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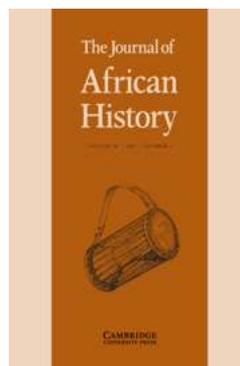
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'NOT A SINGLE WHITE PERSON SHOULD BE ALLOWED TO GO UNDER': SWARTGEVAAR AND THE ORIGINS OF SOUTH AFRICA'S WELFARE STATE, 1924– 1929

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‘NOT A SINGLE WHITE PERSON SHOULD BE
ALLOWED TO GO UNDER’: *SWARTGEVAAR* AND
THE ORIGINS OF SOUTH AFRICA’S WELFARE
STATE, 1924–1929

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ABSTRACT: The origins of South Africa’s distinctive welfare state lay in the late 1920s, not in the 1930s as has generally been suggested, and long predated the quite different turn to social welfare in late colonial Africa. For the National Party and Labour Party – partners in the coalition Pact Government of 1924–9 – non-contributory old-age pensions were a crucial pillar in the ‘civilized labour’ policies designed to lift ‘poor whites’ out of poverty and re-establish a clear racial hierarchy. Welfare reform was thus, in significant part, a response to the *swartgevaar* or menace of black physical, occupational and social mobility. African political elites, although distracted by other reforms at the time, were quick thereafter to protest at their exclusion from the nascent welfare system.

KEY WORDS: South Africa, apartheid, social, state.

INTRODUCTION

THE origins of the welfare state are a rich and vibrant area of scholarship in both history and comparative political economy. Research on how and why states expanded the public provision of welfare continues to boom,¹ giving rise to a vibrant debate over the relative importance of economic growth and social change, working-class mobilization and social democratic parties, state institutions and reformist elites (including employers).² Recently, scholars have begun to examine the origins of states’ concern with ‘social welfare’ in Africa in the 1940s and 1950s. Cooper includes some discussion of welfare policy in his study of late colonial attempts to ‘stabilize’ the urban African working class,³ whilst Lewis and others have examined the appointment of social welfare officers to tackle problems of troop demobilization and

¹ Recent notable comparative contributions include: E. Huber and J. Stephens, *Development and Crisis of the Welfare State* (Chicago, 2001); P. Swenson, *Capitalists against Markets: The Making of Labour Markets and Welfare States in the United States and Sweden* (Oxford, 2002); I. Mares, *The Politics of Social Risk: Business and Welfare State Development* (Cambridge, 2003); H.-J. Kwon, *The Welfare State in Korea: The Politics of Legitimation* (London, 1999); J. Wong, *Healthy Democracies: Welfare Politics in Taiwan and South Korea* (Ithaca, 2004).

² A. Hicks and G. Esping-Andersen, ‘Comparative and historical studies of public policy and the Welfare State’, in T. Janoski, R. Alford, A. Hicks and M. Schwartz (eds.), *Handbook of Political Sociology* (New York, 2005), 509–25.

³ F. Cooper, *Decolonisation and African Society* (Cambridge, 1996); A. Eckert, ‘Regulating the social: social security, social welfare and the state in late colonial Tanzania’, *Journal of African History* (*JAH*), 45 (2004), 467–89.

'juvenile delinquency', and later and more generally to strengthen rural as well as urban community life.⁴ Across late colonial Africa, these welfarist initiatives all entailed attempts to impose new colonial conceptions of order amidst social, economic and political change.

This boom has not spread adequately to South Africa, despite the exceptionalism of the South African case. Unusually in the world, and exceptionally in the global 'South', South Africa developed in the course of the twentieth century a public system based primarily on social assistance (i.e. direct financial support through pensions and grants, financed out of tax revenues) rather than either social insurance (in which benefits are limited to the members of contributory, employment-linked schemes) or professional social work (with social welfare officers reorganizing people's lives as if poverty was the result of immorality or ignorance). The making of South Africa's system of public welfare entailed two key phases. The second phase – coincident with the turn to social welfare in colonial Africa to the north – has received some attention: in the mid-1940s, the South African state extended to its African (or 'native') subjects the old-age pensions that were already being provided to white (or 'European') and 'coloured' people, as well as beginning to concern itself with their education, physical health and moral well-being.⁵ But almost no attention has been paid to the preceding phase, when welfare policies were introduced for white and coloured people.

There is a large literature on the relationships between state, capital and labour in South Africa in the 1920s and 1930s.⁶ These studies pay particular

⁴ J. Lewis, *Empire State-Building: War and Welfare in Kenya, 1925–52* (Oxford and Athens OH, 2000); A. Burton, *African Underclass: Urbanisation, Crime and Colonial Order in Dar es Salaam* (Oxford, 2005); L. Fourchard, 'Lagos and the invention of juvenile delinquency in Nigeria, 1920–1960', *JAH*, 47 (2006), 115–37.

