contracts and reduced advances to £2, while the 1913 Land Act cemented land dispossession and authorized discrete recruitment zones to white farmers and the Chamber of Mines. The national state was tasked with registering recruits and certifying contracts, which did much to undermine the market for unscrupulous recruiters. All these institutions were pursued with an eye to raising the tractability of migrants at a lower cost.

Through labour bureaux, tax burdens, colonial political domination, the inability to acquire trading licenses, and limitations on land and cattle ownership, Africans from the Transkei were heavily constrained. These institutions purposively limited their choices, and if we take the expansion of political social and economic opportunities/freedoms as the goal of development, we see that Transkei Africans were blocked from developing so that the Chamber could achieve its low cost structure. Only in the context of this choice-constraining institutional context could the Native Recruiting Corporation manage to drive out competition-inducing and costly private recruiters, while at the same time maintaining supply and drastically cutting wages. The NRC required a coherent and unified state to consolidate and


enforce policy and legislation on a national scale. While Jeeves highlighted the indispensable role of private recruiters and unsustainable advances in stimulating migrant labour from the Transkei, it was state legislation and the increasing bureaucratic and administrative strength of the NAD, working in concert with the NRC, which drove out the costly private recruiters, retained supply, and cut wages drastically. This chapter turns now to examine how the NRC achieved it monopsony.

With strong institutional backing, when the Native Recruitment Corporation emerged in 1912 as the Chamber’s fourth attempt at monopsony in South Africa, it was in a far better position to undermine private recruiters and establish control of the labour supply. One principal reason for WNLA’s failed monopsony attempt in South Africa was its inability to divert market share away from powerful but expensive and wasteful independent recruiters and contractors. The success of the NRC implied a struggle towards the weakening and eventual eradication of private recruiters as labour suppliers.108 The story of the NRC undermining private recruiters while taking control of the rural credit system, and co-opting chiefs, headman and trader recruiters into the NRC, is essentially a story of three institutions working in combination to augment, control, and sustain a migrant labour force from the Transkei. These institutions consisted of enabling national state legislations (including the 1913 Land Act, the Pass Laws, and the Native Labour Registration Act of 1911), the colonial-style Native Affairs Department, and the Chamber of Mines’ Native Recruiting Corporation.

The formation of the NRC was essentially a relaunch of WNLA, but since WNLA - or Mzilikazi as it was known - had lost all credibility in South Africa by 1906, the agency needed to be rebranded as the Native Recruiting Corporation for its launch in 1912. Like WNLA, the NRC was a non-profit, joint stock association owned by participating mine companies and mining groups. The NRC board, again imitating WNLA, consisted of group representatives, Chamber of Mines executives, a General Superintendent, senior recruiters, and a Chairman. The NRC’s mandate was to purchase labour for the Chamber in South Africa and the three British protectorates (Bechuanaland, Basotholand, and Swaziland). The NRC was based on a colonial district structure and local NRC managers were each given responsibility for their respective districts. Most of the best recruiters were absorbed into the NRC. Importantly, as this section demonstrates, the NRC recruited in a devolved manner.

The devolved system was part of an attempt to drive down costs. The NRC also implemented a system of “maximum average” to obviate competition between recruiters. The point was to buy labour on behalf of members at low costs and distribute it across the industry. In exemplary utilitarian fashion, a committee of mine engineers determined the optimal number of workers required for each group/company and labour was to be allocated to mines on that basis. The NRC offered six or nine month contracts, which were considerably shorter than those WNLA offered in Mozambique. Contract lengths were not always an indication of how long it would take to complete a contract, however, since a mechanism called the loafing-ticket system allowed mine managers to reject a mineworker’s day’s work for a number of trivial infringements. Depending on the mine and management, it could take considerably longer to complete contracts. An important difference between

117 Callinicos, *Gold and Workers*, 55.
WNLA and the NRC was that, like private recruiters, the NRC as far as possible offered migrants the choice between different mines, whereas WNLA did not. Choice could never have been eradicated totally: the Chamber forged and wanted to forge a labour system in which limited autonomy was permitted within an otherwise fiercely controlled and choice-destructive institutional environment. Migrants were to have no choice but to accept mine work, yet it was important that Transkei migrants could choose between mines.

After the formation of the NRC in 1912 a number of important shifts occurred in the Chamber’s Transkei migrant labour force. Recall that before the formation of the NRC the principal problem with the Transkei labour supply was that although participation rates were high, the costs of securing participation were prohibitive in the longer-term. Before moving to a discussion of how the NRC managed to achieve monopsony by the early 1920s, it is worth noting the general quantitative changes in the labour force during this period. In 1911 Transkei migrants comprised 27% of Chamber’s unskilled labour force, representing some 57 901 migrants. By 1919 the Transkei was sending 69 723 migrants to the mines, which represented 35% of total unskilled labour. Recruiting licenses which permitted recruiters to legally recruit Transkei migrants for the mines plummeted from 2 069 in 1912 to 550 in 1918. Similarly, desertion rates – which had hitherto retarded productivity and wasted money spent on irrecoverable advances and recruiting fees fell precipitously in the Cape from 4 133 in 1909 to 474 in 1920.

In sum, the absolute number and proportion of Transkei migrants to the mines increased markedly, the number of deserters fell by nearly 1000%, and the number of the recruiting licenses dropped by almost 75%. As this section argues, it was the power of the national state and NAD institutions, purposively working in combination with

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119 See chapter 4.
120 Jeeves, Struggle for the Gold Mines’ Labour Supply, 168. See chapter 3.
121 Jeeves, Struggle for the Gold Mines’ Labour Supply, 266.
122 Jeeves, Struggle for the Gold Mines’ Labour Supply, 267.
123 Jeeves, Struggle for the Gold Mines’ Labour Supply, 146.
124 Jeeves, Struggle for the Gold Mines’ Labour Supply, 270.
the NRC, which enabled these labour force shifts to occur. To understand how these shifts came about, this chapter turns to a discussion of the control of rural credit and the co-option of chiefs and rural elites into the NRC system. Private recruiters, though often fraudulent, abusive, and ruthless, did have the advantage of competing against one another and in so doing provided a range of choices for prospective migrants. The NRC’s goal was to nullify such choices, and it had already by 1909 been assured of state and NAD muscle.

*Labour recruiters, management of credit, advances*

In the Transkei, private recruiters and traders were the major suppliers of mine migrant labour during the first decade of the 20th century – they augmented the supply from 5,751 in 1903 to 46,869 in 1910. In a context of deprivation, where colonial subjugation had made it impossible for most rural cultivators to meet their needs (pay taxes etc.), the trader/recruiters’ strength rested on their control of the rural credit system. To weaken their power the NRC needed to wrest control of the credit system from traders while simultaneously retaining their services – this was the pivotal challenge. Most recruits would accept wage advances from recruiters: although while on the mines, such recruits would often look to traders to extend further loans so that families or dependents could be assured of vital supplies in their absence. That many migrants found themselves embroiled in a cycle of inextricable debt goes some way to explaining the high desertion rates (contract breaking) which characterised the pre-NRC era. Taking control of the rural credit system and driving down recruiting costs were the two leading and overlapping objectives of the NRC in 1912. To achieve these ends the NRC looked to the national state and its increasingly close ally the Native Affairs Department. Conceptually, the NRC is unimaginable without enabling

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national state legislation and the NAD: choice destructive institutions were a necessary feature of the NRC’s operations and success.

The NRC had two strategies to control rural credit and cut recruiting costs: a national state-enforced reduction of wage advances, and a state-sanctioned and NAD-enforced reduction in the licensing of recruiters. Already by 1910 the Chamber had convinced the government to impose a £2 advance limit per recruit, which considerably undermined the power of private recruiters. By 1912 acute deprivation in the Transkei saw the maximum advance float to £5 where it remained for the next few years, until falling again to £2 later in the decade. This means that both legislation and enforcement of rules structuring the gold mines’ labour market were remarkably sensitive to the flow of labour from the Transkei. Although still high, in the previous decade it was not uncommon for advances to exceed £20 and so restricting advances to between £2 and £5 was a profound reduction in the credit available to mine recruits and the Transkei region generally.

The NRC took it upon itself to provide the capital which traders and recruiters used for wage advances. In order to establish itself as the exclusive buyer of labour, the Chamber of Mines in effect financed an entire rural credit system and – backed by state and NAD officials – used its centralised recruitment agency to control the flow of credit. After 1912 traders began to provide goods to migrants’ families with NRC-financed mine advances rather than extending their own credit. By supplying controlled mine advances to traders at no interest and taking on the risk of defaulters, the NRC in essence took control of the rural credit system. Apart from paying a capitation fee for each recruit supplied, the NRC guaranteed traders that it would take a specified ‘quota’ of able-bodied migrants each month and compensated traders for recruits not taken up. The NRC incentivised traders to induce Transkei men into indebtedness, and in doing so emulated the system private recruiters and traders had

127 Jeeves, Struggle for the Gold Mines’ Labour Supply, 137.
128 Jeeves, Struggle for the Gold Mines’ Labour Supply, 156.
129 Jeeves, Struggle for the Gold Mines’ Labour Supply, 137.
130 Jeeves, Struggle for the Gold Mines’ Labour Supply, 137.
successfully developed over the previous decade. By 1913 the NRC had secured the services of 914 such traders in the Transkei, and in the same year 57 100 migrants were drawn to the mines in this way.\textsuperscript{132} Already by 1914 the NRC was rapidly terminating its use of runners: recruits by 1914 were making their own way to the trading stations, and so active recruitment was no longer necessary.\textsuperscript{133} In the same year a Native Affairs Department Chief Magistrate H.O Buckle’s Native Grievances Inquiry endorsed the already much accepted view that economic necessity was the principal force driving migrants to the mines.\textsuperscript{134} Missionary observers at the time reiterated this view, arguing that the “mainstay” of the population was mine wages, and that sustenance was in many areas dependent on money from the mines.\textsuperscript{135} Missionary observers, many of whom submitted evidence for Buckle’s report, grasped that the Reserve areas were purposively and systemically deprived so that they could supply labour to the external economy.\textsuperscript{136}

Assisted by national state legislation (the Native Labour Registration Act of 1911), and the NAD, the number of licenses secured by recruiters dropped by 75% between 1912 and 1918. This onslaught against private recruiters and traders (the imposition of drastic advance limits and the refusal to license recruiters not favoured by the NRC), was a function of national state legislation and the NAD enforcing this policy in the Transkei. The NRC’s success in weakening private recruiters while taking their market share would be unthinkable without formal institutions.

\textit{Drawing chiefs and rural elites into the NRC system, 1912 – 1920s}

The NRC could only make sense as an institution after South Africa was unified and the national state’s muscle could be counted on to enforce vital labour-controlling institutions. Without the co-operation of chiefs and headmen in rural labour sending

\textsuperscript{132} Jeeves, \textit{Struggle for the Gold Mines’ Labour Supply}, 137.
\textsuperscript{133} Jeeves, \textit{Struggle for the Gold Mines’ Labour Supply}, 138.
\textsuperscript{134} Jeeves, \textit{Struggle for the Gold Mines’ Labour Supply}, 142.
\textsuperscript{136} See for instance Moodie,”Maximum Average Violence”, 548, 556.
regions, however, the NRC would not have been able to operate. Since they could penetrate deep into the rural areas of the Transkei and commanded political and social authority over their subjects, from the earliest days the participation of chiefs, headmen, and other rural elites was indispensable to the migrant labour system.\textsuperscript{137} By 1910 virtually the entire rural elite was involved in the business of recruiting for the mines.\textsuperscript{138} Jeeves has even argued that rural elites like chiefs and headmen were the “main beneficiaries” of the costly advance system.\textsuperscript{139} Since rural elites were indispensable in the success of traders/recruiters, and, moreover, derived considerable material benefits for their assistance, the challenge for the NRC was to extricate rural elites from the trader/recruiter system while at the same time retaining their recruiting services and ensuring that elites continued to receive the material benefits they had come to enjoy. White traders and recruiters were often merely a “front” for the chiefs, touts, headmen, and runners who were the “real operators of the system”, and as such government records and Chamber correspondence rarely disclosed the latter’s crucial role.\textsuperscript{140} Just as the NRC had wrested control of the rural credit system from traders/recruiters, the NRC needed to remove rural elites from the trader/recruiter system and incorporate them into the NRC’s own monopsonistic labour system.

Over the next decade the NRC devised a means of transferring the costs of rural elites’ services directly onto mineworkers. To do this, chiefs and other rural notables would be given permission to visit the compounds and mines where their subjects worked. In the second decade of the century mines actively encouraged such visits, and an NAD circular had by 1913 ordered officials to provide assistance and facilities to all chiefs and powerful elites wanting to visit their followers.\textsuperscript{141} The purpose of these state-financed and keenly encouraged visits was twofold. Firstly, the NAD, NRC, and mine and compound managers wished to associate their authority with that of the visiting chief’s. Equipped with special pass documents from the Native Affairs

\textsuperscript{137} Jeeves, Struggle for the gold mines’ Labour Supply, 157.
\textsuperscript{138} Jeeves, Struggle for the gold mines’ Labour Supply, 161, 163.
\textsuperscript{139} Jeeves, Struggle for the gold mines’ Labour Supply, 141, 162, 180.
\textsuperscript{140} Jeeves, Struggle for the gold mines’ Labour Supply, 141, 156, 162.
\textsuperscript{141} Jeeves, Struggle for the gold mines’ Labour Supply, 162.
Department, and letters of introduction from the NCR, chiefs were afforded much ceremony and credibility on their mine visits.\textsuperscript{142} Essentially fundraising ventures, these visits functioned, secondly, as a means for chiefs to impose what was in effect a second taxation on inhabitants from their districts.\textsuperscript{143} Trapped inside brutal and severely controlled compounds, migrants could not escape the financial demands of their chiefs. During the pre-NRC era of high wage advances and escalating recruitment fees chiefs could profit by demanding gifts and financial contributions from traders and recruiters, but after the NRC-controlled advances and fees, the services of chiefs and headmen could only be secured by continuing to offer material rewards. Despite lowered wages and widening deprivation, the burden of these rewards was shifted away from traders and recruiters and onto the migrants themselves. In the second decade of the 20\textsuperscript{th} century state-sponsored mine visits were increasingly institutionalised, and indeed became a key feature of the NRC’s labour system.\textsuperscript{144}

The NRC’s efforts to drive private recruiters out of business, take control of rural credit, and absorb rural elites into their recruitment system was so successful that by 1919 the Randfontein group – a large and powerful mining house which had hitherto refused to join the monopsony attempt – finally joined the NRC and thereby effectively realised the Chamber desired monopsony. Between 1913 and 1924 the NRC and WNLA’s recruitment costs plummeted by 20\%, and for the next forty years African wages would remain largely unchanged in real terms.\textsuperscript{145} By the early 1920s the Chamber of Mines had definitively secured its labour monopsony in the Transkei.

\textsuperscript{142} Jeeves, Struggle for the gold mines’ Labour Supply, 162 – 163.
\textsuperscript{143} Jeeves, Struggle for the gold mines’ Labour Supply, 161 – 163, 180.
\textsuperscript{144} Jeeves, Struggle for the gold mines’ Labour Supply, 162, 180.
\textsuperscript{145} Southall, Political Economy of an ‘Independent’ Bantustan, 67.
Conclusion

In sum, major changes in the NRC’s drive to monopsony were predicated on the support of the state in its various permutations from 1874 to the 1920s and on the NAD shutting down options so that migrants would be compelled to accept the NRC’s reduced wages and standardised contracts. It was national state-imposed legislation which reduced the number of recruiting licenses, limited advances according to NRC requirements, put a stop to desertions, and it was the NAD’s support which enabled the NRC to incorporate chiefs and other rural elites into its fold. Before robust national state and NAD intervention, men could sell their labour to a range of competing recruiters and thereby select the best available option; after the institutional interventions, the labour market was unfree, these choices were nullified and migrants were compelled to accept the NRC’s low wages. Since expanded economic choice is one of the constitutive elements of development, this destruction of choice was itself an attack on the ends of development. By the early 1920s the essential institutional mechanisms upholding the Chamber’s migrant labour system were enshrined into law: pass laws prevented free movement and association; the 1913 Land Act prohibited the accumulation of land inside and outside the reserves, as well as carving up recruitment zones for the mines and white farmers; the Mines and Works Act locked Africans into the lowest echelons of unskilled mine labour; the Native Labour Registration Act criminalised contract breaking, entrenched the NAD as receiver of mine complaints and sharply reduced recruitment licenses and advances; the Industrial Conciliation Act closed the lid on African political representation on the mines; the imposition of various taxes forced men into the cash and credit economy; colonial political structures were pursued with an eye to achieving a labour exporting economy; and, finally, taxes paid to colonial authorities were not used to expand the opportunities available to Transkei inhabitants.146

In these ways a phalanx of institutions of unfreedom were brought to bear upon Transkei inhabitants. These institutions functioned not only to stem the economic activities of Transkei men, as Acemoglu and Robinson have argued, but imposed systemic constraints on their social and political opportunities/freedoms and in this way undermined not only one of the means to development (economic activity) but served as a direct assault on the ends of development.\textsuperscript{147}

\textsuperscript{147} See Acemoglu and Robinson, "Why is Africa Poor?", 37.
Chapter 3

Labour supply: deprivation, capability-destruction and agency, 1920s – 1970s

What people can positively achieve is influenced by economic opportunities, political liberties, social powers, and the enabling conditions of good health, basic education, and the encouragement and cultivation of initiatives. The institutional arrangements for these opportunities are also influenced by the exercise of people’s freedoms, through the liberty to participate in social choice and in the making of public decisions that impel progress of these opportunities.  

Amartya Sen

Introduction

From the early 1920s, when the Chamber of Mines had the requisite institutional structures in place for its low wage labour monopsony, the NRC played a significant role in undermining the developmental prospects of the Transkei region and its inhabitants. This chapter examines how the success of mine recruiters was predicated upon rural deprivation, and how mine work in turn, especially in the externalisation of occupational disease, further kept households pinned down, negating their prospects for development. It examines correspondence between district superintendents and the NRC head office, as well as reports on ‘recruitment conditions’ to understand how the mining industry – with its comprehensive nexus of facilitating institutions – continued to rely on deprivation to secure its labour.

Conventional measures of poverty such as the poverty datum line based on income and caloric counts, and even the composite count of basic needs do not go far enough

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1 Sen, Development as Freedom, 5.
in enabling us to understand poverty and the extra-material effects of poverty. This chapter uses Amartya Sen’s concept of deprivation rather than traditional measures of ‘poverty’ to understand the hardships which characterised the Transkei during this period. In Sen’s understanding of development, deprivation and the absence of opportunity is precisely what constitutes unfreedom. And, since development consists in the expansion of freedoms, unfreedom is the opposite of development, unfreedom or deprivation is what hinders and forestalls development. It was the unfreedom of Transkei inhabitants, their institutionally informed deprivation, which enabled the NRC to draw significant numbers of mineworkers onto the gold mines during this period. Rather than understanding deprivation in narrow economic terms, this chapter understands deprivation as being calibrated in terms of political, social, and economic ‘unfreedoms’ and the absence of opportunity and choice. In terms of ill health and morbidity, agricultural decay, and increasingly comprehensive and bureaucratised political domination, the capabilities and freedoms of inhabitants of the Transkei diminished markedly from the 1920s to the 1960s.

Despite a temporary easing during WWII, deprivation in the Transkei continued to widen and deepen in the 1960s – especially as thousands of persons were driven into the Homelands, which only further distressed the economically bleak and agriculturally traumatized region. The second section of this chapter spotlights the conditions of deprivation in the 1960s and 1970s. The Transkei in this period was marked by disease, insufficient medical facilities, poor schooling, overpopulation, inadequate arable land, and political oppression. These conditions of deprivation - an increasing negation of choice - provide the context for an examination of the interplay in which mine recruiters were involved in the 1960s and 1970s.

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3 Sen, *Development as Freedom*, xii.

4 Described below.
This chapter also examines changes in the NRC’s recruitment operations in Umtata between 1964 and 1977. The degree to which recruiters exploited the deprivations of Transkei persons is illustrated strikingly by the failure of the NRC – in spite of extreme drought conditions – to secure migrants for unpopular mines from 1964 to 1969. We shall see that this is evidenced by NRC labour correspondence and monthly reports which demonstrate that monthly estimations of labour supply by district superintendents were based on ‘recruitment conditions’. As deprivation increased, recruitment conditions improved, and monthly estimates of labour supplies increased.\(^5\) Also, in 1963 NRC and WNLA Managing Director James Gemmill allowed migrants to choose between mines initially to stem the flow of labour from the Transkei. However, certain unpopular mines, irrespective of the context of extreme drought and crop failure, were unable to secure sufficient mineworkers.\(^6\) It will be argued that it was often rational and preferable for work seekers and their families to face acute hunger rather than accept employment on unfavourable mines. The final section examines the disease and other burdens which the mines repatriated to the Transkei after depleting the strength and health from the recruited mineworkers. It further explains why the prospect of underground mine work on unpopular mines appeared to fill Transkei men with a more visceral horror than the prospect of insufficient food and unremitting deprivation.