⁵ On welfare policy, see: A. Sagner, 'The 1944 Pension Laws Amendment Bill: old-age security in South Africa in historical perspective, ca. 1920–1960', *Southern African Journal of Gerontology*, 7 (1998), 10–14; A. Sagner, 'Ageing and social policy in South Africa: historical perspectives with particular reference to the eastern Cape', *Journal of Southern African Studies*, 26 (2000), 523–53; J. Seekings, 'The origins of social citizenship in South Africa', *South African Journal of Philosophy*, 19 (2000), 386–404; J. Seekings, "'Visions and hopes and views about the future": the radical moment of South African welfare reform', in S. Dubow and A. Jeeves (eds.), *Worlds of Possibility: South Africa in the 1940s* (Cape Town, 2005), 44–84; D. Posel, 'The case for a Welfare State: poverty and the politics of the urban African family in the 1930s and 1940s', in Dubow and Jeeves (eds.), *Worlds of Possibility*, 64–85. On health, see S. Marks and N. Anderson, 'Industrialisation, rural health and the 1944 National Health Service Commission in South Africa', in S. Feierman and K. Janzen (eds.), *The Social Basis of Health and Healing in Africa* (Berkeley, 1992).

⁶ J. Simons and R. Simons, *Class and Colour in South Africa, 1850–1950* (London, 1969, republished in 1983 by the International Defence and Aid Fund); R. Davies, D. Kaplan, M. Morris and D. O'Meara, 'Class struggle and the periodisation of the state in South Africa', *Review of African Political Economy*, 7 (1976), 4–30; D. Kaplan, 'The politics of industrial protection in South Africa', *Journal of Southern African Studies*, 3 (October 1976), 70–91; R. Davies, *Capital, State, and White Labour in South Africa: 1900–1960; An Historical Materialist Analysis of Class Formation and Class Relations* (Brighton, 1979); M. Lacey, *Working for Boroko* (Johannesburg, 1981); B. Bozzoli, *The Political Nature of a Ruling Class: Capital and Ideology in South Africa, 1890–1933* (London, 1981); D. Yudelman, *The Emergence of Modern South Africa: State, Capital,*

attention to the election of a coalition ('Pact') Government in 1924 that included the small, socialist Labour Party alongside the much larger, Afrikaner republican National Party (NP). The literature is divided over the relationship between the 'Pact' Government and different 'factions' of capital, and over which groups or classes of white people benefited. But insofar as this literature considers public policy and standards of living, the focus is on policies affecting the workplace, and social policy is almost entirely ignored. The neglect of social policy in these South African studies is more understandable when one recalls that they predated the renewal of scholarly interest in the role of social policy and the 'social wage' in the 'class compromise' of the social democratic countries of northern Europe.⁷ When South Africa's welfare policies are mentioned, their origins are routinely traced to the Carnegie Poor White Commission of 1929–32 and the subsequent politicization of the 'poor white problem' by the Afrikaner nationalist movement. Thus Duncan states that 'in the 1930s and 1940s, South Africa took the first faltering steps towards the establishment of a "welfare state"', Fleisch describes the Carnegie Commission as 'a turning point for state involvement in white "social problems"', Posel refers to the 'new form of the state' envisioned in the 1930s, and Berger suggests that there were no major changes in policy towards 'poor whites' between 1918 and the mid-1930s.⁸

This consensus is mistaken. South Africa's welfare state dates from the 1920s under the first Pact Government, not the 1930s; the key debates preceded even the appointment of the Carnegie Commission in 1929, and took place long before that Commission reported in 1932. Indeed, the Carnegie Commission was in important respects reactionary, arguing against South Africa's nascent welfare-state-building.⁹ The legislative foundations of South Africa's welfare state were laid with the 1928 Old Age Pensions Act, which was a response to the *First Report of the Pienaar Commission on Old*

and the Incorporation of Organized Labor on the South African Gold Fields, 1902–1939 (Westport CT, 1983); J. Lewis, *Industrialisation and Trade Union Organisation in South Africa, 1924–55* (Cambridge, 1984); R. Morrell, 'The South African state in 1924', *Transformation*, 4 (1987), 39–53.

⁷ W. Korpi, *The Democratic Class Struggle* (London, 1983); F. Castles, *The Working Class and Welfare: Reflections on the Political Development of the Welfare State in Australia and New Zealand, 1890–1980* (Sydney, 1985); G. Esping-Andersen, *Politics Against Markets: The Social Democratic Route to Power* (Princeton, 1985); A. Przeworski, *Capitalism and Social Democracy* (Cambridge, 1985).

⁸ D. Duncan, 'The origins of the "Welfare State" in pre-apartheid South Africa' (unpublished seminar paper, 1993), 72; B. D. Fleisch, 'Social scientists as policy-makers: E. G. Malherbe and the National Bureau for Educational and Social Research, 1929–1943', *Journal of Southern African Studies*, 21 (1995), 357; Posel, 'The case for a Welfare State', 65; D. L. Berger, 'White poverty and government policy in South Africa, 1892–1934' (Ph.D. thesis, Temple University, Philadelphia, 1983). See also J. Iliffe, *The African Poor: A History* (Cambridge, 1987), 117–22; H. Giliomee, *The Afrikaners: Biography of a People* (Cape Town, 2003), 353; G. Davie, 'Poverty knowledge in South Africa: the everyday life of social science expertise in the twentieth century' (Ph.D. thesis, University of Michigan, Ann Arbor, 2005), 82–5; J. Tayler, "'Our Poor": the politicisation of the Poor White problem, 1932–1942', *Kleio*, 24 (1992), 40–65.

⁹ J. Seekings, 'The Carnegie Commission and the backlash against welfare state-building in South Africa, 1931–1937', *Journal of Southern African Studies* (forthcoming).

Age Pensions and National Insurance. This Commission had been appointed in early 1926:

to examine and report upon:

(a) The payment of pensions by the State to necessitous aged and permanently incapacitated persons who are unable to maintain themselves and for whom no provision at present exists.

(b) A system of National Insurance as a means of making provision for the risks of sickness, accident, premature death, invalidity, old age, unemployment and maternity.¹⁰

In its *First Report*, the Commission recommended that the state greatly expand its responsibility for the poor through non-contributory old-age pensions and disability (or 'invalidity') grants. In its *Second* and *Third Reports*, the Commission proposed a system of social insurance to cover sickness and unemployment.¹¹ Whilst disability grants and unemployment insurance were not actually provided until 1936–7, the foundations were laid by the Pienaar Commission. The Pienaar Commission is, however, not even mentioned in the existing literatures on the Pact Government or on 'poor whites' or social policy.¹²

This paper examines how and why the state began to assume substantial responsibility for the 'deserving' poor in the 1920s through, *inter alia*, social assistance. Social assistance was supported by a broad coalition of white political actors. South African policy-makers were very aware of policy innovations in a wide range of other countries. For the organized working class, and their parliamentary allies, social assistance represented a stage in the struggle against capitalist exploitation, providing benefits that they deserved but for which they would not pay through contributions. For employers, a tax-financed system was less awful than a contributory one, because it did not raise the costs of production. But the most important factor was the imperative – for the NP – of raising its 'poor white' supporters out of poverty and the attendant risks of becoming subordinate to or intermingling with African people. Old-age pensions constituted one cornerstone of the 'civilized labour' policies by which the Pact Government sought to raise all white people to 'civilized' standards of living, above rather than below or alongside the 'native' (African) population. South Africa's welfare state thus has its origins above all in the Pact Government's general strategy of racial segregation (and discrimination) in response to the *swartgevaar* (black peril).

¹⁰ Union of South Africa, *First Report of the Commission on Old Age Pensions and National Insurance* (Cape Town: UG 21 of 1927; henceforth 'Pienaar Commission, *First Report*').

¹¹ Union of South Africa, *Second Report of the Commission on Old Age Pensions and National Insurance* (Cape Town: UG 50 of 1928; henceforth 'Pienaar Commission, *Second Report*'); *Third Report of the Commission on Old Age Pensions and National Insurance* (Cape Town: UG 26 of 1929; henceforth 'Pienaar Commission, *Third Report*').

¹² Two exceptions, which note the Pienaar Commission in passing, are Sagner, 'Ageing and social policy', and C. Meth and S. Piper, 'Social security in historical perspective' (Conference paper no. 250, Second Carnegie Inquiry into Poverty and Development in Southern Africa, University of Cape Town, 1984).

Welfare policy in South Africa was driven by a concern to reorder society, as it was in other parts of Africa in the 1940s – but the desired order in South Africa was distinctively racialized and only partially ‘modern’.