\textit{The context of deprivation and the role of institutions, 1920s – 1960s}

By the time the Industrial Conciliation Act was passed in 1924 – which forbade Africans from forming unions or representing themselves in industrial bargaining – all the major institutional features of the Chamber’s low wage oscillating migrant

\(^5\) Southall, \textit{Political Economy of an ‘Independent’ Bantustan}, 75. As this chapter argues, that labour supply increased more or less in proportion to the deepening and widening of deprivation (the narrowing of choice), is explicit in most of the NRC’s monthly correspondence.

labour system were firmly in place. Once enshrined into law and social thinking, these institutions not only remained remarkably stable, but also crucially underpinned the industry’s profitable gold extraction for the next six decades. From the outset the NAD was inextricably embroiled in transforming the Transkei into a low wage, unskilled, unfree, and otherwise deprived labour market for the burgeoning colonial economy. This central feature of racial domination in South Africa was the NAD’s heritage, and if it had pretended to position itself as a gradualist and paternalist governance system – weaning Africans piecemeal from ‘barbarism to civilisation’ – the conditions of deprivation by the 1920s, and its ever closer cooperation with the oppressive and freedom-destructive migrant labour system made such notions impossible to plausibly sustain. The NAD’s persistence in the twentieth century, as Ivan Evans put it, served as “palpable evidence that its roots remained sunk in the material and symbolic culture of colonial despotism.”

Especially after the 1927 Native Administration Act, the power of state policy was heavily concentrated in the hands of local magistrates (embodiments of the force of law), while the traditional social institution of chieftaincies were bypassed in formal bureaucratic structures, and loyal headmen were selected to execute NAD policy and assist in drawing persons into the repressive labour market. Since it invested the minister of Native Affairs with the authority to rule by proclamation as well as defer considerable power to local magistrates, the Native Administration Act of 1927 was a paradigmatic despotic imposition. Through this Act, NAD governance was increasingly bureaucratised and afforded national scope. Any meetings between Africans considered to be political in nature were outlawed by 1928 and Africans by

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7 Crush, Jeeves, and Yudelman, *South Africa’s Labour Empire*, 8.
8 Crush, Jeeves, and Yudelman, *South Africa’s Labour Empire*, 8–9. For a discussion of these institutions see chapter 2.
9 Evans, *Bureaucracy and Race*, 13, 164.
the early 1930s could be detained if so much as perceived, however illegitimately, as a threat to ‘peace’. The NAD sought to ‘guide’ African thinking into modernity through the Pondoland and Transkei councils, which were based on Cecil Rhodes’ Glen Grey model of governance and development and operated by NAD headmen and magistrates. In 1931 the Pondoland and Transkei councils were institutionally integrated to form the United Transkeian Territories General Council (UTTGC). Local colonial governance was increasingly comprehensive and marked by a drive to a kind of colonial modernism, with bureaucratic rule and political institutions central to how Transkei persons were politically dominated. Magistrates ruled the Transkei like “little kings”. This system of governance would remain in place until the shifts accompanying the Bantu Authorities Act of 1952 and the 1959 Promotion of Bantu Self Governance were realised in the apartheid state’s sad dream of ‘separate development’. Under this new political system, the balance of power shifted increasingly away from headmen and magistrates and towards government elected chiefs and officials. The political and other unfreedoms of Transkei inhabitants were, however, in no way mitigated, and as the next section argues, may even have become worse. Since political domination precedes social and economic deprivation, their total inability to shape the institutions which destroyed their capabilities meant that these institutions were like boulders chained to the necks of Transkei inhabitants.

Serious scholars of the NAD agree that the Transkei under NAD governance became a land of stark and deepening deprivation and misery. By the mid-1920s government commissions documented the sharp decline of the Transkei, painting a picture of malnutrition, deep poverty, the denuding of land, overstocking, and unsustainable

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15 Carter et al., Politics of Domestic Colonialism, 77.
16 Evans, Bureaucracy and Race, 185.
18 Posel, Making of Apartheid, 230, 235.
19 Posel, Making of Apartheid, 27 n17. Evans, Bureaucracy and Race, 175. See also Margaret Ballinger, From Union to Apartheid: A Trek to Isolation. Volume 1 (New York: Praeger, 1969), 112.
population growth. Conceptually, this increasing immiseration is easy to understand. Transkei inhabitants were after all predominantly pastoralists (cattle farmers) and subsistence cultivators; this was their means of livelihood. After having demonstrated a remarkably successful adaption to more sophisticated farming implements and methods in the mid to late 19th century, the NAD was careful to retard their agricultural progress since such flourishing would otherwise immunise African peasants from participation in the external wage economy. Rather than fostering African subsistence production, the NAD’s official policy perceived peasant production as inimical to the creation of a cheap labour market and used national state legislation to weaken Africans’ productive capacity (the Land Acts serve as emblematic of this policy).

The celerity with which industrialisation proceeded in the 20th century required proportionate advances in agricultural production, but this was to be undertaken by white farmers, such that the undermining of African peasant agriculture was central both to removing agricultural competition and simultaneously driving increasing numbers into the external wage economy. Squashed into purposively insufficient tracts of land and forced to use communal grazing, essentially to block Africans from competing with white farmers, the effect was widespread desertification of the ‘Native areas’. Whereas the Transkei was once an important agricultural exporter to urban centres, by the 1930s the proportion of imported food had risen sharply – 50% of all sorghum was imported, for instance – and Transkei inhabitants were critically dependent on earning cash wages. Agricultural output continued to fall during the 1930s and 1940s.

Crush, Jeeves, and Yudelman described reserve agriculture in the 1940s as being in “terminal collapse”. The use of other animals to escape deprivation also diminished.

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20 Posel, Making of Apartheid, 27 n17.
21 Evans, Bureaucracy and Race, 170 – 173.
24 Bundy, Rise and Fall, 132, 224.
25 Crush, Jeeves, and Yudelman, South Africa’s Labour Empire, 69.
A generalisable survey in 1942 indicated that 44% of families owned no cattle and 47% owned neither cattle nor sheep. One in four Transkei inhabitants were landless by the 1940s. Accompanying falling crop production, greater pressures on resources, and shrinking incomes, malnutrition and associated diseases augmented catastrophically. Death rates in the Reserves were 40% higher in 1936 than they had been in 1921. In Umtata 50% of babies died before reaching their second birthday, whereas in Keiskammahoek 94% of total annual deaths were of children 16 years and younger.

Although paradoxically dependent upon institutionally informed deprivation, perhaps the most devastating indictment of agricultural decline in the Transkei came from the Chamber of Mines. Death rates were so high and agricultural production so inadequate that by the 1940s and 1950s, in their submissions to the Tomlinson Commission the Chamber of Mines positively implored the apartheid government to engage in large-scale investment in reserve economies. In 1954 James Gemmill, Managing Director of the NRC and WNLA, wrote to the district superintendent of Umtata with a three page questionnaire requesting a comprehensive resume of statistics and “vital information” pertaining to recruitment potential in the district, arguing that it would be “very useful” if the NRC could possess a brochure for every district in which it operated. Gemmill wanted to map out the recruitment potential of each district. Accordingly, in his letter he requested a range of information including details on the police establishment in the area, types of transport available, the principal occupations of Africans and the major avenues of employment available, recruiters operating on behalf of the NRC, competition from other recruiting organisations, “type of propaganda undertaken... in the district” and also requested an analysis of chiefs and their followers and taxpayers.

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27 Bundy, *Rise and Fall*, 226.
28 Bundy, *Rise and Fall*, 226.
29 Crush Jeeves, and Yudelman, *South Africa’s Labour Empire*, 55, 69.
Gemmill was also directly interested in the health and social capabilities of the Transkei and its peoples and requested detailed information about medical and educational facilities available, the health and “physique” of residents, common diseases afflicting the people, and the number of schools, hospitals, and clinics.\(^{32}\) Since most of their recruits were rural farmers, farming capabilities in labour sending areas were of major interest to the NRC, and Gemmill wanted to know the main crops grown by residents and their economic significance, climactic and rainfall patterns, and the number of livestock and cattle and their economic and cultural relevance, and whether or not indigenous fruits and vegetables could supplement food supplies.\(^{33}\) The NRC was by the 1950s keeping a watchful eye on the worsening capabilities of the Transkei and its peoples.

The Umtata superintendent replied to Gemmill’s requests with a twenty three page document detailing what was in essence the recruitment potential of his district. He noted that the yield of maize, for instance, was “never sufficient to meet local demand” such that each year a large quantity of maize was imported which was available at controlled prices through European traders, and that no wild or indigenous fruits or vegetables were available to supplement diets.\(^{34}\) Tuberculosis was also “still a prevalent scourge”.\(^{35}\) This indicates the extent to which the NRC was preoccupied with closely observing the capabilities of Transkei districts and people. The purpose of all subsequent monthly reports was to laboriously describe the ‘recruitment conditions’ or conditions of deprivation in labour sending regions. The NRC clearly believed that worse conditions of deprivation predicted increased labour flows – since this was a guiding assumption in all monthly reports to head office.\(^{36}\)


\(^{35}\) Umtata district superintendent, 31 December 1953, ‘Report: Historical Resume, Statistical and Other Information Relating to the District of Umtata 1953’, 9, 14, 15. UJSC.

\(^{36}\) See below.
However, the Chamber feared that a wholesale collapse of reserve agriculture would undermine the basis for the reproduction of their labour force, and since most of their recruits were ‘tribalised’, the industry’s low wages were insufficient to adequately supplement meagre peasant production. The apartheid state rejected these proposals. Especially under the influx control policies of the 1960s, hundreds of thousands of African families were driven from white urban areas into the reserves, and so it was that while deprivation continued to deepen the Chamber’s labour supplies did not diminish as expected.\(^{37}\) If deprivation had reached harrowing proportions by the 1940s, the heavy influx of displaced families only accelerated this terrible process.

*Deprivation, 1964 – 1977*

In terms of three principal constitutive elements of freedom – political freedom, basic healthcare, and basic education and/or training – deprivation became progressively acute from 1963 to the late 1970s. As Leeuwenburg concluded after surveying 757 households in 1974, the majority of the Transkei people were “living in deep poverty… as extreme as anywhere in the world”, health, diet, family life, and the rural economy had all deteriorated: the situation increased in severity in the decade before 1974.\(^{38}\) Other research conducted during the period also spotlighted the extent to which deprivation deepened from the late 1960s to the late 1970s.\(^{39}\)

The Transkei Bantustan received self-government status in 1963 as part of the official Apartheid rhetoric of self-development, and in the context of a host of African countries receiving independence in the 1960s, via the Transkei Constitution Act of 1963, and the Transkei Self-government Act. The political system was anything but democratic, and did not bring meaningful political freedoms for Transkei

\(^{37}\) Crush, Jeeves, and Yudelman, *South Africa’s Labour Empire*, 55, 69.


inhabitants.\textsuperscript{40} The Legislative Assembly which consisted of 64 unelected ex-officio members (all apartheid-installed chiefs or paramount chiefs) and 45 elected parliamentarians, and served to institutionalise tribal power.\textsuperscript{41} Since chiefs controlled the allocation of land in context of vast overcrowding, they were invested with formidable powers over Transkei inhabitants.\textsuperscript{42} Importantly, however, as Tim Gibbs has recently argued, the changing position of chiefs from the 1950s, and more so after 1963, entailed a distinct shift towards chiefs becoming controllers of state resources (not just land), so that their power consisted in distributing state resources towards compliant or subservient subjects.\textsuperscript{43} Roger Southall argued that, “it was essentially the chiefly faction which acceded to ‘self-government’”.\textsuperscript{44} In terms of legislative power, the Assembly remained impotent, since all legislation passed could be immediately vetoed at the State president’s discretion. Financially, the Transkeian government was near totally dependent on the apartheid government, and, since they were now Homeland citizens, persons considered to be of Transkeian origin lost whatever South African citizenship had remained.\textsuperscript{45} Self governance was indeed a marked political setback for Transkei inhabitants. The capability to exercise political voice or shape the institutions which governed one’s life was increasingly closed off.

Transkei citizens were not meaningfully able to influence the institutional arrangements which governed their lives and shaped their opportunities, and became despondent with the political system. In spite of the number of contested seats rising from 45 to 59 in the same period, voter participation dwindled from 68\% in 1963 to 34\% in 1973, and rose only marginally to 44\% with ‘Independence’ in 1976.

Implemented during the Pondoland uprisings of 1960 – 1961, the politically repressive Proclamation 400 was not repealed by the Transkeian government of 1963, leaving researchers in the mid-1970s to conclude that the Transkei had been in “an effective state of emergency” since 1960. Proclamation 400 allowed persons to be imprisoned indefinitely without charge, condoned chiefs expelling persons from their Tribal Areas, and forbade meetings of ten or more people without the express permission of the authorities. The powers of chiefs and headmen were also considerably extended, and to the fury of residents headmen were permitted to confiscate livestock.

Furthermore, written or verbal statements which undermined the state, could incite boycott, or showed disrespect to chiefs were criminalised.

The Poqo insurgency of the early 1960s intensified under Proclamation 400. A militarised faction of the Pan African Congress (PAC), Poqo, which means ‘alone’ or ‘pure’ in Xhosa, emerged after the African National Congress and the PAC were banned under the Unlawful Organisations Act in 1960. This politically repressive Act was an institutional response to a wave of riots, marches, and stay-at-homes which

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**Figure 2: Transkei Voter participation in general elections, and number of contested seats (1963 – 1976)**

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of contested seats</th>
<th>Voters registered</th>
<th>Votes cast</th>
<th>% of votes cast by registered voters</th>
</tr>
</thead>
<tbody>
<tr>
<td>1963</td>
<td>45</td>
<td>880 425</td>
<td>601 204</td>
<td>68</td>
</tr>
<tr>
<td>1968</td>
<td>45</td>
<td>907 778</td>
<td>451 916</td>
<td>50</td>
</tr>
<tr>
<td>1973</td>
<td>40</td>
<td>952 369</td>
<td>323 092</td>
<td>34</td>
</tr>
<tr>
<td>1976</td>
<td>59</td>
<td>847 255</td>
<td>372 098</td>
<td>44</td>
</tr>
</tbody>
</table>


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49 Lodge, “The Poqo Insurrection”, 140.

followed the Sharpeville massacre of the 21st of March 1960, where police opened fire on 10 000 Africans protesting the Pass Laws.\textsuperscript{51} The Transkei became a main centre for the PAC, with 14 separate groups operating there in the early 1960s.\textsuperscript{52} Although more fragmented and sporadic than the Pondoland uprisings, Poqo insurrectionists also embodied a popular aversion to the Bantu Authorities system which had emerged in 1955.\textsuperscript{53} The Bantu Authorities system had carved Thembuland in two, legitimised unelected chiefs as instruments of apartheid, rejected popular participation in politics, and afforded paramountcy of a newly established ‘Emigrant Thembuland’ to Kaiser Matanzima.\textsuperscript{54} Since Thembuland was heavily dependent on migrant labour by the 1960s, and peasant farming was needed to supplement these wages, the rehabilitation and land reforms programs undertaken after 1955 were fiercely resisted.\textsuperscript{55} To Poqo, Kaiser Matanzima epitomised the Bantu Authorities system, the installation of chiefs as apartheid stooges, and threatening land reform policies. By late 1962 migrant workers belonging to Poqo had made three attempts on Matanzima’s life.\textsuperscript{56} During the 1960s several groups of migrant workers travelled from Langa to the Transkei to kill Matanzima.\textsuperscript{57} As Poqo men arrested for attempting to assassinate Matanzima put it,

\begin{quote}
The first thing he [Matanzima] did was to introduce fencing and now he is moving huts and kraal to some other place. It appears that he has sold the plots where the kraals were to the Europeans because there are huts there. Now he is assaulting us...

Chief Matanzima has sold our land; we are going to kill him.\textsuperscript{58}
\end{quote}

Headmen and chiefs were also frequently murdered during the early 1960s.\textsuperscript{59} The apartheid state and Matanzima’s police and security forces clamped down firmly on

\begin{itemize}
\item \textsuperscript{51} Southall, \textit{Political Economy of an ‘Independent’ Bantustan}, 48.
\item \textsuperscript{52} Lodge, “\textit{The Poqo Insurrection}”, 142.
\item \textsuperscript{53} Lodge, “\textit{The Poqo Insurrection}”, 140 – 141.
\item \textsuperscript{54} Southall, \textit{Political Economy of an ‘Independent’ Bantustan}, 108.
\item \textsuperscript{55} Lodge, “\textit{Poqo and Rural Resistance}”, 129.
\item \textsuperscript{56} Lodge, “\textit{Poqo and Rural Resistance}”, 141.
\item \textsuperscript{57} Lodge, “\textit{Poqo Insurrection}”, 5.
\item \textsuperscript{58} Quoted in Lodge, “\textit{Poqo Insurrection}”, 142 – 143.
\item \textsuperscript{59} Lodge, “\textit{Poqo Insurrection}”, 139.
\end{itemize}
rural resistance. Thousands of Poqo insurrectionists were pre-emptively arrested and convicted under the draconian Proclamation 400. After the apartheid state and Transkei police cracked down on Pondo and Poqo resistance, Southall describes Transkei residents as generally withdrawing to a “state of sullen acquiescence”.  

The activities of the Department of Justice, headed by Kaiser Matanzima’s notoriously ruthless and corrupt brother, George, were keenly prioritised above education in the Transkei. More resources were directed towards exerting political control over inhabitants than towards expanding social and human freedoms through education. For the first five years of self-governance (1964 – 1969) more money was spent each year and in total by the Justice department, than was spent on education (R15 575 000 versus R13 147 000).

Figure 3: Transkei Justice and Education expenditure from 1964 – 1972 in Rands (thousands)

<table>
<thead>
<tr>
<th>Year</th>
<th>Education and Culture</th>
<th>Justice</th>
</tr>
</thead>
<tbody>
<tr>
<td>1964/65</td>
<td>1 409</td>
<td>2 407</td>
</tr>
<tr>
<td>1965/66</td>
<td>2 454</td>
<td>2 757</td>
</tr>
<tr>
<td>1966/67</td>
<td>2 670</td>
<td>2 900</td>
</tr>
<tr>
<td>1967/68</td>
<td>2 879</td>
<td>3 473</td>
</tr>
<tr>
<td>1968/69</td>
<td>3 735</td>
<td>4 038</td>
</tr>
<tr>
<td>1969/70</td>
<td>4 421</td>
<td>4 169</td>
</tr>
<tr>
<td>1970/71</td>
<td>5 487</td>
<td>4 512</td>
</tr>
<tr>
<td>1971/72</td>
<td>6 191</td>
<td>5 677</td>
</tr>
</tbody>
</table>

Source: Benbo, Transkei Economic Review (Johannesburg: Benbo, 1975), 68.

The Department of Justice emerged in 1963 when the Transkei received its self governance status. All magistrates and headmen, whose power had previously been derived from the Bantu Administration Act of 1927 were NAD employees until ‘self-government’. In 1963, these officials, the courts, and local and security police from all 26 Magisterial districts were incorporated into the Transkeian Department of Justice. (Until 1963 the Act of 1927 had invested the Minister of Native Affairs with the

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60 Lodge, “Poqo Insurrection”, 141.
62 Benbo, Transkei Economic Review, 74.
authority to rule by proclamation as well as devolve power to any NAD administrators and magistrates.\textsuperscript{63} The powers of magistrates were greatly enhanced by Proclamation 400, such that at the time of self-governance, and in the wake of Poqo insurgencies and the Pondo uprisings, the people of the Transkei were governed by impenetrable magisterial hierarchies. After self-government in 1963, political freedoms were further diminished. Southall described the powers afforded to magistrates, chiefs, and headmen as casting a “long dark shadow over the political sphere”.\textsuperscript{64} Between 1963 and 1966 at least 900 people were detained under Proclamation 400, and the threat of state power was ever present.\textsuperscript{65} Self governance meant that the Transkei had entered a new era of despotism.

Details on how the Department of Justice spent its budget are hard to come by. The Benbo report on the Transkei economy, which released the only figures on Transkei government spending during the 1960s, describes the department’s activities in tautological terms:

The Transkeian Department of Justice was established in 1963 and is responsible for the administration of justice in the Transkei.

When conducting research in the Transkei in the early 1970s Jeff Leeuwenburg noted that interviewees were “extremely anxious about official ‘come back’ on them” and described the atmosphere in terms of “ever-present layers of security forces”.\textsuperscript{66} This illustration of political unfreedom and the Transkei government’s preoccupation with political control was endorsed by all independent researchers. As Jeff Peires concluded,

\begin{quote}
[e]very serious analyst of the homeland system since Harold Wolpe in 1972 shares the view that the primary function of the homelands within the political economy of South Africa has changed from one of ‘being primarily the reproducer of cheap labour . . . to the fundamental institutions for the
\end{quote}

\begin{footnotes}
\item[63] Evans, Bureaucracy and Race, 168 – 169.
\item[64] Southall, Political Economy of an ‘Independent’ Bantustan, 122.
\item[66] Leeuwenburg, A Study in Economic Regression, 11.
\end{footnotes}
containment and control of the country’s absolute surplus of population of Africans.\textsuperscript{67}

The few resources that were directed toward education were for an education system that was not intended to expand the opportunities and capabilities of Transkei inhabitants. Although 71\% of spending on education in homelands in 1965 came from the apartheid government, the state refrained from publishing statistics on the number of school age children attending school in the Transkei.\textsuperscript{68} An inquiry into teaching in Transkei primary schools in 1962 was strongly critical of the syllabi and condemned the over-emphasis on moulding children at too early an age for their post-school life, since this pre-empted children from acquiring basic arithmetic and language skills.\textsuperscript{69}

Education in the Transkei was not a means of expanding the freedoms and opportunities of Transkei persons, it served rather to cement their station as disposable labourers in the white economy. The idea that education should not open opportunity and expand choice cohered neatly with Verwoerd’s notorious view that Africans were to be hewers of wood and drawers of water in the white economy.\textsuperscript{70}

Economic Advisor for Bantu Development J.J.S Weidemann in his 1968 review of ‘Bantu Homelands’ revealingly announced that it was “not possible to compile a clear population catalogue worth mentioning of entrepreneurs, managers, technicians, scientists, educationists, labourers, unemployed, etc.”\textsuperscript{71} Despite warning that the priorities of homeland development were “obviously in many instances not empirically measurable” and in doing so excused himself from offering a clear and quantitatively informed depiction of homeland development, he did go on to point out that of the homeland children in school in 1965 only 3\% were in Secondary tuition, while 0.3\% were in technical tuition.\textsuperscript{72} By 1970 93\% of rural Africans had either no


\textsuperscript{70} See Feinstein, An Economic History of South Africa, 159.


\textsuperscript{72} The Bureau of Statistics, South African Statistics (Benbo, Pretoria,1968), 55, 61
education whatsoever, or were educated below grade 8.\textsuperscript{73} Between 1970 and 1974 in the Transkei less than 1\% of students were enrolled in grades 11 and 12, while those receiving trade and technical training did not rise above 0.1\%.

\textbf{Figure 4: Percentage distribution of pupils by broad educational groups in the Transkei (1970 – 1974)}

<table>
<thead>
<tr>
<th>Year</th>
<th>Grade 1 – 4</th>
<th>Grade 5 – 7</th>
<th>Grade 8 – 10</th>
<th>Grade 11 – 12</th>
<th>Trade and technical training</th>
<th>Teacher training</th>
<th>Other\textsuperscript{74}</th>
</tr>
</thead>
<tbody>
<tr>
<td>1970</td>
<td>67.9</td>
<td>26.7</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>1971</td>
<td>66.5</td>
<td>27.4</td>
<td>5</td>
<td>0.5</td>
<td>0.1</td>
<td>0.4</td>
<td>0.1</td>
</tr>
<tr>
<td>1972</td>
<td>66.5</td>
<td>28.0</td>
<td>5.2</td>
<td>0.7</td>
<td>0.1</td>
<td>0.4</td>
<td>0.1</td>
</tr>
<tr>
<td>1973</td>
<td>64.8</td>
<td>28.6</td>
<td>5.2</td>
<td>0.7</td>
<td>0.1</td>
<td>0.4</td>
<td>0.2</td>
</tr>
<tr>
<td>1974</td>
<td>63.9</td>
<td>29.2</td>
<td>5.4</td>
<td>0.8</td>
<td>0.1</td>
<td>0.4</td>
<td>0.2</td>
</tr>
</tbody>
</table>

Source: Benbo, Transkei Economic Review (Johannesburg: Benbo, 1975), 42.

Health indicators were no better. On one basic indicator, the paucity of hospital capabilities (ignoring the quality of these hospitals as well as access to them) the situation in the Transkei was desperate. Of the 26 hospitals in the Transkei in 1973, which served a de jure population of close to 2 000 000, 21 were elementary missionary hospitals, while the remaining five were supplied by the apartheid government.\textsuperscript{75} By 1980 the African population as a whole was 51 220 beds short of having the WHO minimum required number of beds (defined as 4 per 1000 persons).\textsuperscript{76}

\textbf{Figure 5: Number of hospitals and beds (1973, 1975, 1980)}

<table>
<thead>
<tr>
<th>Year</th>
<th>Hospitals</th>
<th>Beds</th>
</tr>
</thead>
</table>

\textsuperscript{73} Feinstein, \textit{Economic History of South Africa}, 161.

\textsuperscript{74} Special schools, night schools, and continuation classes.


\textsuperscript{76} South African Institute of Race Relations, \textit{A Survey of Race Relations in South Africa} (Johannesburg: SAIRR, 1981, 405.)
<table>
<thead>
<tr>
<th>Year</th>
<th>Number</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1973</td>
<td>26</td>
<td>4974</td>
</tr>
<tr>
<td>1975</td>
<td>32</td>
<td>7132</td>
</tr>
<tr>
<td>1980</td>
<td>32</td>
<td>7795</td>
</tr>
</tbody>
</table>


But even the number of hospitals and beds does not adequately quantify the deprivation during this period. Low migrant wages meant that disease and malnutrition from decreasing.\(^{77}\)

As Dr Mary McGregor put it in the early 1970s:

> Medical work in the Transkei becomes increasingly disheartening as it becomes obvious that the biggest enemy is malnutrition... The health problem rapidly becomes one beyond the scope of the medical man [sic].\(^ {78}\)

As they were converted into cash and a form of food, the generally decreasing number of nonhuman animals in the Transkei testifies to the increasing human deprivation of the 1960s and 1970s.\(^{79}\)

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![Figure 6: Number of nonhuman animals owned in the Transkei (1956 – 1974)](image_url)

---


<table>
<thead>
<tr>
<th>Year</th>
<th>Cattle</th>
<th>Sheep</th>
<th>Goats</th>
<th>Horses, Donkeys, Mules</th>
<th>Pigs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1956</td>
<td>1 348 468</td>
<td>2 459 133</td>
<td>1 095 181</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1960</td>
<td>1 392 041</td>
<td>2 209 063</td>
<td>1 022 409</td>
<td>93 795</td>
<td></td>
</tr>
<tr>
<td>1965</td>
<td>1 333 020</td>
<td>2 324 117</td>
<td>1 117 172</td>
<td>115 785</td>
<td>265 872</td>
</tr>
<tr>
<td>1970</td>
<td>1 116 901</td>
<td>2 824 692</td>
<td>1 339 967</td>
<td>111 681</td>
<td>272 448</td>
</tr>
<tr>
<td>1971</td>
<td>1 127 467</td>
<td>2 238 195</td>
<td>1 311 894</td>
<td>111 572</td>
<td></td>
</tr>
<tr>
<td>1972</td>
<td>1 184 989</td>
<td>2 604 480</td>
<td>1 314 229</td>
<td>114 287</td>
<td>267 402</td>
</tr>
<tr>
<td>1973</td>
<td>1 180 815</td>
<td>2 246 358</td>
<td>1 283 702</td>
<td>118 548</td>
<td>418 590</td>
</tr>
<tr>
<td>1974</td>
<td>1 194 181</td>
<td>2 347 830</td>
<td>1 330 312</td>
<td>119 760</td>
<td>320 232</td>
</tr>
</tbody>
</table>


While the absolute number of cattle and sheep declined, pigs and beasts of burden (mules, donkeys, and horses) increased marginally, it was only goats which increased significantly (235 131 between 1965 and 1974). The majority of persons, however, did not have nonhuman animal property. A survey of 757 households in the Transkei in 1974 found that 55% of households owned no sheep, while 45.3% owned no cattle. Only 0.2%, or 3 of the 757 of the surveyed households were able to generate an income from selling wool, and only 2% of households owned 20 cattle or more.  

Accompanying the phenomena of overburdened and denuded land, overpopulation, overstocking, overgrazing, and inappropriate but intensive farming methods, agricultural production in the Transkei declined from the mid-1960s to the mid-1970s, and the Transkei was compelled to import ever greater proportions of food. Starvation and famine were discussed urgently and frequently in Transkei Legislative Assembly debates from 1964 to the late 1970s. In five districts of the Transkei in the late 1960s, when Transkei men were still refusing to accept work on unfavourable mines, one researcher estimated that 40% of children were dying before the age of ten as “direct or indirect result of malnutrition”. In 1964 one member of the Legislative Assembly

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80 Leeuwenburg, A Study in Economic Regression, 15 – 17.
claimed that the majority of Transkei inhabitants were “starving and without means”. The drought and famine in 1965 which had “accustomed” the people to “a number of years of starvation” was so severe that Mr N.C Nogcantsi noted that “we are even restless while we are sitting here as to whether we shall find those remaining at home still alive”. Imploring the Transkeian government to subsidise foodstuffs, Mr. N. Jafta in 1969 argued that “throughout the history of the Transkei never have we had a drought such as we are having now…the whole of the Transkei has been impoverished to an extent never seen before”. In two districts surveyed by independent researchers in 1968, some 85% of households were found to be beneath a poverty datum line designed to indicate the minimum requirements for short term survival. By October 1975 an official of the Xhosa Development Corporation announced that the Transkei was importing 90% of its total food requirements. This was a function of denuded land, soil traumatized by decades of intensive farming, overstocking, overgrazing, and overpopulation. 90kg sorghum yields fell precipitously from 78 000 in 1971 to 48 691 in 1975. Similarly the 90kg yields of maize, a staple in the Transkei, diminished from 2 088 000 in 1971 to less than half (1 003 783) in 1975. This implied that imports of maize increased from 37% of consumption in 1971 to 69% in 1975.

Figure 7: Transkei maize production, consumption and imports (1971 – 1975)

<table>
<thead>
<tr>
<th>Year</th>
<th>ha.</th>
<th>Yield (90kg)</th>
<th>Yield per ha.</th>
<th>Net imports (tons)</th>
<th>Total consumption (tons)</th>
<th>Net imports as % of consumption</th>
</tr>
</thead>
</table>

83 Transkei Government, Debates of the Transkeian Legislative Assembly (1964), 188.
84 Transkei Government, Debates of the Transkeian Legislative Assembly (1965), 304, 306.
86 Maree and De Vos, Underemployment, Poverty and Migrant Labour, 11, 22.
87 Budlender et al., Report of the Transkei Study Project, 52.
88 Budlender et al., Report of the Transkei Study Project, 52.
Land too was in impossibly short supply. In 1956 the Tomlinson commission had found that to generate an annual income of R120 (which it declared sufficient to support a household) the agricultural holding would need to be 110 acres in extent. The land in the Transkei would then be able to support 51% of its inhabitants, while the remaining 49% would have to find means for sufficient income elsewhere, i.e., as migrant workers. By the late 1960s, however, 95% of families had less than 11 acres, while the average household had 4 to 5 acres – a disturbing distance from the 110 acres required to survive.

Since food was increasingly imported into the Transkei, labour had to be exported to pay for the food. The number of Transkei persons recruited to work in South Africa shot up from 115 777 in 1963 to 425 230 in 1978. The increasingly vast exodus of labour is clear evidence of a greater absence of economic opportunity for the increasing number of Transkei inhabitants. In 1960 48% of GNP consisted of remittances from migrant labourers working in South Africa, by 1970 this had increased to nearly 70%. As one Legislative Assembly member, Mr Madikizela, put it in 1974, “[t]he reason why these people leave the Transkei is because of starvation.”

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<table>
<thead>
<tr>
<th>Year</th>
<th>Migrants</th>
<th>Agricultural Holding</th>
<th>Income</th>
<th>Wages</th>
<th>Employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1971-2</td>
<td>580 000</td>
<td>2 088 000</td>
<td>3.6</td>
<td>111 407</td>
<td>299 327</td>
</tr>
<tr>
<td>1972-3</td>
<td>426 000</td>
<td>1 131 000</td>
<td>2.7</td>
<td>183 831</td>
<td>285 621</td>
</tr>
<tr>
<td>1973-4</td>
<td>433 710</td>
<td>2 152 460</td>
<td>4.9</td>
<td>163 023</td>
<td>356 744</td>
</tr>
<tr>
<td>1974-5</td>
<td>409 764</td>
<td>1 003 783</td>
<td>2.4</td>
<td>183 364</td>
<td>273 704</td>
</tr>
</tbody>
</table>


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89 Budlender et al., Report of the Transkei Study Project, 29.
90 Budlender et al., Report of the Transkei Study Project, 29.
91 Budlender et al., Report of the Transkei Study Project, 29.
92 Budlender et al., Report of the Transkei Study Project, 66.
The evidence for stark and relentless deprivation of the Transkei in the period under examination – the clear absence of basic opportunities for employment or sustenance – is overwhelming. Southall described the Transkei during this period as facing a Hobbesian dilemma: either it sold its labour to South Africa or allowed its people to languish from deprivation.94 Clearly people were facing extreme choices: hunger was widespread and acute among prospective work seekers.

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94 Southall, Political Economy of an ‘Independent’ Bantustan, 220.
The next section argues that in the case of mine work on unpopular mines, NRC recruiters found that between 1964 and 1969, in spite of the extreme deprivation facing the unemployed, potential recruits would often rationally prefer to face acute hunger over underground mine work.

The interplay between recruitment and deprivation

As shown in chapter 2 trader recruiters were of crucial importance for the NRC. In the 1950s a senior NRC official G.O Lovett claimed that trader-recruiters “exert a powerful influence” on Africans and should be perceived as a “necessary and integral part of the industry’s recruiting machinery” such that any policy or act which would constrain relations with traders should be rejected.95 Whereas 19 709 Transkei men were signed into mine contracts in 1959 by the 95 trader recruiters operating in the Umtata area, this number more than halved to 8 808 when the number trader-recruiters dwindled to 51 in 1969; by 1970 only 45 trader recruiters were left in the Umtata area.96 When the Transkei achieved its self-government status in 1963 the Xhosa Development Corporation’s policy of purchasing white trading stations was implemented and the number of trader-recruiter licences decreased along with the number of Transkei men signed up mine contracts by white traders.97

Trader recruiters were integral to recruitment because they held food; by pre-advancing food to desperate families and backed by institutional mechanisms which made it illegal for Transkei men to break contracts, traders were able to lock them into accepting mine contracts.98 As the Umtata district superintendent put it in 1967:

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95 NRC Memorandum by G.O Lovett, 28 December 1953 quoted in Crush, Jeeves, and Yudelman, South Africa’s Labour Empire, 63 - 66.
With the exodus of so many of our large trader-recruiters from the Transkei, there are now fewer potential recruits tied to the gold Mining Industry through pre-advancing, so that workers are free to offer their services to other industries. In past years, a trader-recruiter, because of his pre-advancing, was able to bring pressure to bear on potential recruits to induce them to go forward even in times of good harvest.99

As formal institutions like the white trader monopoly changed, so the quantity of labourers supplied by these mechanisms changed too. In 1959 15 trader recruiters in Elliotdale supplied the NRC with 2860 migrants, when their number dropped to 4 in 1969 the traders supplied only 449 migrants. This pattern was similar in all nine districts in figure 9 and in total the output of these districts almost halved (19 709 to 8 808) between 1959 and 1969 in consequence of the number of trader recruiters falling from 95 to 51 over the same period. This indicates the manner in which labour

supplies were highly sensitive and responsive to institutional changes (such as the end of the white monopoly on trading licences).

That mine recruitment in the Transkei was premised upon deprivation can scarcely be doubted. The exclusive intention of monthly reports sent from NRC district superintendents to the NRC and WNLA head office in Johannesburg was to determine in light of recruitment conditions the estimated number of recruits for the following month. Recruitment conditions – especially rainfall, the condition of crops, the number of livestock, the health of the population, and the efficacy of propaganda – were the indicators the NRC themselves used to calculate recruitment estimates. Since its business was to draw workers onto the gold and other mines, the NRC was extremely concerned to keep its finger on the pulse of the Transkei’s employment prospects – as well as any other opportunities which would allow men to escape mine recruitment. More than that, however, it follows that insofar as securing large numbers of recruits was predicated on degrees of deprivation sufficient to compel men to accept mine work, the NRC and the Chamber of Mines were guided by the perverse incentive not to commit to anything which would develop the Transkei, since doing so would undermine the key factor (deprivation) on which successful recruitment was premised. If mine work provided a means whereby Transkei people might escape deprivation, then mine work would undermine the basis of successful recruitment. This goes some way to explaining thechronically low wages paid to mineworkers.

The relevance of agency in the interplay between recruitment and deprivation

Despite the fact that the value of gold mining wages for Africans had in real terms eroded by 14% from 1911 to 1961, so vast and deep set was absence of freedom and


deprivation in the Transkei that the NRC was inundated with an oversupply of recruits.\footnote{Feinstein, Economic History of South Africa, 67. James Gemmill to district superintendent, Umtata, 23 January 1964. ‘Labour Supply’, 1. UJSC, Umtata Labour Supply and Restrictions, NRC file B1036 Pad 1.} Since Umtata was by the 1960s a major labouring sending area in the Transkei, this section focuses on this district.\footnote{S. Greenberg and Hermann Giliomee. “Labour Bureaucracies and the African Reserves.” South African Labour Bulletin 8 no. 4 (1983): 46.} By January 1964 the NRC was in fact taking measures to limit the number of workers forwarded from the Transkei since, as the James Gemmill put it in correspondence with the Umtata superintendent, “[i]n keeping with the experience of recent years, all the mines are employing labour in excess of their requirements”.\footnote{James Gemmill to district superintendent, Umtata, 23 January 1964. ‘Labour Supply’, 1. UJSC, Umtata Labour Supply and Restrictions.} He proposed that before using further restrictive measures stricter weight (of no less than 52kgs) and medical standards and a limited choice of mines be employed to see whether that would stem the excess labour forwarded from the Transkei.\footnote{James Gemmill to district superintendent, Umtata, 23 January 1964. ‘Labour Supply’, 1. UJSC, Umtata Labour Supply and Restrictions.} By March of 1964, a distinct shift had taken place in Transkei mine recruitment. Heavy influxes of labour meant that mines could in fact not find accommodation for the number of men arriving at the mines.\footnote{James Gemmill to district superintendant, 6 March, 1964. ‘Labour Supply’, 1. UJSC, Umtata Labour Supply and Restrictions.} District superintendents were given maximum numbers of labourers to be engaged for the mines, rather than being asked to forward all available workers.\footnote{James Gemmill to district superintendant, 6 March, 1964. ‘Labour Supply’, 2. UJSC, Umtata Labour Supply and Restrictions.} Yet by April of the same year (1964) something fascinating had occurred: in spite of pervasive deprivation in the Transkei, certain mines were in fact finding that they could not secure sufficient workers.\footnote{District superintendent to James Gemmill. ‘Extract from letter dated 5th May 1964, Umtata Output and Recruiting Prospects,’ 1. UJSC, Umtata Labour Supply and Restrictions.} The Umtata district superintendent attributed “mine selection” as the “main reason” for the shortfall.\footnote{District superintendent to James Gemmill. ‘Extract from letter dated 5th May 1964, Umtata Output and Recruiting Prospects,’ 1. UJSC, Umtata Labour Supply and Restrictions.} He explained that under the new procedure of accepting only prescribed numbers for specific mines, potential recruits, who would arrive at NRC recruitment offices in groups, would refuse to

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break up the group and accept employment on distinct unpopular mines.\textsuperscript{110} Even in conditions of deep deprivation and absence of opportunity, it was preferable for workers and their families to face quite severe deprivation rather than accept mine work on unpopular mines. This inability to secure mineworkers on unpopular mines became a problem for the NRC, and eight months later Gemmill announced that all workers offering their services should be accepted.\textsuperscript{111}

In January of 1965 the district superintendent from Umtata cautioned that the procedure of limiting the number of recruits accepted for each mine “acted as a break” at all offices with the effect that workers preferred to return home when they could not find placement in mines of their choice.\textsuperscript{112} The superintendent was in fact puzzled by this rational exercise of agency on the part of Transkei men, and, amidst widespread reports of acute hunger in the Transkei, argued that “[g]enuinely starving people are not selective in taking up employment”, but committing a classic non sequitur concluded that “whether or not orders during the month are achieved will depend on the popularity of the mines open to recruiting”.\textsuperscript{113} Rather than explicitly claiming that prospective migrants were acting irrationally, he simply denied that many Transkei inhabitants were facing such deprivations. In the midst of crop failure and drought, that men refused to work on euphemistically termed ‘unpopular’ mines is remarkably revealing, for it implies that it was rational and preferable for many men to face acute hunger rather than accept work on ‘unpopular’ mines.

By May of 1965 James Gemmill had decided that in light of the considerable hardship caused by “widespread and severe drought” it was likely that many potential recruits would not measure up to the “present standards of physical fitness by reason of the malnutrition which [was] expected” and concluded that the stricter weight

\textsuperscript{110} District superintendent to James Gemmill. ‘Extract from letter dated 5\textsuperscript{th} May 1964, Umtata Output and Recruiting Prospects,’ 1. UJSC, Umtata Labour Supply and Restrictions.
\textsuperscript{111} James Gemmill to district superintendent, 30 November 1964. ‘Labour Supply,’ 1. UJSC, Umtata Labour Supply and restrictions. Weight and medical standards invoked in January 1964 still applied in November, however, these were likely still applied because they indicated the potential productivity of workers. Recruiting underweight and undernourished or ill workers for unpopular mines would not have been a viable or long term solution.
\textsuperscript{112} District superintendent to James Gemmill. ‘Extract from letter dated 3\textsuperscript{rd} February 1965, Umtata Monthly Report, January’ 1. UJSC, Umtata Monthly Reports, NRC file B779 pad 6.
\textsuperscript{113} James Gemmill to district superintendent, ‘Extract from letter dated 3\textsuperscript{rd} February 1965, Umtata Monthly Report January 1965’, 1. UJSC, Umtata Monthly Reports.
measurements of recent years should be relaxed. Those too weak and malnourished to work underground would be given surface work until they were “sufficiently fit” for underground work. In times of drought the superintendent cautioned that it was a “necessity” to provide recruited workers with a few bags of mealies to leave at home for the maintenance of their families. There is overwhelming evidence to support the view that significant numbers of Transkei persons faced acute hunger in the 1960s.

The drought conditions of the mid-1960s persisted. In January of 1969, after describing the “severity of the prevailing drought”, Umtata’s district superintendent still found that large numbers of prospective mineworkers preferred to return home when mines of their choice were not open to recruiting. The superintendent refused the conclusion that these prospective mineworkers actually preferred to try to withstand the deprivation they and their families faced rather than accepting work on unfavourable mines, and repeated confidently that this “state of affairs indicates that so far no serious starvation exists among the African population”. The cognitive dissonance exhibited by the Umtata district superintendent was extreme. Indeed, the next month, February 1969, he reported that as a “result of the drought” crop yields were at 15%-30% of the average harvest, and that the condition of cattle was “very poor indeed” with “thousands” having died and the survivors “thin and weak” due to lack of grazing and inadequacy of water supplies. However, he could still conclude that their refusal to accept mine work on available mines implied that “the Area was not under severe pressure”. The non sequitur was paradigmatic. It certainly was not the case that the NRC did not understand the severity of the suffering affecting the Transkei. Widespread malnutrition among children is evidenced by the fact that

in the years preceding 1971, two Relief Distress Schemes were implemented by the Transkei government, providing relief work for 10 000 men per day and the feeding of close to 360 000 pre-school and primary school children.\(^\text{120}\) The feeding of children, the NRC’s Umtata district superintendent himself reported in March 1969, was to “combat the increase of kwashiorkor in Transkei schools”.\(^\text{121}\)

While the Transkei experienced acute deprivation, it must be noted that the bulk of mine labour came from labour sending regions beyond South Africa.\(^\text{122}\) Hundreds of thousands of mineworkers were recruited in Lesotho, Botswana, Swaziland, Malawi, and Mozambique.\(^\text{123}\) The harshest deprivations entailed in mine work and exacerbated in unpopular mines were also disproportionately reserved for foreign labour. Whatever the severe deprivations suffered by Transkei residents, they were until the mid-1970s able to refuse contracts on unpopular mines, and it was predominantly ‘foreign’ migrants who were compelled to accept the worst working conditions to perform the worst jobs on the worst mines.\(^\text{124}\)

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\(^\text{120}\) Transkei Government, *Debates of the Transkeian Legislative Assembly*, (1971), 189-190.


\(^\text{123}\) Crush, Jeeves, and Yudelman, *South Africa’s Labour Empire*, 233.

reasons); severe psychological harms including post traumatic stress disorder (PTSD); the institutionalised inability to be promoted above unskilled pay grades; chronically low wages; the inability to escape a contract; social and family life disruption and dislocation, and; the loss of significant agricultural labour inputs at home.\(^{125}\)

Ex mineworker Phello, who worked at a Western Deep Levels mine near Carletonville for 13 years recalled his experience underground in moving terms,

> You are most likely to die or become crippled by the time you leave this place...
>
> I cannot get used to underground accidents, particularly rockfalls... I have seen

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just too many horrible accidents underground... we are never sure if we will make it back to the surface alive and well. All the time we pray silently.¹²⁶

Mineworkers were also dejected by their inability to raise above low wage pay grades, as a mineworker named Telekiso put it,

I have been working [here] for 12 years and have never been promoted. I do not feel respected in any way. My existence as a mine employee and my services are not recognised nor appreciated... When are these people going to see that we are human beings too?¹²⁷

Another ex-mineworker described the institutional deprivation of migrant labour in vivid terms,

I feel like a prisoner who is serving a sentence ... because for most of my life I do not live with my family. The mine also treats us as if we have no right to live our lives as we wish. I visit home once a month... Even when we are due for leave we have problems because there are some individuals that we have to bribe so that our leave forms can be processed.¹²⁸

This thesis contends that having to endure such capability-destructive work was a function of institutionalised deprivation dating from the late 19⁰ century and material conditions in the Transkei worsening through the 20⁰ century. Only in the context of political unfreedom, the prohibition against unionisation, as well as general deprivation afflicting labour sending regions like the Transkei would men endure underground mine work. The migrant labour system’s associated institutions shut down the agency of mineworkers – otherwise the imposition of mine work’s multiple burdens would not have been tolerated. It is reasonable to assume that in the case of euphemistically termed ‘unpopular’ mines, working and living conditions would have been significantly worse than on other mines. This is not the focus of this study.

This section specifically highlights externalised disease burdens, i.e., the removal of workers suffering from mining diseases to the rural areas. Even a narrow focus on this single aspect of underground mine work goes a long way to explaining why so many men could choose to face acute hunger rather than accepting mine work on unpopular mines. On unpopular mines incredibly high disease rates would be compounded by the above disincentives thus making the prospect of such work altogether too loathsome to bear.

Professor Neil White of the Lung Institute of Groote Schuur Hospital has claimed that the

South African gold mining associated silicosis and tuberculosis epidemic is without parallel in human history, when its extent in terms of duration, intensity and magnitude are all taken into account.129

Statistics on the disease burdens suffered by labour sending communities during this period are hard to come by. The Leon Commission of Inquiry into Safety and Health in the Mining Industry in 1994 decried the fact that the most recent research on the health of black former miners was from the 1930s.130 Yet two studies on ex-mineworkers from the Transkei offer striking insights as to why Transkei men could find it to rational to watch their families languish rather than take up gold mine work. In an endeavour to determine the prevalence of occupational lung disease in former migrant mineworkers, a team of medical researchers in the late 1990s used chest radiography and spirometry to examin two hundred and thirty eight ex-mineworkers recruited between 1969 and 1980 from Libode in the Transkei.131 The prevalence of pneumoconiosis was found to be between 22% and 36% (variation by reader) among ex-mineworkers.132 Trapido et al showed that between one in five and one and three

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130 Roberts, Hidden Epidemic, 8.


Transkei mine migrants could expect to suffer from pneumoconiosis. Legislation and national and apartheid state run medical facilities for mining related occupational lung disease had been in play since 1916, but the legislation and compensation was racialised and only in 1993 was the Occupational Diseases in Mines and Works Act No. 78 of 1973 amended to include African persons.\footnote{Trapido \textit{et al}, "Prevalence of Occupational Lung Disease", 311.} Before 1993, the extent of lung diseases in ex-migrant Africans was both undiagnosed and uncompensated. The researchers concluded that the social and economic burdens of occupational lung disease were borne by labour sending communities, with the effect that rural communities were in this respect subsidizing the mining industry’s costs of production.\footnote{Trapido \textit{et al}, "Prevalence of Occupational Lung Disease", 311.} They pointed out that in the context of low levels of education and a high dependency on physical labour even a “minor degree of disability can be a major impediment to employment”.\footnote{Robert Chambers, "Vulnerability, Coping and Policy," \textit{Institute of Development Studies Bulletin} 37, no. 4 (2006): 37.} As developmental theorist and practitioner Robert Chambers has put it

\begin{quote}
At a sudden blow, the body, the poor person’s greatest and uninsured asset, is devalued or ruined. From being an asset, at one stroke it becomes a liability that has to be fed, clothed, housed, and treated. A livelihood is destroyed, and a household made permanently poorer.\footnote{Robert Chambers, "Vulnerability, Coping and Policy," \textit{Institute of Development Studies Bulletin} 37, no. 4 (2006): 37.}
\end{quote}

In terms of pneumoconiosis and tuberculosis, as this section argues, the mine recruitment system locked Transkei men into forms of employment which converted what was often a family’ best asset (male labour power) into a debilitating liability – at a rate of between 20 to 50\% of all Transkei mine migrants.

In association with the Eastern Cape Department of Health, the Director of the Medical Bureau for Occupational Disease, and a health advocacy NPO, the Health Systems Trust, Rhodes University researcher Jaine Roberts in 2009 published a research project on health burdens among former mineworkers in ten villages from the Ntabankulu...
region of the Transkei. The conclusions – which Roberts argued were generalizable to the rest of the Transkei – came to similar and even more devastating conclusions than the Trapido et al study.\footnote{Roberts, \textit{Hidden Epidemic}, 150.} Of the ex-mineworkers interviewed in the early 2000s, whose terms of employment on gold mines ranged from five to forty years, indicating that many of them were migrants in the period examined in this chapter, Roberts argued that it would be accurate to describe the majority of former mineworkers as “pulmonary cripples”.\footnote{Roberts, \textit{Hidden Epidemic}, 152.} When participants were medically examined, 96\% were coughing, 71.\% had experienced or were experiencing dyspnoea (breathing difficulty), 82.\% fever, 83.\% pain, and 82.\% suffered from fevers.\footnote{Roberts, \textit{Hidden Epidemic}, 152.} After in these respects having effectively sacrificed their bodies to the gold mines, the majority were moreover left destitute after their terms of employment: a paltry 8\% reported that they did not on a monthly basis experience hunger and food shortages.\footnote{Roberts, \textit{Hidden Epidemic}, 153.}

As late as the 1960s and 1970s, then, mine work did not offer a means of escaping deprivation and poverty. Less than one in ten mineworkers could expect to not experience hunger and food shortages after their careers ended. Rather, mine work was accompanied by severe disease burdens which already deprived inhabitants and chronically under-resourced and insufficient rural health systems were expected to shoulder. Devastatingly, some 52\% of former mineworkers had suffered tuberculosis after mine employment, while 26\% had been afflicted by it while in mine employment.\footnote{Roberts, \textit{Hidden Epidemic}, 153.} Not only were the majority of former mineworkers left financially poor after their years of service on the mines, but in excess of 50\% were left to languish from tuberculosis in rural areas unequipped to mange such health catastrophes. In this respect, mine work and the migrant system into which men were recruited was unmistakably capability-destructive and inimical to the development of these regions. Roberts concluded that the Transkei and Ciskei could

\footnotesize{\textsuperscript{137} Roberts, \textit{Hidden Epidemic}, 150. \hfill \textsuperscript{138} Roberts, \textit{Hidden Epidemic}, 152. \hfill \textsuperscript{139} Roberts, \textit{Hidden Epidemic}, 152. \hfill \textsuperscript{140} Roberts, \textit{Hidden Epidemic}, 153. \hfill \textsuperscript{141} Roberts, \textit{Hidden Epidemic}, 152-153.}
well be described as the “field hospitals” for the externalization of occupationally acquired disease, a process of “exporting” disease, through the migrant labour system, back to rural areas where it has largely remained hidden. It is in these rural areas that the real costs of occupationally acquired disease are borne by the former miners themselves; borne in pain and suffering, in wasting away in a slow suffocation and susceptibility to all manner of respiratory infections, in the inability to work even in subsistence agriculture to generate support for their families, and in premature death.\(^\text{142}\)

The effect of the family’s breadwinner becoming sick and unable to work – 67% of ex-mineworkers had dependent children under 18 – did not only imply the loss of his immediate and future household income, it also implied that another family member, usually a woman, would have to care for him, which then prevented her from finding employment elsewhere, and so further diminished the family’s prospects for securing income and necessities.\(^\text{143}\) The mineworker’s body, from having been a source of income, would be transformed by the gold mining industry into a debilitating and impoverishing liability.

As a former mineworker who contracted TB on the mines described his retrenchment and subsequent poverty,

> I was told I’m old and that old people must leave the mines. It has changed me. I receive no money, I am very hungry. There are many times we go hungry. My sickness has destroyed my way of life. I am not able to perform the jobs that I was able to perform before.\(^\text{144}\)

Some mineworkers were aware that the mines swindled them out of compensation and other money, and that their lack of human capital prevented them from protecting their interests. As an ex-mineworker who worked underground for 29 years put it,

\(^{142}\) Roberts, *Hidden Epidemic*, 150.


\(^{144}\) Roberts, *Hidden Epidemic*, 129.
I think if someone can help investigate about our money, with that money we can be able to help support our families. Because a lot of money was left in Gauteng in the mines due to the fact that we are not educated.  

The capability-destroying effects of mine work largely escaped quantification in the 1960s and 1970s. But the degree to which mine work undercut and pre-empted development (destroyed the prospects and capabilities of Transkei men and their families) was not lost on labour sending communities such as those in the Umtata area. By the mid-1970s rising mine wages, shorter contracts, overpopulation exacerbated by forced removals, and ever deepening deprivation shifted the balance of prospects in favour of mine work and once again made it reasonable for Transkei men to accept morbific mining employment – even if it meant they would almost certainly face increased deprivation later on.

The Transkei as principal labour sending region, post-1974

By August 1972 recruitment output in Umtata showed a strong upward trend and was attributed to poor crop yield in several districts and the increasing popularity of non-gold mines. In March the next year the NRC head office sent word to Umtata that labour strengths on the mines were at a “very high level”, that virtually all mines had more labour than they could use, and advised, moreover, that district offices were to strictly apply age and physical standards so that all recruits would be fit for any class of work on the mines. The oversupply of labour was largely a function of increased WNLA recruitment in Malawi and Lesotho in the previous decade. From 1964 – 1973 labour supplies from Malawi and Lesotho rose from 35 658 to 119 141, and 53 292 to 78 995, respectively. In turn this explained why the refusal of Transkei men to accept

\begin{footnotesize}
145 Roberts, Hidden Epidemic, 132.
146 Leeuwenburg, A Study in Economic Regression, 11.
147 District superintendent to James Gemmill, ‘Extract from letter from Umtata dated 1 September 1972, Monthly Report: August,’ 1. UJSC, Umtata Monthly Reports.
149 Crush, Jeeves, and Yudelman, South Africa’s Labour Empire, 366.
\end{footnotesize}
work on unpopular mines in the late 1960s did not pose a serious challenge to the NRC. In 1972 South African mineworkers comprised only 25% of the labour force, its lowest proportion since the 1920s.\(^{150}\) James Gemmill, still the general manager of WNLA and the NRC, was confident that the vast supplies of labour coming onto the mines in 1973 showed no signs of declining.\(^{151}\) But this view was about to change dramatically.

When the WNLA Air Services aircraft en route to Blantyre, Malawi on the 4\(^{th}\) of April 1974 crashed and killed 74 Malawian mineworkers, the South African mining industry’s labour supplies were seriously threatened. Malawi was at the time the largest supplier of labour to the South African mines, with Malawians comprising a third of the industry’s labour force. Four days later, on April 8\(^{th}\) word was sent from the President of Malawi, Dr Hastings Banda, stating that in future no Malawians were to be recruited for mine work in South Africa, and that all Malawians were to be returned at the completion of their contracts.\(^{152}\) By December of 1974 the gold mines were 78% of required labour.\(^{153}\) In 1974 roughly 108 431 Malawians were at work on the South African mines, in 1975 27 904, and by 1976 there were 571.\(^{154}\)

Also in April of 1974 Marcello Caetano’s regime in Portugal was overthrown, and by September the new leaders in Lisbon arranged a transfer of power from the colonial authorities to Mozambique’s liberation movement FRELIMO.\(^{155}\) The longstanding reciprocal relationship between WNLA and the Portuguese colonial administration was drawn to an abrupt close. On June 25 1975 the Portuguese finally left Mozambique. By 1976 FRELIMO closed down seventeen of WNLA’s twenty-one offices in Mozambique and in the same year Mozambican mineworkers dwindled from 114 385 in January to 48 565 by the end of the year.\(^{156}\)
Since Dr Banda has suspended all recruiting to the South African mines, and FRELIMO had taken control of Mozambique, WNLA and the NRC in 1974 had to find means to attract labour from elsewhere. With its widespread deprivation, overpopulation, and firmly established recruitment systems, the Transkei became a singularly important labour-sending region in the NRC’s drive to maintain supply.\textsuperscript{157} James Gemmill in May 1974 wrote to each district superintendent in the Transkei, urgently imploring them to indicate any means, over and above the rise in wages in 1973, whereby the NRC might be able to attract more labour from their areas.\textsuperscript{158} The rise in wages had become possible in 1971 because the United States moved to abolishing the fixed price of gold, which had remained static at $35 per fine ounce since 1934. By February 1973 the price of gold had risen to $42.2 and the cash pay of African mineworkers rose by 36%.\textsuperscript{159} This rise in African wages was not, however, much of a stimulus to those in the Transkei (between 1973 and 1974 the number of recruits from this region actually dropped by 680) and the ratio of white to black wages for underground work was still more inequitable than it had been in 1921.\textsuperscript{160}

In response to Gemmill’s request for advice, the Umtata district superintendent replied that since the early 1960s and during the decade the NRC had “broke[n] just about every golden rule of recruiting by the restrictions [they] were obliged to impose”. By closing down the Assisted Voluntary System (which provided mineworkers free but ultimately deductible transport to the mines), making the longer 270 shift contracts compulsory and imposing quotas for each mine, he argued that potential recruits had simply refused to accept mine work.\textsuperscript{161} The contract output in his area had dropped from 20 326 in 1959 to 12 710 in 1973, despite recruitment

\textsuperscript{157} On the relevance of forced removals for securing labour from the Transkei, see Crush, Jeeves, and Yudelman, \textit{South Africa’s Labour Empire}, 70.
\textsuperscript{159} Feinstein, \textit{Economic History of South Africa}, 203.
\textsuperscript{161} District superintendent to James Gemmill, 22 May 1974. ‘Labour Supply’, 1. UJSC, Umtata Labour Supply and Restrictions.
conditions otherwise improving (that is to say, despite deprivation worsening).\textsuperscript{162} He argued further that mine wages were simply inadequate, and that to compete even with what manual labourers in Umtata were paid (R1 per day), underground workers should be paid at least R1.20 per shift.\textsuperscript{163} Echoing extremely frustrated and persistent complaints by Transkei members of the legislative assembly on behalf of mineworkers, he bemoaned the “cynical indifference” of the mine managements to the convenience and wellbeing of ex-mineworkers who came to district offices to collect their outstanding wages. Months would pass before the local offices were able to pay ex-mineworkers their wages, voluntary deferred pay, and other remittances – despite mine managers disingenuously promising that their wages would be paid as soon as they returned home.\textsuperscript{164} In the eyes of the local population, the image of the mining industry was acutely negative. Frequent and desperate trips to local offices were costing impoverished ex-mineworkers money that they could not afford to pay.

An NRC review of competing employment opportunities in the Transkei revealed that even if only considering terms of remuneration – that is ignoring health burdens and other terrible disincentives associated with mine work – NRC recruiters could not compete with recruiters from other sectors.\textsuperscript{165} The massive propaganda drive undertaken by the NRC after 1974, an entirely new board of directors and a new strategy towards rendering the mining industry a favourable employer had little effect. It was the rise in wages (165\% in real terms) coupled with shorter contracts (26 rather than 52 weeks) which finally drew Transkei men onto the gold mines in large numbers in 1975, and enabled the NRC to achieve a numerically full complement of labour.\textsuperscript{166} Shorter contracts, unavailable to foreign recruits, exerted a strong influence on prospective mine migrants. In 1976 95\% of recruits from Umtata opted for 26 week

\begin{itemize}
\item\textsuperscript{162} District superintendent to James Gemmill, 22 May 1974. ‘Labour Supply’, 1 – 2. UJSC, Umtata Labour Supply and Restrictions.
\item\textsuperscript{163} District superintendent to James Gemmill, 22 May 1974. ‘Labour Supply’, 2 – 3. UJSC, Umtata Labour Supply and Restrictions.
\item\textsuperscript{164} District superintendent to James Gemmill, 22 May 1974. ‘Labour Supply’, 3. UJSC, Umtata Labour Supply and Restrictions.
\item\textsuperscript{166} District Manager to General Manager. NRC, ‘Stabilisation of Black Mineworkers’, 4 August, 1976, 1 - 2. UJSC Umtata Labour Supply and Restrictions, NRC file B1036 Pad 2.
\end{itemize}
contracts, while those who chose 40 or 52 week contracts did so only when returning to a mine on which they had previously worked and were more or less assured of a job of their choice. Only by increasing wages and reducing the length of contract in the face of acute deprivation, overpopulation, and scarce opportunity to feed themselves and their families did the balance of incentives shift so that accepting mine work become an option.

By refusing mine work wherever they could, Transkei men demonstrated in large numbers that before the mid-1970s deprivation and hunger was rationally preferable to gold mine work. After having increased 36% in 1973, wages for African mineworkers in the following two years increased by 61% and 68% respectively. The number of Transkei recruits more than doubled from 40,281 in 1974 to 88,496 in 1976. In the context of the extreme deprivation which Transkei persons faced, by 1977 when wages increased and contracts were shortened, gold mine work became preferable to acute hunger and deprivation for themselves and their families.

Conclusion

Once formal institutions were in place in the early 1920s and the NRC had established a monopsony in the Transkei, the prospects for development deteriorated steadily. As deprivation worsened throughout the 1930s and 1940s, that is, as people’s choices narrowed, so recruitment conditions improved and the NRC was more likely to secure adequate workers. We saw that the general manager of the NRC kept a close and meticulous eye on the prospects and choices of persons in labour sending regions, and that monthly reports estimated their expected supplies based on ‘recruitment conditions’, or conditions of deprivation. Importantly, this chapter delineated the multiple disincentives and hardships entailed in migrant mine work, and described the disease burdens which the NRC routinely repatriated to the Transkei. Not only

168 Feinstein, Economic History of South Africa, 207.
169 Crush, Jeeves, and Yudelman, South Africa’s Labour Empire, 132, 236.
did formal institutions purposively foster conditions of unfreedom and deprivation, which pushed men onto the mines at low wages, but the migrant labour system further demolished their prospects for development by subjecting them to a smorgasbord capability-destructive elements.

Underground mine work not only required deprivation so that it would be ‘chosen’, but in light of its repressive institutional architecture, such work further destroyed the capabilities and freedom of migrants and their families. The chapter argued that men refusing mine work in the context of harsh drought conditions in the late 1960s commands our attention, and that this preference can be explained by the institutionalised capability-destruction accompanying migrant mine.
Chapter 4

The Deferred Pay Interest Fund (DPIF): endorsing control, constraining freedom and development, 1914 – 1978

Seeing development in terms of the substantive freedoms of people has far-reaching implications for our understanding of the process of development and also for the ways and means of promoting it. On the evaluative side, this involves the need to assess the requirements of development in terms of removing the unfreedoms from which the members of the society may suffer. The process of development, in this view, is not essentially different from the history of overcoming these unfreedoms.¹ – Amartya Sen

The Deferred Pay Interest Fund, 1914 – 1960s

In chapter 2 it was argued that in order to achieve monopsony, the NRC by acting in concert with national state and NAD institutions, imposed and enforced limits on the size of mine advances and the number of recruiting licenses issued. The NRC financed the state-curtailed advances that drew migrants onto the labour market and in that way essentially established control of the rural credit system.² Despite the sharp reduction in money spent on advances over the second decade of the 20th century, the NRC ideally wanted to remove advances altogether.

The idea of a deferred pay system, as a solution to the advance system, was born in 1914. In NAD Chief Magistrate H.O Buckle’s 1914 Native Grievances Inquiry report he advocated the use of a deferred pay system whereby migrants would be compelled to receive a portion of their wages (at least 50% of total) as a lump sum after completing their contracts.³ Before this, under the large pre-advance system, migrants

¹ Sen, Development as Freedom, 33.
² See chapter 2.
³ Jeeves, Struggle for the Gold Mines' Labour Supply, 142.
could receive advances large enough to ensure they could spend years repaying their
advances (and thus receive little if any money after the completion of contracts). The
deferred pay scheme would still ensure that wages would remain in the rural areas,
providing a market for trader’s goods and otherwise perform the customary function
of stimulating the local economy, but that wages would be received after completing
contracts rather than before. The Botha government in 1914 indicated its support of
the deferred pay system as a means to eliminate pre-advances. From the outset, then,
the deferred pay scheme was endorsed by the NAD and the national government. The
deferred pay system commanded wide appeal: families of migrants were guaranteed
that some wages would return to the rural area; traders were guaranteed a market for
their goods; colonial authorities were able to impose their taxes; remittances
stimulated the domestic economy, and finally; the Chamber of Mines did not have to
risk deserting migrants defaulting on their advances.

It was the NAD which determined the objective and regulations of the deferred pay
scheme. In 1917 the Secretary for Native Affairs directed that “all monies accruing
after allowance for a floating balance for working expenses [should] be invested in
Treasury Bills”, and most importantly that “after meeting the costs of administration,
any surplus will be devoted to matters connected with the welfare of Natives
generally”. The Secretary for Native Affairs’ instructions were vague in the details,
but clear that decisions on how the interest was spent was to be principally informed
by a concern for ‘the welfare of the Natives generally’. A Board of Control, which
consisted of two Native Affairs Department officials and three industry
representatives, soon emerged and by 1918 the Deferred Pay Interest Fund (DPIF) had
commenced its operations. The chairman of the board was to be occupied by the
Director of Native Labour, and no accumulated interest could be spent without the

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5 Jeeves, Struggle for the Gold Mines’ Labour Supply, 143.
6 Part of the account of the DPIF’s origins is taken from these documents. Mr A.H Smith, Assistant Manager to
Miss C Tindal, (Johannesburg Consolidated Investments), Mr A.N Durie, (Goldfields), Mr K Visagie, (GENCOR),
Background,’ 1 – 5. ‘TEBA Savings Fund Trust Deed’ 1 – 5. TEBA Head Office Archives (THOA), 121 Eloff Street
Johannesburg. (see TEBA Head Office Archive footnote in bibliography.)
express approval of the Minister of Native Affairs.\textsuperscript{7} The task of the Board of Control was to allocate accrued interest to welfare work in labour sending regions.\textsuperscript{8} As a corollary it was also the Board of Control’s duty to determine what constituted welfare work, since they alone could authorise payments to welfare work or projects. That the Minister of Native Affairs had the final say on how the interest was spent constituted a profound conflict of interest: the Native Affairs department by no stretch of the imagination could be understood as genuinely responsive or sensitive to the wellbeing of Africans. The deferred pay scheme was thus the NAD’s brainchild in 1914, received the president’s endorsement the same year, and was operated jointly by the NAD and the NRC. In this respect the deferred pay scheme symbolised perfectly the deep institutional collusion in which the mine migrant labour system consisted. The deferred pay system was operated at the behest of colonial governments in neighbouring countries like Malawi, Lesotho, Swaziland, and Mozambique, since it acted as an economic stimulus as well as supplying tax money.\textsuperscript{9} Moreover, since it guaranteed that a large portion of mine migrant wages would end up in the coffers of Transkei’s monopoly traders, it was the increasing use of the deferred pay system which finally reconciled traders to the removal of advances by the early 1920s.\textsuperscript{10}

Although discussions of the DPIF surfaced at intervals in the United Transkeian Territories General Council (UTTGC), very little is known of how the deferred pay scheme operated from the 1920s until the 1960s. The first time any mention was made of interest earned on deferred wages was when in 1931 the chairman of the council revealed that an institution known as the Deferred Pay Interest Fund had agreed to finance the living quarters for African nurses at Umtata’s Sir Henry Elliot Hospital.\textsuperscript{11} The chairman disclosed that he had himself made entreaties to the Native Affairs minister, beseeching him, as a personal friend, to allocate money from the DPIF for

\textsuperscript{7} United Transkeian Territories General Council, Proceedings and Reports, Session of 1931, 26 March, 1931, 285. UTTGC, Proceedings and Reports, 1940, 151.
\textsuperscript{8} Plaut, “Report on Anglo American”, 41.
\textsuperscript{11} UTTGC, Proceedings and Reports, 1931, 284 – 285.
the construction of African staff living quarters.\footnote{UTTGC, Proceedings and Reports, 1931, 285.} Beaming with pride, the chairman could confirm to the council in 1931 that the DPIF board had agreed to donate £2 500 to this end, and noted that the donation was a “very generous grant”.\footnote{UTTGC, Proceedings and Reports, 1931, 285.} If the chairman wished to cast himself and the DPIF board as philanthropic and beneficent toward the Transkei people, it certainly made this impression on members of the council. Apparently not grasping the more general point that the interest in truth belonged to individual mineworkers (it was their money and the NRC was registered as a non-profit organisation), or the wider notion that the Transkei’s function was largely to subsidise mining interests, the Thembu chief D. Dalindyebo described the allocation of funds as a “generous donation”, and remarked effusively that:

We have not adequate words to thank the Chairman for obtaining this for us. If we are short of words you will realise that we as children are satisfied.\footnote{UTTGC, Proceedings and Reports, 1931, 287.}

Mr. E.C Bam joined the chorus to say that “actions like these” showed that the chairman was “our father” and a motion to send formal thanks to the DPIF board was carried unanimously.\footnote{UTTGC, Proceedings and Reports, 1931, 287.} At least as far as the rural elite in the UTTGC were concerned, the DPIF’s benevolence was unmistakable. As chapter 3 argued, however, the disease burden callously imposed on the Transkei via the NRC’s migrant labour system was immense and extremely debilitating. Far from being a philanthropic gesture, the piddling donation of nurses’ living quarters (financed by interest that rightfully belonged to workers) was nothing more than a duplicitous marketing ploy to curry favour with the Transkei people. Given the vast disease and disability challenges the mining industry (through the NRC) imposed on the Xhosaland people, as described in chapter 3, the donation was a timid compensatory gesture financed by mineworker’s wages. These so-called donations showed signs of an implicit recognition of the social and health burdens which the mining industry exported into labour sending regions, but in a manner which played into the Chamber and NRC’s charade of benevolence and concern. There is a certain cynicism detectable in the fact

\footnote{UTTGC, Proceedings and Reports, 1931, 285.}
that this marketing charade was financed by the interest earned on mineworkers own predominantly compulsorily deferred wages.

In response to a request in 1936 for the figures on how much money was remitted home by Transkei mine migrants, it emerged that roughly £200,000 was remitted annually via the NRC’s deferred pay system in 1936 and 1935. Notice, however, that until 1938 the DPIF was receiving 3.5% interest on deferred wages, which implied accumulated non-compound interest of £14,000 for 1935 and 1936 (£200,000 + £200,000 + 100 × 3.5 = £14,000). By 1940 African members of the UTTGC inquired point-blank as to how much interest accrued on wages from Transkei migrants via the DPIF. Before concluding that it was not their business to ask such questions, the chairman launched into a long-winded but vacuous sermon about how the interest was spent to “help public purposes of benefit to the Native people generally” and noted that Transkeians should be grateful that the DPIF existed to make philanthropic donations. That the chairman simply had no real examples to offer in making his case that the deferred pay funds were used to benefit the Transkei people, was extremely curious, however. Reaching back almost a decade, in his feeble attempt at providing evidence he again invoked the donation of living quarters for African nurses at Sir Henry’s hospital (£2,500 in 1931) and funding for similar quarters at St. Cuthbert’s hospital. Apart from those two examples, one of which was no less than nine years old, the chairman simply had nothing to motivate his assertion that the DPIF was concerned with the wellbeing of Transkei residents. If the donation of living quarters at St. Cuthbert’s hospital cost roughly the same as those at Sir Henry’s hospital in Umtata (£2,500), the value of the donations called upon by the UTTGC chairman would only come to £5,000, or £2,000 less than the interest earned in 1935 alone (£7,000). Yet the DPIF had been in operation for 22 years, and the chairman

16 UTTGC, Proceedings and Reports, 1937, 144 – 145.
17 Mr A. H Smith, Assistant Manager to Miss C Tindal, (Johannesburg Consolidated Investments), Mr A. N Durie, (Goldfields), Mr K Visagie, (GENCOR), Mr F. W Peachey, (Rand Mines), Mr E. D Gordon, (Anglovaal), Mr B. A Friedmond, (Anglo American). 25 August 1988. ‘Annexure ‘B’, Background Paper: TEBA Donations Appeals Committee, Historical Background, 1.’ THOA.
18 UTTGC, Proceedings and Reports, 1940, 151.
19 UTTGC, Proceedings and Reports, 1940, 151 – 152.
20 UTTGC, Proceedings and Reports, 1940, 152.
should thus have had a veritable arsenal of powerful examples to share – the chairman of the UTTGC and the NRC had after all been showered with praise after the nursing quarters were donated in 1931.

Despite the absence of positive evidence, it remained the NRC’s formal position over the next 20 years that the deferred pay scheme worked “directly to the advantage of mine Natives.”21 In his 1961 submission to the Seventh Commonwealth Mining and Metallurgical Congress, J.A Gemmill, general manager of WNLA and NRC, took it upon himself to explain why the migrant labour system was “best suited to the type of unsophisticated Native on whom the Industry very largely depends”.22 Describing Africans as “unsophisticated Native[s]” gives a sense of the kind of ideas informing the NRC’s perceptions of African mine migrants: like the Chamber of Mines and its associated migrant labour institutions, African persons occupied an ontologically ancillary position; Africans were seen as not possessing full personhood. In this view, ontologically ancillary persons, or less-than-full-persons, would merit ancillary welfare. The wellbeing of Africans, this ideology betrayed, was not the same as the wellbeing of white persons. Given these assumptions, and without offering an iota of evidence, Gemmill in his 1961 essay asserted that the deferred pay scheme constituted a “direct advantage” to black mineworkers and labour sending communities.23 Without qualification Gemmill considered the fact that wages entered rural areas at all was sufficient to describe the deferred pay system as a ‘direct advantage’. With respect to the Deferred Pay Interest Fund (DPIF), Gemmill announced that “the interest is utilised by the boards for the assistance of approved Native causes and institutions” and, further, that the “well-being of the Native mine labourers is at all times under consideration by the industry, whose welfare services are maintained and extended to accord with Native needs and the Native capacity to appreciate them.”24 Again the NRC’s conception of Africans occupying an auxiliary ontological position emerged unmistakeably. Examining the uses to which the deferred pay interest was

put reveals with forceful clarity how Gemmill and the NRC conceived of African wellbeing.25 This examination is pursued in the following three sections of this chapter.

*The Deferred Pay Scheme’s projects, 1958 – 1975*

An examination of the projects to which surplus interest from the deferred pay scheme were directed brings into focus the peculiar notion of ‘welfare’ underpinning the NRC’s donations. Having witnessed the marketing success of contributing “substantial sums” to the building of a Sports Stadium at Maseru in Basotholand, such that the NRC was perceived as a magnanimous and open-handed provider for the Basotho people, a sum of £8 000 was in 1957 donated by the Deferred Pay Interest Fund’s Board of Control to the building of a similar sports stadium in the Transkei’s capital, Umtata.26 Although Xhosaland people were at this time afflicted by extreme deprivations (described in chapter 3), it was in line with the Deferred Pay Interest Fund’s mandated preoccupation with “Native welfare” to ignore issues of acute hunger, inadequate medical and schooling facilities, and other definitively urgent welfare needs. Unlike supporting education, the allocation of funds to glamour projects like a sports stadium would not attenuate the labour supply. The provision of a stadium allowed the NRC to at once appear big hearted and curry favour with the local inhabitants. In the most duplicitous manner, the NRC could be perceived as munificent, despite at the same time ensnaring Transkei persons into the capability-destructive migrant labour system. Sometimes the NRC’s donations were openly trivial and unapologetically unrelated to human welfare. The Umtata Social Club, for instance, was another recipient of Deferred Pay Interest Fund donations. In 1961 the Club received financial assistance for its annual ballroom dancing and tennis championships, and the Umtata district superintendent in 1963 wrote to the Board of

Control recommending that a similar donation be provided for that year. Likewise, in Malawi WNLA funded youth rallies and beauty competitions.

But the DPIF was not simply about providing recreational infrastructure for young men to kick a ball around, or funding European cultural activities like ballroom dancing, beauty competitions and tennis championships in a context of systemic and increasingly severe deprivation. And while the DPIF refused to donate funds for exclusively educational purposes, the NRC did at intervals seek to be perceived as a playing a positive role in labour sending communities, and by 1961 the DPIF Board of Control had accepted the principle of giving financial support to a school’s tree planting committee and accordingly donated R2 000 to the endeavour. By 1965 assistance for the establishment of orchards in fourteen schools in the Ciskei and four in the Transkei had been secured by the DPIF. While the Umtata district superintendent was apprehensive about veering from the NRC’s principles, the general manager J.A Gemmill assured the superintendent that, he, Gemmill, was “of the opinion that the schools tree planting scheme was one with which the NRC was beneficially identified”.

This was a perfect opportunity for the NRC: by paying for the planting of trees at schools, the NRC could be perceived as valuing ‘education’, while at the same time refusing to support specifically educational projects on principle (since education was the enemy of the Chamber’s labour system). After all supporting tree plantings at

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schools had precious little to do with promoting education: it was about being seen to value education when really the opposite was true. When the NRC used deferred pay funds for matters relating to education, it was done in the interests of the NRC rather than in the interests of those who would benefit from the projects. This insight is borne out in the case of the Red Cross Society’s appeal for funding.

In early 1970 the Umtata district superintendent was approached by the South African Red Cross Society, who asked for renewed financial support towards establishing an organization in schools in the Transkei.33 First approached for financial support in 1963, the Board of Control had agreed to donate R2 500 per annum for three years to the South African Red Cross Society, an agreement which was again renewed in 1966 after Gemmill illuminatingly expressed concern that “the work of the Red Cross was concentrated upon schools, whereas the Industry obtains its labour from the uneducated classes”.34 In relaying the Red Cross Society’s renewed appeal to the NRC general manager in February 1970, the district superintendent revealingly pointed out that,

our gold mineworkers are mainly raw tribal Africans, and not many of them have been to school. As soon as they acquire a little education, they tend to seek employment elsewhere, and this tendency is increasing, and is one of the reasons the Transkei labour supplies of the Gold Mining Industry have dwindled in recent years.35

The superintendent argued that “in view of the fact that... its activities are concentrated on the schools... further support from the Company should be withheld.”36 The Board of Control in the end agreed to renew donations to the Red

Correspondence. THOA; James Gemmill to Umtata district manager, 19 August, 1976, NRC Correspondence. THOA. Umtata district manager to James Gemmill, Application for Assistance: Dinizulu J.S School: Elliotdale,’ 1. 26 August, 1976. NRC Correspondence. THOA.


Cross Society in 1970.\textsuperscript{37} Most of the Red Cross Society’s work consisted in teaching first aid, “good citizenship”, and the “promotion of life and health” to school children.\textsuperscript{38} While the NRC agreed to continue to support the Society, strong reservations regarding the paucity of the society’s work among “tribal” Africans were expressed. \textsuperscript{39} These reservations reveal that the NRC was not concerned with the welfare of labour sending communities per se, but were rather concerned to render themselves favourable to potential recruits – who were situated among the “tribal” rather than the more educated classes.\textsuperscript{40} Insofar as those who acquired even “a little education” refused to work on the gold mines, the NRC in the 1960s and early 1970s had no incentive to support projects which would enhance the education and opportunities of Transkei residents.\textsuperscript{41} The NRC recruited most successfully among persons with fewest opportunities and freedoms, and, since education expanded freedoms and opportunities, the NRC was persistently disinclined to fund educational projects. Despite an explicit mandate to direct DPIF funds towards the welfare of labour sending regions, and education being a crucial element of both welfare and development generally, in terms of its interests – i.e., securing uneducated “raw tribal natives” for the gold mines – the NRC was still by the late 1960s totally opposed to advancing education in the Transkei.

Providing small sums towards District Agricultural Shows was also undertaken by the Board of Control of the DPIF, but these were mostly petty branding efforts. In September 1975 the superintendent in Umtata motivated that insofar as the NRC and staff had been closely associated with district’s annual Agricultural show for many


\textsuperscript{40} District Superintendent to James Gemmill, ‘The South African Red Cross Society,’ 1. 6 February, 1970. UJSC, Umtata Donations.

years, he was of the opinion that it would serve NRC interests to offer them financial assistance, and recommended that R20 be reserved for this purpose.42 Again, in effect the superintendent disclosed that, whereas officially surplus interest was to be spent on welfare, the NRC directed funds towards those projects which served their own advertising interests.

Significantly, NRC donations from the DPIF were very often used to purchase gifts to celebrate and endorse the installation of chiefs. After their institutionalization into the state apparatus with the Bantu Authorities Act of 1951, chiefs often functioned, in Fred Hendrick’s words, as “agents of social control”.43 Before the 1951 Bantu Authorities Act, where apartheid-installed chiefs were afforded formal positions of power, headmen were stationed above chiefs in bureaucratic political structures.44 Headmen before 1952 principally executed NAD policy, and were directly inserted into formal NAD structures, whereas the role of chiefs was more ambiguous.45 That is not to say that chiefly power did not exist before 1951, it surely did. The power possessed by chiefs and the role they played was, however, uneven and equivocal since magisterial rule had been imposed on all Transkei districts after the annexation of Pondoland in 1894.46 Rather than deriving their power from formal NAD institutions (as headmen did), chiefs derived their power informally through traditional social and cultural institutions.47 Chiefly power, although very important for the NRC’s recruiting operations, was located outside of or alongside formal bureaucratic structures, rather than within them.48 After 1951, when chiefly power was inscribed in formal institutions, it became important for the NRC to publically endorse chiefs as well associate the NRC with their formal power. Chiefs now formed part of the all

45 Hammond-Tooke, Command or Consensus, 93, 109.
48 Hammond-Tooke, Command or Consensus, 62 – 63.
consuming institutional nexus which acted, for hundreds of thousands of men, to nullify all alternatives to mine work and thereby augment and sustain supply.

Hammond-Tooke indeed saw the 1951 Act as that which “approximates to the classical concept of ‘indirect rule’”, a system whereby the apartheid state installed chiefs to do their bidding.\(^{49}\) Similarly, Jeff Peires has remarked that chiefs should simply be regarded as functionaries like policemen and magistrates, and that installed chiefs like Kaiser Matanzima, Lucas Mangope, and Gatsha Buthelezi depended on the apartheid state “for their very status as chiefs.”\(^{50}\) Other commentators on the period also noted that chiefs and headman strengthened and preserved their power by allegiance with the colonial government “rather than by popular support”.\(^{51}\) Kaiser Matanzima occupied the apex of the chieftaincy system in the Transkei and it is thus worth noting that Peires has described him as “Dr Verwoerd's most sincere black disciple”.\(^{52}\) The importance of chiefs in the recruitment of mineworkers had been institutionalized within the NRC for six decades already, and the NRC’s spending of mineworker’s deferred pay interest in the 1960s and 1970s strongly reflects the NRC-chieftaincy-collusion.\(^{53}\) Suffice it to say that the NRC was concerned to endorse these “agents of social control”.

The DPIF frequently used its funds to celebrate and reassert Bantu Authorities’ systems of control and governance, since these were systems upon which its recruitment operations relied substantially. To associate themselves with chiefly power, the NRC used the deferred pay system to finance installation and other ceremonies as well as pay material tributes to newly installed chiefs.

\(^{49}\) Hammond-Tooke, “Chieftainship in Transkeian Political Development”, 516.  
\(^{50}\) Peires, “The Implosion of Transkei and Ciskei”, 384.  
\(^{52}\) Peires, “The Implosion of Transkei and Ciskei”, 366.  
\(^{53}\) See for instance, Callinicos *A people’s History of South Africa*, 35.
On the 10th of August 1959 the Umtata district superintendent wrote to the general manager of the NRC, informing him that he, the district superintendent, had received an invitation from the Port St. Johns magistrate to attend the opening of new Public Offices by the Minister of Bantu Education and Development, Mr de Wet Nel, on the 27th of August 1959. In light of the expected large gathering of persons at the sports ground who would be addressed by the Chief of Western Pondoland, Victor Poto, as well as the Minister, the district superintendent suggested that two head of cattle be donated by the NRC to mark the occasion. He noted that the gesture would be very much appreciated by the Paramount Chief and the Port St John’s magistrate, arguing that it was expected of the NRC to provide slaughtered livestock for the occasion.

Three days later confirmation was received that the gift of dead cattle bodies was approved, but that the amount should not exceed the value of a gift given at a similar ceremony in Lusikisiki. The NRC directed funds from the deferred pay interest fund towards the magistrate’s new Public Office buildings, and therefore the NRC deployed funds which were explicitly earmarked for the welfare of mineworker communities to celebrate apartheid institutions of control. Unaware and without consent, mineworkers were in this respect financing the very institutions which contributed towards their unfreedom. The magistrate of Port St. Johns wrote to the district superintendent of Umtata expressing “personal appreciation” as well as the appreciation of Paramount Chief Victor Poto and “Heads of Bantu Authorities” in the district for the gift and remarked that an announcement of the gift was duly made at the gathering (allowing the NRC to feel at ease about its publicity objectives having been met). Clearly the authorization of these funds had nothing to do with the welfare of the Port St. Johns labour sending community. The NRC’s use of interest

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57 Port St John’s Magistrate to Umtata district superintendent. ‘Donations Correspondence’, 1. 29 August, 1959. UJSC, Umtata Donations.
earned on mineworkers’ wages to finance repressive and popularly rejected Bantu Authorities institutions persisted into the 1970s.

On the 12 of October 1970 word from the Transkeian Government magistrate of Ngqeleni in Pondoland was sent to the NRC district superintendent expressing “sincere gratitude” on behalf of chief Ferguson Gwadiso and the Councillors of the Konjwayo Tribal Authority for the “magnificent desk” presented by the NRC to Chief Gwadiso.58 In his report to the general manager a week later, the NRC superintendent remarked that the desk had made “a very good impression indeed.”59 In the same year the Ngqeleni magistrate wrote to the NRC, informing them that the Mtakatye Tribal Authority under Chief Douglas Ndamase had recently completed “the erection of an imposing Courtroom and Offices” at Mampondomiseni and that the “Authority” was “now soliciting assistance from traders and other well-wishers [like the NRC] in the form of donations of office furniture”.60 A week later the purchase of an office desk was authorised by the Board of Control.61 Similarly, an office chair and an inscribed plaque was purchased for the installation ceremony of Chief Bambilanga Mtirara (introduced to the Board of Control as “half brother” to Paramount Chief Sabata Dalindyebo of the Tembus) on the 2nd of April 1972 - at an event which the superintendent attended bearing the NRC’s gifts.62 Likewise in 1974 the installation of Chief Tutor Nyangilizwe (who was succeeding his father Victor Poto) as Paramount Chief of Western Pondoland was attended by three NRC officials. The NRC officials were initially unsure whether to mark the occasion by contributing R200 to catering or two head of cattle (both had been approved), but in the end decided that a writing desk and inscribed plaque would be most becoming of the organisation.63 Likewise,

58 Mpoza Ngqeleni Magistrate to NRC District Superintendent, 12 October, 1970. Transkei Government Correspondence: Konjwayo Tribal Authority Office’, 1 – 2. UJSC, Umtata Donations.
60 District Superintendent to James Gemmill, 15 December, 1970. ‘Donation: Office Desk, Mtakatye Tribal Authority,’ 1 – 2. UJSC, Umtata Donations.
when Chief Jackson Ndamase was appointed Chief of the Ndluzula tribe, with jurisdiction over six administrative areas, part of the installation ceremony was funded by the DPIF.\textsuperscript{64}

While the formal concern underpinning donations made to labour sending regions was the “welfare” of these communities, the NRC, whose Board of Control was invested with executive control over the money, sought rather to curry favour with chiefs, who, as “agents of social control” were well placed to assist the NRC in bringing influence to bear upon potential recruits. In celebrating and endorsing the installation of chiefs, who often engendered the political unfreedoms of Xhosaland people, and thereby arrested one aspect of their development (the attainment of political freedoms), the NRC refused to meaningfully participate in the development of Transkei and its people. Rather than promoting wellbeing and development, the NRC used the interest earned on mineworkers wages to celebrate illegitimate chiefs, and thereby endorsed the freedom-constraining political elites and systems which controlled the Transkei. If we consider the three freedoms underpinning Amatya Sen’s conception of development (basic education, health care facilities, and political liberties), we see that the NRC was loathe to spend money (even though it strictly belonged to mineworkers) on the promotion or fostering of any of them.\textsuperscript{65} For the NRC as a labour recruiting institution, and in contradistinction the its declared focus on welfare, it was preferable that Transkei men remained uneducated and politically unfree since this would render them more likely to accept mine work.

After the loss of labour from Malawi in 1974 (then the Chamber’s principal labour source, see chapter 3) and the closing down of 17 out of 21 WNLA recruitment offices in Mozambique (with a concomitant 58\% reduction in the Mozambican labour supply in one year), the Transkei became the South African mining industry’s most important labour sending region.\textsuperscript{66} The Chamber of Mines was by 1975 critically dependent on securing labour from the Transkei. By 1976 the Transkei had received bogus political

\textsuperscript{64} General Manager to District Superintendent, 17 October March, 1975. ‘Installation of Chief Jackson Ndamase, Port St. Johns District,’ 1. UJSC, Umtata Donations.

\textsuperscript{65} Sen, \textit{Development as Freedom}, 5, 17.

\textsuperscript{66} See Chapter 2
‘independence’ and the oppressive and undemocratic power of Kaiser Mantanzima (appointed by the apartheid state to govern the Transkei in 1963) was further entrenched.\(^{67}\)

Until 1975, when the obligations of the DPIF changed formally with its remaking into the TEBA Trust, no interest was paid to mineworkers whose money was invested with the Fund.\(^{68}\) The Chamber of Mines had refused to pay the interest earned on individual deferred wages to individual mineworkers and argued that the administrative cost of paying interest to each mineworker would be prohibitive. Under an agreement with the Registrar of Financial Institutions in 1975, the TEBA Trust was obliged to pay interest to individuals at a fixed but undeclared and untraceable rate and use the surplus interest (i.e., the interest not paid to mineworkers) for “welfare work and services” which were to be distributed on a pro rata basis.\(^{69}\) At an Executive meeting held on 17 September 1975, the TEBA Savings Fund Trust Deed was approved and the sums invested with the Public Debt Commissioner were transferred to the TEBA Savings Fund Trust Deed on 7 August 1975.\(^{70}\) Clause 21 of the Deed noted importantly that “[i]n the discretion of the Trustees grants may be paid from any surplus interest received to provide or support general welfare work or services for the benefit to the black people in any area where employees are recruited by the Company, after provision has been made for the creation of such reserves as the Trustees may deem desirable in the particular circumstances”.\(^{71}\)

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\(^{67}\) Southall, “Beneficiaries of Transkeian ‘Independence’”, 4.

\(^{68}\) Mr A.H Smith, Assistant Manager to Miss C Tindal, (Johannesburg Consolidated Investments), Mr A.N Durie, (Goldfields), Mr K Visagie, (GENCOR), Mr F.W Peachey, (Rand Mines), Mr E.G.D Gordon, (Anglovaal), Mr B.A Friedmond, (Anglo American). 25 August 1988. TEBA Donations Appeals Committee, Historical Background, 1. THOA.

\(^{69}\) Mr A.H Smith, Assistant Manager to Miss C Tindal, (Johannesburg Consolidated Investments), Mr A.N Durie, (Goldfields), Mr K Visagie, (GENCOR), Mr F.W Peachey, (Rand Mines), Mr E.G.D Gordon, (Anglovaal), Mr B.A Friedmond, (Anglo American). 25 August 1988. ‘Annexure ‘B’, Background Paper: TEBA Donations Appeals Committee, Historical Background,’ 1. THOA.

\(^{70}\) Mr A.H Smith, Assistant Manager to Miss C Tindal, (Johannesburg Consolidated Investments), Mr A.N Durie, (Goldfields), Mr K Visagie, (GENCOR), Mr F.W Peachey, (Rand Mines), Mr E.G.D Gordon, (Anglovaal), Mr B.A Friedmond, (Anglo American). 25 August 1988. ‘Annexure ‘B’, Background Paper: TEBA Donations Appeals Committee, Historical Background,’ 2. THOA.

\(^{71}\) Mr A.H Smith, Assistant Manager to Miss C Tindal, (Johannesburg Consolidated Investments), Mr A.N Durie, (Goldfields), Mr K Visagie, (GENCOR), Mr F.W Peachey, (Rand Mines), Mr E.G.D Gordon, (Anglovaal), Mr B.A Friedmond, (Anglo American). 25 August 1988. ‘Annexure ‘B’, Background Paper: TEBA Donations Appeals Committee, Historical Background,’ 2. THOA.
Apart from a shift in language, from the Native Recruitment Corporation (NRC) donating surplus interest to “welfare work”, to The Employment Bureau of Africa (TEBA) donating the surplus interest “for the benefit of black people [no longer natives]”, the principle informing the deferred pay scheme remained much the same: surplus interest was to be directed towards projects enhancing the welfare of mineworkers and their communities. Another crucial feature of the scheme was that “only” “projects considered worthy by the Appeals Committee” – who possessed “exclusive control of the Fund and of the income arising therefrom” – could receive funding.72 “Assistance in respect of primary educational facilities” was “not... considered as a priority”.73 Projects or institutions which wanted or needed funding from the Deferred Pay Interest (TEBA Trust after 1975) were required to prevail upon TEBA’s Field Managers (district superintendents before 1975) hat-in-hand with a detailed written request and motivation. Before sending the request to the Donations Appeal Committee at the Head Office in Johannesburg, the Field Manager would then examine the requests and add a recommendation regarding what should be donated.74

The DPIF had a long history of directing money towards projects which either cast them in a favourable light (tree planting and support for the Red Cross Society), enhanced their branding efforts (supporting agricultural shows and tennis championships), or established associations with Bantu Authorities chiefs. Since none of these projects related to the neglected wellbeing or development of labour sending regions and their inhabitants, and quite apart from swindling mineworkers from

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73 Mr A.H Smith, Assistant Manager to Miss C Tindal, (Johannesburg Consolidated Investments), Mr A.N Durie, (Goldfields), Mr K Visagie, (GENCOR), MR F.W Peachey, (Rand Mines), Mr E.G.D Gordon, (Anglovaal), Mr B.A Friedmond, (Anglo American). 25 August 1988. ‘Annexure ‘B’, Background Paper: TEBA Donations Appeals Committee, Historical Background,’ 2. THOA.

74 Mr A.H Smith, Assistant Manager to Miss C Tindal, (Johannesburg Consolidated Investments), Mr A.N Durie, (Goldfields), Mr K Visagie, (GENCOR), MR F.W Peachey, (Rand Mines), Mr E.G.D Gordon, (Anglovaal), Mr B.A Friedmond, (Anglo American). 25 August 1988. ‘Annexure ‘B’, Background Paper: TEBA Donations Appeals Committee, Historical Background,’ 2. THOA.
interest earned on their wages, the NRC demonstrated in its DPIF spending that it did not value the wellbeing and development of labour sending regions. After the DPIF was recast as the TEBA Trust it remained the institution’s position in the 1970s that financing education projects was counterproductive.

1976 Independence celebrations and the gift of the Umtata Air Terminal

Before construction of the Umtata airport in 1976, the Department of Bantu Administration and Development (BAD) had indicated that financial support was available. From the mythical perspective of separate development, it was logical that the Transkei, upon receiving its ‘independence’ from South Africa in 1976, should be equipped with its own eponymously named airport. After all, as Legislative Assembly member Mr S.F Mgqweto moved in his 1972 motivation for an appeal to the South African Government for Umtata’s own airport, ‘great leaders’ in South Africa were enshrined with airports bearing their names. Precedents were easily invoked. Johannesburg had its own Jan Smuts Airport, Cape Town, the D.F Malan Airport, Durban, the Louis Botha Airport, East London had the Ben Schoeman Airport, while the Hertzog Airport serviced Bloemfontein. By 1976, Kaiser Matanzima could announce in his quasi-autobiographical book, ‘Independence my Way’ (published tellingly by the Foreign Affairs Association in Pretoria) that:

The new international airport in Umtata will be called the K D Matanzima Airport and will be open by independence. The Transkeian Airways Corporation will by that date be operating a daily scheduled jet-prop flight to Jan Smuts Airport.

Two powerful entities, the apartheid government, and the Chamber of Mines, through the NRC, played key roles in Umtata’s independence airport materializing. Forming

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76 Transkei Government, Debates of the Transkeian Legislative Assembly, (12 April to 13 June 1972), 97.
77 Transkei Government, Debates of Legislative Assembly, (April to June, 1972), 97.
part of the vast apartheid project, whereby black persons would lose the last of their paltry rights and freedoms in South Africa, and in line with various African states acquiring independence from the 1960s, the independence of the Transkei was the first step towards realizing the apartheid dream of separate development. On the one hand the independence of the Transkei was a means to vindicate the existence of Bantustans and the general apartheid ideological claim that black persons enjoyed full political and civil rights in their respective ethnically segregated political territories. Although no foreign state bought the lie, the apartheid government would attempt to use the Transkei’s independence to ward off criticism of its oppressive and racist regime. On the other hand independence simultaneously intended to render acceptable the long term supply of optionless migrant labourers who could be drawn into the white economy on the latter’s desired terms. The Chamber of Mines was by 1975 critically dependent on labour from the Transkei (see chapter 3) and could have been brought to its knees if the Transkei refused to send labour to the South African mines. Its relationship with the Transkei’s political elite was of vital importance.

By the mid-1970s the political independence of labour supplying African states was deeply concerning to the Chamber of Mines. Already in the 1960s, soon after gaining independence, both Tanzania (1961) and Zambia (1964) had suddenly refused to send workers to the South African mines. From sending in excess of 14 000 mineworkers in 1961, by 1966 Tanzania refused to forward any workers to the South African mines. Similarly in 1965 more than 6000 Zambians worked on the mines, and by 1968 there were none. In the 1960s these withdrawals of labour by independent African states did not, however, pose a definitive challenge to the industry because Botswana, South Africa, Malawi, Mozambique, Lesotho, and Swaziland were still sending tens of thousands of migrants to the mines. In the context of Malawi’s refusal to send labour after 1974 and FRELIMO’s taking power of Mozambique in 1975, the mining industry was forced to take seriously the independence of African states. The pattern was clear,

79 Leeuwenburg, A Study in Economic Regression, 11.
80 Budlender et al., Report of the Transkei Study Project, 3.
81 Leeuwenburg, A Study in Economic Regression, 1.
82 Crush, Jeeves, and Yudelman, South Africa’s Labour Empire, 104, 219 n35.
83 Crush, Jeeves, and Yudelman, South Africa’s Labour Empire, 104, 235.
as soon as some African states acquired independence from colonial rule, they were no longer willing to send workers to the South African mines (Zimbabwe too would later refuse to forward workers after achieving its independence in 1981).\textsuperscript{84}

Given that by 1975 the Transkei was the largest supplier of mineworkers, maintaining close cooperation with Transkei political elites became acutely important. The apartheid government and the mining industry thus both strongly desired that the Transkei received its independence under the leadership of Kaiser Matanzima, who endorsed the migrant labour policies upon which both entities were markedly dependent, and was a keen advocate of separate development.\textsuperscript{85} In 1974 (the same year that Dr Hastings Banda froze all recruitment of Malawians), the apartheid state approved a motion by Kaiser Matanzima for full independence within five years. The apartheid state authorities was further galvanized in 1975 when FRELIMO took control of Mozambique and independence was set for October 26 1976.\textsuperscript{86} One key symbolic feature of an independent state is the possession of an airport, and Matanzima was adamant that the Transkei would be able to boast its own airport in Umtata. This airport was funded jointly, though without mutual cooperation, by the apartheid government and the Chamber of Mines.\textsuperscript{87} What follows is a discussion of how and why the Chamber of Mines paid for the K. D. Matanzima airport terminal, which was ceremoniously handed over on the 23 of October 1976.

By early December 1975 the Chamber of Mines was carefully investigating the form its independence gift to the Transkei should take. A WENELA memorandum from December of 1975 enumerated WNLA’s DPIF spending precedents for the Chamber of Mines to consider in deciding what kind of gift or donation would be appropriate for the Transkei’s independence.\textsuperscript{88} Financing independence celebrations had been a trick in the Chamber’s bag for more than a decade. As in the Transkei, WNLA and the

\textsuperscript{84} James, \textit{Our Precious Metal}, 40.
\textsuperscript{85} Southall, \textit{Political Economy of an 'Independent' Bantustan}, 117.
\textsuperscript{86} Southall, “Beneficiaries of Transkeian ‘Independence’”, 3.
\textsuperscript{87} D.G. John, Chamber of Mines, Executive Committee Circular no 37/76,’ 4. Transkei Independence Gift,’ 4. 5\textsuperscript{th} March, 1976. THOA.
\textsuperscript{88}K. Charles, 12 December 1975. ‘WENELA Memorandum: Donations to Independent Countries on Occasion of Initial Celebrations and Anniversaries,’ 1 – 3. THOA.
NRC through the DPIF directed money towards projects which in the majority of cases had no direct bearing on the welfare needs of labour sending regions. One year prior to Botswana acquiring independence, R10 000 was donated for a sports stadium in Gabarone, while at independence (in 1966) independence celebrations in Francistown, Maun, and Skakawe were partly financed by WNLA.\textsuperscript{89} In 1974, at president Seretse Khama’s request, a once off donation of R5 000 was made to the elite of Maru a Pula school, and in consequence WNLA refused to contribute to celebrations that year (after having done so consistently from 1970 to 1973).\textsuperscript{90} For the NRC or WNLA to direct money towards education, no less than a president would need to request such a donation. But by 1975 WNLA reverted back to funding independence celebrations in Francistown, Mohembo, Maun, and Kasane.\textsuperscript{91}

In Malawi in 1966 (three years after Dr Banda had taken power of Malawi) money was donated towards independence celebrations around the country as well as WNLA’s militarily occupied Fort Manning depot.\textsuperscript{92} Donations for independence celebrations in Malawi, though relatively small, persisted into the early 1970s.\textsuperscript{93} WNLA also funded an annual youth rally and a beauty competition in Malawi.\textsuperscript{94} Examples of frivolous but cynical precedents abounded. In 1972 the Eastern Caprivi’s new Legislative Council received a gold mace and stand. When Mozambique attained independence from Portugal in 1975, and in the context of Portuguese destroying infrastructure as they exited the country, WNLA offered to build four schools (each at R25 000) and provide ten bursaries valued at R2 500.\textsuperscript{95} If money was spent on education, it was only

\textsuperscript{89} K. Charles, 12 December 1975. ‘WENELA Memorandum: Donations to Independent Countries on Occasion of Initial Celebrations and Anniversaries,’ 1. THOA.
\textsuperscript{90} K. Charles, 12 December 1975. ‘WENELA Memorandum: Donations to Independent Countries on Occasion of Initial Celebrations and Anniversaries,’ 1. THOA.
\textsuperscript{91} K. Charles, 12 December 1975. ‘WENELA Memorandum: Donations to Independent Countries on Occasion of Initial Celebrations and Anniversaries,’ 2. THOA.
\textsuperscript{92} K. Charles, 12 December 1975. ‘WENELA Memorandum: Donations to Independent Countries on Occasion of Initial Celebrations and Anniversaries,’ 2. THOA.
\textsuperscript{93} K. Charles, 12 December 1975. ‘WENELA Memorandum: Donations to Independent Countries on Occasion of Initial Celebrations and Anniversaries,’ 2. THOA.
\textsuperscript{94} K. Charles, 12 December 1975. ‘WENELA Memorandum: Donations to Independent Countries on Occasion of Initial Celebrations and Anniversaries,’ 2. THOA.
\textsuperscript{95} K. Charles, 12 December 1975. ‘WENELA Memorandum: Donations to Independent Countries on Occasion of Initial Celebrations and Anniversaries,’ 2. THOA.
in extreme circumstances and contexts in which such spending, rather than stem the supply of labour, was consider crucial to maintaining the supply.

Taking into account WNLA’s previous independence donations, a meeting was held on the 19th of December 1975 to discuss what form the Chamber’s gift to the Transkei might take. Anglo American, Rand Mines, Johannesburg Consolidated Investments, and the NRC were all represented. At the meeting it was noted that for many years gifts and funds hitherto donated by WNLA and the NRC to labour sending regions had been paid for by the DPIF and that these had in 1975 reached a height of R600 000. Since the introduction of the TEBA Savings Scheme Trust in 1975 which stipulated that interest earned on deferred pay would be paid to mineworkers at an undisclosed fixed rate and that only surplus interest could be used for welfare projects, a portion of the deferred pay interest funds used for ‘welfare’ projects would soon run dry. At the meeting, industry representatives conceded that WNLA and the NRC “had enjoyed a degree of goodwill from these gifts which was not wholly justified.” The Chamber and the NRC were under no illusion as to the mendacity and illegitimacy of their marketing gimmicks. At the meeting in December it was decided that a gift to the Transkei was “expected” and that this obligation could not be escaped “without damaging relations with the newly independent territory”. It was decided that the amount involved should be in the order of R1 million and that

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100 John Lang to A. O’Brien, 22 December 1975. ‘Chamber of Mines, Note for the Record, Transkei Independence: Gift by the Mining Industry’, 1. THOA.
the gift should be made through the Mine Labour Organisations (it was also noted
that it may thus be possible to avoid taxation if the donation, like other NRC and
WNLA donations, formed part of its costs). Five distinct categories of gifts were
discussed: a University library; a sports stadium “of Olympic Standard”; the provision
of hospital buildings or equipment; a gift in the field of health, or; the provision of an
airport.103

On the 21st of January 1976 an industry delegation, consisting of the NRC general
manager, an architect and civil engineer from Anglo American, and a senior Chamber
of Mines official travelled to Umtata to meet with one Mr Faure, secretary to Kaiser
Matanzima, and his assistant, Mr Wronsley, as well as Mr Jager of the Transkei Public
Works Department, and Mr Leech of an architectural company working in Umtata.104
It was decided that it was unviable to build a stadium by October 1976, and that at
any rate, the industry delegation was informed, the South African government had
set aside finances to erect seating for 50 000 people to attend the celebrations at the
Transkei rugby fields.105 To the industry delegation’s suggestion that the industry
provide contributions towards a library or cottage hospital, Mr Wronsley pointed out
that the South African Government’s allocation of funds to the Transkei had been
severely cut and that if the proposed air terminal at the newly constructed
International Airport was to be funded from these reduced funds, other items such as
schools would have to be omitted from the budget. He suggested that the Chamber of
Mines consider contributing towards the air terminal, which was to be known as the
K.D Matanzima Air Terminal.106 If the Chamber refused to finance an air terminal,
they would essentially be taking finances from education spending – such was Mr
Wronsley’s argument. The architect from Umtata showed the delegation sketch plans

103 John Lang to A. O’Brien, 22 December 1975. ‘Chamber of Mines, Note for the Record, Transkei Independence:
Gift by the Mining Industry’, 1. THOA.
104 L.W.P van den Bosch, 26 January 1976. ‘Visit to Umtata,’ 1. Chamber of Mines, Executive Committee Circular
no 18/76, ‘Transkei Independence Gift’. THOA.
105 L.W.P van den Bosch, 26 January 1976. ‘Visit to Umtata,’ 1. Chamber of Mines, Executive Committee Circular
no 18/76, ‘Transkei Independence Gift’. THOA.
106 L.W.P van den Bosch, 26 January 1976. ‘Visit to Umtata,’ 1. Chamber of Mines, Executive Committee Circular
no 18/76, ‘Transkei Independence Gift’. THOA.
of an air terminal and indicated that the cost would be in the order of R250 000, which was 75% less costly than what the industry had been willing to pay.107

By 11 February it was agreed that the Chamber of Mines would finance an airport terminal building costing roughly R250 000, which would then be handed to Matanzima by the mining industry at the Transkei’s independence ceremony, and noted that an appropriately worded plaque commemorating the industry’s gift should be affixed to the building.108 By March a tender of R246 272 by LTA Construction (the cheapest tender) was accepted.109 The entire airport was not to be financed by the mining industry, since, as the assistant to the Secretary to Matanzima explained, the runway for the airport was to be a donation from the South African Government at a cost of R1.7 million.110 That the industry was initially prepared to pay R1 million as part of its independence gift, while the South African Government was willing to pay R1.7 million rand towards the airport provides some quantitative indication of just how keenly the industry wanted to please Kaiser Matanzima. At a meeting later that month it was decided that the official handing over of the building should take place at the independence celebration when the new run-way was handed over by the South African Government.111

The costs of the donation, the Chamber of Mines Board of Directors, concluded by early March 1976 should “be recouped through the N.R.C.” 112 Although they did not reveal how the NRC would “recoup” the amount, it is likely that the money would come from the DPIF or by otherwise inscrutably deducting it from mineworkers’ wages. Whatever the method of regaining the funds, that the Chamber of Mines determined that the airport terminal donation would be “recouped through the NRC” implies that mineworkers’ too would in effect pay for the independence gift, just as

108 ‘Extract from Minutes of Meeting of the COM Board of Directors,’ 1. 11 February 1976. THOA.
110 ‘Chamber of Mines, Executive Committee Circular no 37/76, Transkei Independence Gift,’ 4. 5th March, 1976. THOA.
111 ‘Extract from Minutes of Meeting of the COM Board of Directors,’ 1. 10 March 1976. THOA.
112 ‘Extract from Minutes of Meeting of the COM Board of Directors,’ 1. 10 March 1976. THOA.
they had paid for a number of dubious welfare projects, chieftaincy installations, other independence celebrations, and sports stadiums since the opening of the Deferred Pay Interest Fund in 1918.

At the handing-over ceremony the mining industry was represented by the president and two vice presidents of the Chamber of Mines, as well as the general managers of the Chamber and the Mine Labour Organisations (WNLA and NRC) and their wives. Upon arrival the industry’s delegation was met by the ceremony’s host and Minister of Roads and Works, Chief G. Ndabankulu. During the ceremony, and before the Chamber of Mines president Mr R.A Plumbridge formally handed over the building Chief Ndabankulu addressed the crowd on the airport complex in exulting terms. Immediately after the terminal was ceremoniously handed over by the Chamber of Mines the Ngangelizwe choir broke into jubilant song. Thereafter the airport runway was officially handed over by Mr I.P van Onselen, Secretary for Bantu Administration and Development, after which the Ngangelizwe choir again treated the audience to songs of celebration. Then it was the turn of Dr. the Honourable Paramount Chief K.D Matanzima to address the guests on “this supreme moment” and unveil, among other things, two Chamber of Mines plaques (one in English and one in isiXhosa) which recognized the “strong links forged over the years between the people of Transkei and the South African Mining Industry”. As a publicity venture and to symbolize the relationship between the oppressive and undemocratic Transkei elites and the mining industry, the 1976 celebrations and gift of an air terminal was a key success. The Transkei’s Secretary of Foreign Affairs wrote to the NRC general manager (Mr Fleischer) on behalf of the Prime Minister Kaiser Matanzima, conveying

113 Chamber of Mines general manager to Mr A.C Fleischer, 20 September 1976. ‘Handing over of Umtata Airport Building,’ 1. Chamber of Mines Correspondence. THOA.
114 Chamber of Mines general manager to A.C Fleischer, 19 October 1976. ‘Opening of the K.D Matanzima Airport at Umtata on Saturday, October 23rd, at 11h30,’ 1. Chamber of Mines Correspondence. THOA.
115 Chamber of Mines general manager to A.C Fleischer, 19 October 1976. ‘Opening of the K.D Matanzima Airport at Umtata on Saturday, October 23rd, at 11h30,’ 2. Chamber of Mines Correspondence. THOA.
116 Chamber of Mines general manager to A.C Fleischer, 19 October 1976. ‘Opening of the K.D Matanzima Airport at Umtata on Saturday, October 23rd, at 11h30,’ 2. Chamber of Mines Correspondence. THOA.
117 Chamber of Mines general manager to A.C Fleischer, 19 October 1976. ‘Opening of the K.D Matanzima Airport at Umtata on Saturday, October 23rd, at 11h30,’ 1. Chamber of Mines Correspondence. THOA; Secretary of Foreign Affairs to A.C Fleischer, 25 October 1976. ‘Independence Celebrations Transkei,’ 1. Transkei Government Department of Foreign Affairs correspondence. THOA.
thanks for attending the celebrations, and stating that his presence in Umtata “on this historic occasion” was greatly appreciated, and one which the people of Transkei (who had not endorsed Matanzima and by implication not endorsed the KD Matanzima Airport) considered a “supreme moment”. Essentially the Chamber of Mines could symbolically style themselves as an entity which spurred forward the Transkei’s development towards approximating white South African cities, and use money that would be “recouped” from the NRC to do this.

The Chamber of Mines was willing to go to great lengths for the Transkei to remain one of its major labour sending regions. Although ready to spend large sums of money on CSR style projects, the Chamber recognized by the mid-1970s that the DPIF money it had been using to this end was unjustified. Nevertheless the Chamber was ready to endorse and promote the Transkei’s independence, which formed a crucial part of the apartheid state’s Bantustan and separate development program, so long as this meant that Matanzima would respect the Chamber’s labour requirements and continue to send tens of thousands of migrant mineworkers.

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**TEBA Savings Fund Trust, 1976 – 1978**

As discussed above, the Chamber of Mines in 1975 conceded that the “goodwill” the NRC and WNLA were accorded by committing money earned on mineworkers’ deferred wages towards a variety of projects, celebrations, and events, was unjustified and articulated concerns that this source of funding would “dry up” with the transformation of the Deferred Pay Interest Fund into the TEBA Savings Trust Scheme in 1975. This fear was, however, largely unfounded, since strong continuities existed between the TEBA Savings Fund Trust and its precursor the Deferred Pay Interest Fund. Whereas the latter did not pay any of the interest earned on deferred wages to mineworkers, the TEBA Savings Fund Trust at least formally committed itself to pay individuals at a fixed rate, but like the DPIF was permitted to use any surplus interest

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118 Secretary of Foreign Affairs to A.C Fleischer, 25 October 1976. ‘Independence Celebrations Transkei,’ 1. Transkei Government Department of Foreign Affairs correspondence. THOA.
for “welfare work or services and geographically distributed in terms of the number of recruits forwarded from each area”. Although the TEBA Savings Fund Trust was formally obliged, according to its own Trust Deed, to pay interest to individuals, this obligation must be understood in the context of the unfreedom which marked the lives of mineworkers from Transkei. Mineworkers were excluded from politics, they did not have recourse to processes of justice, they could not unionise to voice unfair treatment, and there is no reason to believe that that the NRC and WNLA would have informed mineworkers that they were entitled to a fixed rate of interest earned on their deferred wages. Whereas interest on mineworkers’ wages were held in the DPIF and administered by a Board of Control from 1918 to 1977, from 1977 onwards the interest was held in the TEBA Saving Fund Trust and used at the discretion of the Donations Appeal Committee, which first met on the 23rd of June 1977. This closing section of the chapter indicates that the TEBA Savings Fund Trust in effect continued to operate as the Deferred Pay Interest Fund had done before 1975, paying out substantial sums to institutions and instalments which were considered favourable to the NRC, rather than to the welfare of migrants to whom the funds belonged and for whom they were reserved.

In August of 1976 the Inspector of Religious Education in Transkei, Mr F.L. Matyumza, wrote to the NRC’s Umtata district manager requesting a sum of R300 for assistance in order to host a conference for inspectors in charge of Religious Education in the Homelands, arguing that it “would strengthen the Transkei Independence if the conference met in Umtata”, and that since Pretoria refused to finance the conference, and the Transkei Department of Education was short of funds, the Inspector “earnestly” appealed to the NRC to bring the conference into being. The Umtata district manager then wrote to the NRC general manager informing him that while he had already informed Mr Matyumza that “it is not normally the policy of our

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119 TA/TEBA Correspondence, Mr A.H Smith, Assistant Manager to Miss C Tindal, (Johannesburg Consolidated Investments), Mr A.N Durie, (Goldfields), Mr K Visagie, (GENCOR), Mr F.W Peachey, (Rand Mines), Mr E.G.D Gordon, (Anglovaal), Mr B.A Friedmond, (Anglo American). 25 August 1988. ‘Annexure ‘B’, Background Paper: TEBA Donations Appeals Committee, Historical Background,’ 1. THOA.

120 A. C Fleisher to district manager, 28 July, 1977. ‘TEBA Savings Fund’, 1. TEBA Correspondence. THOA.

121 Mr F.L. Matyumza to NRC Umtata district manager, n.d. ‘Transkei Government Correspondence,’ 1-2. NRC Correspondence. THOA.
Company to donate monies for educational purposes”, he proceeded to advance that
in this case a donation was in the interests of the NRC and recommended that a third
of the requested funds be forwarded to Mr Matyumza.\textsuperscript{122} The general manager replied
reiterating the district manager’s point that it was not the Company’s policy to make
donations for educational purposes and argued further that since providing the funds
would only “create a precedent” he could not authorize the payment.\textsuperscript{123} The NRC’s
line with respect to education was clear. After an application for assistance for repairs
to the Dinizulu J.S School in Elliotdale, the district manager contended ruthlesslessly that
although it had “been substantiated that the school is in need of considerable repairs”
he did “not recommend that assistance be given to it in view of the fact that this would
create a precedent” and that the NRC would be “inundated” with requests from other
schools in the Transkei.\textsuperscript{124} This was the NRC’s paradigmatic response to requests for
education funding. In September the district manager wrote a terse letter to the
Principal of the Dinizulu School informing him that the NRC’s “Donation policy does
not extend to schools”\textsuperscript{125} The NRC’s notion of ‘development’ –in terms of which the
NRC interpreted their own donations policy – did not see expanded access to
education as constitutive of development. The continuity in policy was clear, even
after the transformation of the Deferred Pay Interest Fund into the TEBA Savings Fund
Trust, it was explicit NRC policy that interest earned on mineworkers’ wages was not
to be spent on education.

But that claim is slightly too strong. It was not the case that the NRC refused to fund
any educational facilities or projects, but rather that the NRC refused to fund any
educational projects or facilities which catered to able-bodied persons whom the
industry could potentially draw onto the mines. The case of the Efata School for Blind
and Deaf children illuminates this nuance. In 1976, for example, R28 000 for a
swimming bath was donated to the Efata school from the Deferred Pay Interest Fund,

\textsuperscript{122} Umtata district manager to A. C Fleischer, 12 August, 1976. ‘Donation,’ 1. UJSC, Umtata Donations, NRC file

\textsuperscript{123} A. C Fleischer to district manager, 19 August, 1976. ‘Donation,’ 1. UJSC, Umtata Donations.

\textsuperscript{124} Umtata district manager to A. C Fleischer, 26 August 1976. ‘Application for Assistance: Dinizulu J.S School:
Elliotdale,’ 1. UJSC, Umtata Donations.

\textsuperscript{125} Umtata district manager to the principal of Dinizulu J.S School, 1 September 1976. ‘Application for Financial
Assistance,’ 1. UJSC, Umtata Donations.
and in 1977, under the TEBA Savings Fund Scheme, the Efata school successfully applied for R5 250 for school house renovations. In mid-1978 another R30 000 was donated to the EFATA school for the erection of a school hall. While on principle refusing to donate trifling sums to schools for able-bodied persons, the NRC was all too ready to depart with large sums for the assistance of schools and institutions supporting disabled persons (since the latter was a class the NRC’s labour system considerably helped to augment).

From its outset, the DPIF’s “CSR-as-philanthropy approach” exhibited the problems which Ralph Hamman would later describe as general to mining companies’ CSR endeavours. CSR efforts by the NRC refused to acknowledge the contributions of their “core business” to social, economic and health burdens in labour sending regions. Hamman describes the mining industry’s historical relationship with its institutional context as being a “vicious cycle of irresponsibility and lack of collaboration”. Neither the mining industry nor the national and apartheid states wanted to accept responsibility for the burdens imposed on labour sending regions. But it was important for successful recruiting that the NRC pretended to care about the ill health and injuries which afflicted mineworkers, and it used the DPIF to generate this image. The NRC through the DPIF constructed a CSR charade. The NRC was an institution implicated in externalizing the costs of thousands of injured and sick mineworkers back into labour sending regions, but through its DPIF scheme it

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130 Hamann, “Partnerships and Institutional Change”, 288.
constructed an image of itself as benevolently concerned with sick and disabled Transkei residents.

The Ikwezi Lokusa Rehabilitation School and Sheltered Employment Society of Umtata, which, among other things, offered pottery classes to disabled persons, provided for the NRC (and TEBA after 1977) an excellent opportunity to demonstrate their unbounded magnanimity and commitment to the welfare of those in need. The NRC in 1976 donated R3 000 for the maintenance of Ikwezi’s school for cerebral palsied children (and another R4 000 for the same purpose the following year), an additional R3 000 for general running costs, as well R30 000 to for the provision of essential services like lights, water, and sewerage removal for the sheltered employment centre and R6 000 for the purchase of pottery kilns in 1977. Likewise in 1978 R30 000 was donated for the construction of a pottery workshop, and R5 000 donated for a play-room for small boys. In the context of refusing to donate even piddling sums to legitimate education facilities, the NRC’s donations to schools for disabled persons were prodigious.

The TEBA Savings Fund Trust maintained the strong desire to assert the authority and recognize the power of newly installed chiefs. When Chief Zwelivumile Mtwa was installed as Chief of the Xesibe Tribal Authority in the Mqanduli district by Sabata Dalindyebo, both the Umtata district manager and the NRC’s Mqanduli representative attended the ceremony to among other things present to the Chief the “usual clock” as a gift from the NRC. When Chief Dumisa Meji was installed into the Manzamhlope Tribal Authority in early 1976 the NRC provided the loudhailer as well as financial assistance for the ceremony. The magistrate of St John’s wrote to the NRC’s Libode representative thanking him for the gesture and conveyed that the


Tribal Authority happily anticipated hosting NRC representatives at the forthcoming installations in February of 1976. With white supremacy inscribed into virtually every sphere of society, it is a gloomy fact that even mere association with white persons generally conferred social prestige and otherwise signalled influence in rural areas. Similarly, being perceived as allied with chiefly powers, the NRC derived important influence by such associations.

Since it related to the reproduction of the labour force the NRC was also interested in donating money to maternity homes. The St Mary’s Maternity Home in Umtata, for instance, repeatedly received financial assistance, both from the Deferred Pay Interest Fund and the TEBA Savings Fund Trust. In 1976 R7 650 was donated for the provision of incubators, furniture and other equipment, and in 1977 a further R5 287 for general maintenance costs.

Conclusion

In 1917 the NRC and NAD devised a Deferred Pay Interest Fund (DPIF), the industry’s first Corporate Social Responsibility (CSR) endeavour, and used this fund to present the mining industry as philanthropic and concerned with the wellbeing of migrants and their communities. Money from the DPIF was to be directed to projects for the “welfare” of Africans in labour sending regions. ‘Deferred pay’ was a confusing industry-speak term for the portion of individual wages (usually between 50 and 100%) which mineworkers were compelled to remit to their rural homes from the

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135 Hammond-Tooke, Command or Consensus, 102.
136 Umtata district manager to general manager, 13 June 1977. ‘TEBA Donations Policy, Donations 1978, St Mary’s Maternity Home,’ 1. TEBA Correspondence. THOA. TEBA Administrative officer to district manager, 29 September 1977. ‘TEBA Savings Fund, 1977 Donations, St Mary’s Maternity Home,’ 1. TEBA Correspondence, THOA.
137 The account of TEBA’s origins is taken from these documents. TA/TEBA Correspondence, Mr A.H Smith, Assistant Manager to Miss C Tindal, (Johannesburg Consolidated Investments), Mr A.N Durie, (Goldfields), Mr K Visagie, (GENCOR), MR F.W Peachey, (Rand Mines), Mr E.G.D Gordon, (Anglovaal), Mr B.A Friedmond, (Anglo American). 25 August 1988. TEBA Donations Appeal Committee, 1. ‘Annexure B, TEBA Donations Appeals Committee, Historical Background, 1 – 5’. TEBA donations, THOA.
Because mineworkers were away for 6 to 9 month spells, at any given time the collective payments (of deferred wages) held by the NRC comprised a very large sum. As part of the DPIF scheme, the NRC invested to-be-remitted wages on its own behalf and earned large sums in accumulated interest. This chapter demonstrates that the NRC declined to hand this interest to the mineworkers (to whom it belonged) and instead used the money according to their own marketing ends.

Since the NRC’s stated intention was to donate the accumulated interest to “matters connected with the welfare of natives generally”, an examination of the manner in which DPIF money was spent reveals how the NRC understood the ‘welfare’ of African mineworker communities – and how this conception changed over time. If, in line with Amartya Sen’s notion of development, human wellbeing (/welfare) is the ultimate point or telos of development, then an examination of how the money were spent over time, discloses not only where the NRC’s values lay (what it is they valued), but also discloses how the NRC conceived of development.

Since African labour sending communities were refused the opportunity to themselves decide what constituted “welfare” projects, they were denied agency to act in their own interests. Discretion over the allocation of the interest earned on mineworkers’ wages was left firmly in the hands of the DPIF or TEBA Savings Trust Trustees, and the scheme further restricted the choices and opportunities of Transkei residents. The scheme in this respect served to constrain, rather than enhance, the freedom of Transkei people. Whereas in 1974, one researcher found that households in the Transkei were spending between 20 and 70% of their total family budget on education (fees, books, uniforms), which indicates the supreme value families in the Transkei placed on education, as this chapter demonstrates, the Deferred Pay Interest Fund (and later the TEBA Trust) refused to direct funds towards education. As an impatient letter to the Umtata district superintendent in 1965 memorably read, the

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138 Beinart, Political Economy of Pondoland, 145.
139 Mr A.H Smith, Assistant Manager to Miss C Tindal, (Johannesburg Consolidated Investments), Mr A.N Durie, (Goldfields), Mr K Visagie, (GENCOR), MR F.W Peachey, (Rand Mines), Mr E.G.D Gordon, (Anglovaal), Mr B.A Friedmond, (Anglo American). 25 August 1988. Annexure ‘B’, Background Paper: TEBA Donations Appeals Committee, Historical Background, 1
“Deferred Pay Interest Fund, as you are aware, does not make grants for purely educational purposes.”

This approach to education remained immutable in the Transkei. Despite the NRC and WNLA’s rebranding into TEBA in the mid-1970s, their conception of welfare and development, as this chapter argues, did not transform so as to include directing surplus towards education projects in the Transkei. Schools catering to able-bodied persons were denied funds in the TEBA era for the same reasons they were refused in earlier decades.

Constructed through the lens of development as a process of expanding freedoms, the achievement of education or a skill is both constitutive of development (a social freedom possessive of intrinsic value) and simultaneously the means to further development in the generation of economic growth. From this perspective the NRC’s and later TEBA’s funding prejudice against education, implies that - while claiming to be spending the money with an eye to enhancing the welfare labour sending regions’ citizens – these labour recruiting institutions, actively refused to promote development. Funds seemed to have been endlessly available to finance sports stadiums, gifts for chiefs, ballroom dancing and tennis events, and all manner of developmentally irrelevant projects or indeed projects positively inimical to development. The NRC was also supposed to be a non-profit organisation, and thus generating interest on mineworkers’ deferred wages and then using this money for CSR projects, or to finance the installation of Bantu Authorities chiefs contravened the NRC’s own business model and was thus illegitimate even according to its own terms.

The literature on deferred pay reveals virtually nothing on how interest earned on mineworkers’ deferred wages was actually spent. A brief article by Martin Plaut
published in 1976 in the ‘South African Labour Bulletin’ discusses the interest earned on the deferred pay scheme (less than two pages), but does not advance evidence on how the interest accrued on deferred wages was spent, and does not discuss the causes and projects to which it was directed. After noting the NRC’s declared intention to donate the interest earned on mineworkers’ deferred pay to general welfare work relating to the African mineworkers and their communities, and calculating that in 1973 these proceeds amounted to R376 381 (by earning interest at 1.8% less than that offered by commercial banks), Plaut declared that the manner in which the DPIF money was spent constituted a lacuna in the literature. As he put it: “The question must be asked as to precisely what use the above funds are put, as they form a substantial pool of cheap finance.” This chapter has gone some way in answering Plaut’s question and linking the response to the thesis of deprivation by examining how interest accrued on deferred pay was spent in the Transkei from 1958 to 1978.

Dénouement

While the central focus of this thesis is on migrant labour at the height of apartheid, the story cannot be abandoned here. The demise of apartheid in the 1980s did not bring about the dismantling of migrant labour institutions but their reinvention and promotion as developmental. This dénouement discusses the reforming and partial dismantling of white supremacist mine labour institutions from the late 1970s until the mid-1980s. It shows that major institutional features of the mine migrant labour system such as the colour bar and influx controls were removed during this time. It explains that since the market was saturated with an oversupply of unskilled labour, mine migrants were readily available. It begins with a brief discussion of how the NRC (rebranded as TEBA after 1977) was compelled to shift from earlier aggressive marketing tactics to marketing itself as a favourable employer and agent of development. In spite of a name change and a grand marketing effort to suggest otherwise, TEBA’s view of development and general values in the 1980s remained those of the NRC.

By the mid-1970s national economic growth was faltering and would remain low for the next three decades. A number of constraints beset the South African economy, including low productivity (high unit labour costs), chronic skill shortages, an uncompetitive manufacturing sector, a small domestic economy, a near absence of economies of scale, imported and capital intensive mechanisation, as well as balance of payments constraints.¹ The early apartheid view (expressed by the Minister of Labour in 1957) that “[e]ven though it might intrude upon certain economic laws” the “European worker... must be protected or else European civilisation will go under”, came into clear conflict with an economy constrained by an uncompetitive manufacturing sector and a critical shortage of skills and human capital.² As Feinstein put it,

² Republic of South Africa, Senate Debates, 21 March 1957, col. 2425.
Most other countries strive to raise the quality of their human resources; only South Africa made it an express purpose of official policy to lower standards and frustrate the aspirations of those who wished to improve their contribution to the economy.³

Deep constraints to economic growth and development saw the apartheid state set into motion a number of institutional changes. By 1987 three principal migrant labour institutions – the ban on African trade unionism, the colour bar, and influx controls – were abolished and the labour relations machinery was deracialised. Throughout the 1970s the Chamber of Mines’ stance towards African political freedom in the workplace (the capability to unionise) had remained right-wing and conservative. In 1978 the Chamber submitted to the Riekert Commission that its black labour force was too simple-minded and tribal for trade unions.⁴ Breaking from state institutional mechanisms which emerged after Union (the Native Labour Regulation Act of 1911), the state permitted the National Union of Mineworkers (NUM) was legally permitted to unionise the African labour force legally in 1982.⁵

The apartheid state attempted in the late 1970s to uphold pass laws, and even fined companies whose workers’ passes were unacceptable: however the enduring apartheid vision was institutionally abandoned in 1986 when the pass laws were finally abolished.⁶ At the same time, the apartheid regime could no longer afford racialized job protection and began to allow blacks into skilled jobs and apprenticeships, which had been institutionalised as the preserve of whites. The state adhered to the Wiehahn Commission’s recommendations that the colour bar be completely abolished, and in 1983 removed the clause which blocked African apprenticeships, although the colour bar was only finally abandoned in 1987 when parliament removed racial clauses in the Mines and Works Act.⁷ However, in practice very few Africans occupied skilled and senior positions in the mines.⁸

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³ Feinstein, Economic History of South Africa, 251.
⁴ James, Our Precious Metal, 90.
⁶ Nattrass and Seekings, Class, Race and Inequality, 149.
⁷ James, Our Precious Metal, 126 – 127.
⁸ James, Our Precious Metal, 128.
The economy’s structural weaknesses had effects far beyond crumbling apartheid institutions. For the Transkei – overcrowded, denuded, and heavily dependent on migrant labour – a sluggish and embattled economy implied vast unemployment and misery. Seekings and Nattrass described the 1970s as a shift from labour shortages to “massive, open unemployment”, and have argued that overcrowding (from forced removals) and the worsening crisis of subsistence agriculture meant that “millions” were unable to find work. They noted further that the bulk of unemployment was shifted to the reserves. The Transkei’s context of widespread and open unemployment, agricultural collapse, landlessness, and overcrowding (i.e., deprivation) had amounted to ideal recruitment conditions for TEBA in the late 1970s. However, in the early 1980s TEBA discarded its recruitment networks in the Transkei. With thousands of people desperate for work, labour agents and runners became redundant; the days of TEBA informing chiefs and headmen of labour requirements were over. In Matatiele in 1981 all mines were ‘closed’ to recruiting from January to October, which was not uncommon at the time. One TEBA official noted that,

The TEBA recruiter has an easy time of it these days. He must just sit back and wait for them to come in. I remember when I had to address meetings, give all sorts of parties, drive all over. Those days are in the past.

Accordingly, the composition of the labour force changed. After the labour crisis in the mid-1970s, only 10% of recruits in the Transkei were novices, and it was near impossible to attain mine work without a Valid Re-engagement Guarantee (VRG) certificate, which mining companies reserved for ‘desirable’ workers. The Chamber of Mines exerted considerable influence over desperate mine workers and ‘stabilised’ its workforce by two means. The first was the VRG certificate which became a virtual prerequisite for recruitment after the labour crisis in the mid-1970s, and was not automatically received after completion of a

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9 Nattrass and Seekings, *Class, Race and Inequality*, 36, 166, 185 – 186, for their discussion on measurements of unemployment in the 1970s see 173 – 185.
10 Nattrass and Seekings, *Class, Race and Inequality*, 36.
16 Stabilisation in this sense implied a low turnover of labour, rather than a rejection of the migrant system.
contract. If management felt that a mine worker was “not the right material”, no VRG certificate would be issued and effectively the worker would be unable to find mine employment in the future.\textsuperscript{17} Secondly, TEBA would receive 463 “blacklisting” forms, which enumerated both a mine worker’s offences and penalties incurred from previous contracts. Offenses listed on these forms included instances of disobedience, “loafing”, possession of alcohol, and participation in a one day strike, while penalties included bans from mining houses, groups, or the entire industry for 3 – 60 months.\textsuperscript{18}

While the pass laws and other formal migrant labour institutions had played a crucial functional role in stripping away choice, by the time they broke down, unemployment was so concentrated that TEBA essentially faced a buyer’s market and did not need the bolstering of state institutions. The immense oversupply of unskilled labour also undermined the NUM’s efficacy. Despite orchestrating a three week strike involving 40\% of the workforce in 1987, very few of the NUM’s demands were met and the Chamber simply responded with strategic mass dismissals.\textsuperscript{19}

TEBA faced a new challenge: how to brand itself as a new and attractive employer. Propaganda was a critical component of the rebranding of the NRC as TEBA. Like the NRC, TEBA required optionless work seekers in order to maintain supply. After the labour crisis of the mid-1970s, the NRC created a Public Relations Media Division which undertook an aggressive marketing campaign to rescue the NRC’s image (TEBA after 1977) and also promote the recent wage increases and shorter contracts.\textsuperscript{20} Cinema vans visited deep into the rural areas with promotional films and entertainment, while TEBA staff gave live presentations. TEBA increased its support for local charities and community projects, all of which were well publicised – events were sponsored; publicity and branding gifts were widely distributed.\textsuperscript{21} Later, as employment opportunities on the mines dried up and unemployment further deepened in the Transkei, TEBA shifted its marketing campaign away from recruiting and towards depicting itself as a publicly responsible institution.

\textsuperscript{18} Baskin, “Teba 463”, 8.
\textsuperscript{19} Feinstein, \textit{Economic History of South Africa}, 207.
\textsuperscript{20} John Liebenberg, 1 February 1989, ‘Communications Division: Background, Current Operations,’ 1. THOA.
\textsuperscript{21} John Liebenberg, 1 February 1989, ‘Communications Division: Background, Current Operations,’ 1. THOA.
concerned with the wellbeing of mine worker communities. This signalled an important shift towards a stronger emphasis on shaping perspectives and neutralising criticisms of the mine migrant labour system. In the late 1970s, after a series of decolonised countries refused to send labour, the NRC and WNLA had become exceedingly self-conscious about their public appearance.22

As was shown in chapter 4, the NRC had refused to use DPIF money to finance legitimate education projects in the Transkei because they feared it would attenuate labour supplies. However, by 1983 TEBA was distributing hundreds of thousands of educational magazines, ‘TEBA Topics’, in rural schools and moreover promoted this as one of their major “corporate responsibility” projects.23 The point was to have TEBA marketing in the homes of school children so that they could maximise their imaginary positive image. Having stabilised the labour force by way of VRGs and blacklisting, and since supply was no longer a problem, by the early 1980s TEBA was in a position to fashion itself as an organisation concerned with the education of “disadvantaged” black children.24 The magazine was paid for by advertisers and money from the TEBA Fund (which was still generating an income from investing mine workers’ deferred wages).25

In chapter 3 we saw how droughts (since they exacerbated deprivation) created favourable recruiting conditions for the NRC in the late 1960s. By the 1980s TEBA was concerned to publicise their alleviation of hardships in labour sending regions. A draft document for ‘TEBA Times’ noted that the industry’s reaction to the droughts of the early 1980s was to allocate “some millions of rands of aid from the surplus in the TEBA Savings Fund.” The article continued in giddy and exultant terms,

> [W]e know at first hand [sic] how the drought and the depression are matters of life and death, what the real effects are on those “little people” [sic] who are least able to stand against them! The families whose gardens rattle in the wind, whose

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22 See chapter 3.
23 John Liebenberg, 1 February 1989, ‘Communications Division: Background, Current Operations,’ 1. THOA.
24 Mr D Gordon to Mr A Crawford, 12 March 1982, TA TEBA, Memorandum, Proposed Educational Newspaper for Black Schools, 3. THOA.
25 John Liebenberg, 1 February 1989, ‘Communications Division: Background, Current Operations,’ 1. THOA.
grazing is dust, whose springs are baked mud, whose breadwinners can find no opportunity to win their bread. We know the hunger and the despair.

Our board did this [donated aid in the form of TEBA Fund money] from a sense of responsibility and community of interest with the “little people” … It is programmes like these that give TEBA a human face and make our organisation so worthwhile an enterprise.26

The migrant labour system run by the NRC and TEBA, this thesis has argued, was contingent upon deprivation; deprivation enabled the NRC to draw work seekers onto the Rand. The NRC and TEBA also repatriated disease burdens (further deprivation) into the Transkei. Yet once the labour market moved from one of shortage to oversupply, TEBA began to fashion itself as imminently concerned with the afflictions of labour sending regions. TEBA was by the 1980s preoccupied with publicising itself as a philanthropic institution. When TEBA’s migrant labour system was criticised by the Archbishop of Cape Town, TEBA responded with a volley of breathtaking assertions.27 The most relevant include the following from a letter to the Archbishop:

At the regional level, TEBA is a development agency – the conduit for millions of Rands worth of earnings that help to support a sub-continent and the first step on the path to the acquisition of skills on which developing nations can build. We believe the TEBA acronym could just as well stand for Training and Enterprise Build Africa.26

Many thousands of men owe their literacy to free lessons on the mines.

A total of R305.8 million was distributed in 1982 by TEBA in deferred pay, remittances and savings. This money does a lot of good in Southern Africa.29

This letter to the Archbishop demonstrates the extent to which TEBA was willing to conjure up all manner of illusion to create an impression of benevolence. While this thesis argued that the migrant labour system entailed severe capability-destruction and constituted a

26 Document for TEBA Times, ‘From the General Manager’s desk, Famine and Flood,’ n.d., 3. THOA.
27 D. Gordon, 4 December 1983. ‘Response to letter from Owen Cardinal McCann Archbishop of Cape Town,’ 2. THOA.
28 D. Gordon, 4 December 1983. ‘Response to letter from Owen Cardinal McCann Archbishop of Cape Town,’ 2. THOA.
29 D. Gordon, 4 December 1983. ‘Response to letter from Owen Cardinal McCann Archbishop of Cape Town,’ 4. THOA.
major obstacle to development, and that TEBA (and the NRC) were in many respects antithetical to human development, since human development diminished labour supplies, this organisation was by 1983 depicting itself as a “developmental agency”. It was a classic case of Orwellian doublespeak. The monetary, social, and political costs of the multiple disincentives accompanying mine work were not factored into the impressive sounding sums paid into rural areas. Despite the fact that the colour bar remained institutionalised in 1983, which meant that only the smallest minority of Africans could occupy semi-skilled occupations, TEBA declared that the migrant labour system promoted the acquisition of skills. Amidst the grinding deprivation of the 1980s, TEBA projected an image of itself as a gracious provider and a stepping stone en route to development. The opposite was closer to the truth.

In sum, TEBA’s Public Relations Media Division strategy by the late 1970s was an attempt to create an illusion of concern for mine workers and labour sending regions. Their publicity endeavours were always driven by a desire to change or neutralise perceptions of the migrant labour system, rather than changing or mitigating those aspects of migrant labour which generated the negative perceptions.\(^{30}\) While TEBA’s values were not different from those of its predecessor, there was a pronounced effort after 1983 to appear to value education, human wellbeing, and human development. This dénouement has shown that deprivation was sufficiently deep and widespread for the apartheid state to withdraw its institutional back up for mine labour recruitment. The Employment Bureau of Africa (TEBA) was overwhelmed with prospective recruits in the late 1970s and throughout the 1980s.\(^{31}\)


Conclusion

This thesis has shifted the analytic preoccupation away from the means to development (the efficient generation of wealth or the unfolding of ‘capitalist development’) towards a focus on the ends of development: that is, towards a focus on what development is for, the telos of development, what development is or should be trying to achieve. Following Amartya Sen, the ends of development have been constructed in terms of the substantive economic, social, and political freedoms which operationalise autonomy and enable persons to live lives they have reason to value.

By examining the effects of migrant labour institutions from 1886 to the late 1980s in terms of how they purposively circumscribed autonomy and frustrated efforts to expand capabilities and freedoms, this thesis has drawn attention to what really matters, that is, the ends of development, the ways in which the mine migrant labour system constrained the freedoms and development of the Transkei and its inhabitants. This autonomy-centred conception of development enables us to examine migrant labour institutions in terms of how they directly impinged on social capabilities like education and health, political capabilities like freedom of association and the right to unionise, and economic freedoms like the capability to access markets and sell one’s labour freely. By pre-empting all three principal elements of freedom, the effects of mine migrant labour extended beyond the more narrow economic contradictions which economic historians have focussed on up to now.
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589 The TEBA Archives at TEBA Limited Head Office have been intelligently though unconventionally categorised and arranged; in a number of instances file names do not correspond to contents. File and series numbers are not appropriate here. The authors, dates, subjects, and the location of archive documents are included in all footnotes.
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**Chapters**


Articles