POLITICS AND POVERTY IN THE EARLY 1920S

The early 1920s were a period of chronic and intense class and racial conflict. South African employers sought to take more advantage of the fact that state policies helped to ensure a supply of cheap, un- or semi-skilled African labour. White mineworkers opposed this by demanding the reservation of more skilled jobs for white workers. Their protests culminated in the insurrectionary Rand Revolt, during which they brutally attacked black workers but were in turn the victims of severe state repression.¹³ In Parliament, Smuts led a South African Party government, supported by the gold-mining houses and large farmers, the urban middle classes, and some English-speaking workers. The opposition comprised Hertzog's NP, whose support was concentrated in poorer rural areas, and the smaller, socialist Labour Party, whose support-base was among white workers in the gold-mining towns of the Witwatersrand. ‘African politics’ was also in ferment, with the radicalization of African political leadership after the First World War and the rapid growth of the Industrial and Commercial Workers Union (ICU), prompting considerable panic among white people in many parts of the country.¹⁴

This was a period of political and social tension, in large part because of the rapidity of social and economic change. Gold mining fuelled massive migration into the Witwatersrand towns – of relatively skilled workers from Britain, unskilled African workers from across Southern Africa, and also poorer and unskilled Afrikaners pushed out of the countryside by the growth of capitalist agriculture. Both in rural areas of origin and in town, poorer Afrikaners constituted an important and aggrieved electoral constituency. The causes of poverty among ‘poor whites’ were well documented, for example by the 1920–2 Unemployment Commission and the 1925–6 Economic and Wages Commission. Whilst there is considerable confusion over estimates of the numbers of ‘poor whites’, it is likely that they comprised just under 10 per cent of the white population at this time.¹⁵

Prior to the 1920s, poor white people relied primarily on kin or the churches. Approximately 10 per cent of the white population – mostly skilled workers and their dependants – were eligible for benefits in the event of ill health, through membership of voluntary ‘friendly societies’ and medical benefit funds, the most important of which by far was the South African Railways and Harbour Sick Fund. Very few workers contributed to

¹³ J. Krikler, *The Rand Revolt* (Manchester, 2005); Simons and Simons, *Class and Colour*; Davies, *Capital, State and White Labour*; Yudelman, *Emergence of Modern South Africa*.

¹⁴ H. Bradford, *A Taste of Freedom: The ICU in Rural South Africa, 1924–1930* (New Haven, 1987).

¹⁵ Union of South Africa, *Final Report of the Unemployment Commission* (UG 17 of 1922) and *Report of the Economic and Wage Commission (1925)* (UG 14 of 1926), 105–20 and 334–50, respectively; Berger, ‘White poverty’; Davie, ‘Poverty knowledge’; Pienaar Commission, *Third Report*, 27.

occupational retirement funds. The government paid pensions to the small number of retired civil servants, as well as war pensions to veterans of the Boer and First World Wars. The common law made children responsible for maintaining aged and indigent parents. State provision for anyone other than its own employees was limited to very modest and stigmatizing poor relief on the British model, including both indoor relief (i.e. in almshouses) and outdoor relief (grants in cash or in kind), often administered by churches. Poor white people were thus turned into 'callous and hardened professional beggars', in the words of the Pienaar Commission.¹⁶

In the early 1920s the South African Party government's response to 'white poverty' entailed primarily constraints on African workers competing with white workers. The 1923 Native Urban Areas Act put into practice the recommendations of the infamous Stallard Commission, limiting African people in urban areas to racially segregated locations and requiring them to have valid 'passes'. The purpose was to push down African people, or to push them out of urban areas altogether, so as to re-establish the racial hierarchy. As Colonel Stallard himself said, it was especially important to impose passes on 'skilled and educated natives' because to do otherwise would be 'to expose the white population to the most deadly competition which the black race is capable of offering, and to ensure the ultimate subordination of the most hopeless portion of the white race to the most competent portion of the black race'.¹⁷ The only policies to lift up poor white people were some limited training initiatives and the temporary and limited expedient of public works programmes for unskilled white workers.¹⁸

Unsurprisingly, the opposition National and Labour parties made much of the threats of unemployment and poverty. In 1923 they concluded an electoral pact, denouncing the government for promoting 'big financial' interests and jeopardizing the future of South Africans 'as a civilised people', and promising social and economic policies that included old-age pensions. The economy had been in recession for three years, and reports that one half of all white school-leavers were unable to find jobs precipitated a sharp panic around unemployment in 1924.¹⁹ In the 1924 election campaign, Hertzog emphasized the threat to South Africa remaining 'a white man's country'. The NP's Tielman Roos told voters in Johannesburg that 'the native is not an asset to the white man in this country; he is a curse'. African workers, he said, should be prohibited from doing any semi-skilled or skilled work.²⁰

For both Pact parties, the forthcoming elections were about the survival of the 'civilized races' and protecting 'civilized labour'. 'Civilized labour' was (in Hancock's words) 'a powerful incantation', its 'magic' uniting the Pact parties whilst exposing disagreements within the South African

¹⁶ Pienaar Commission, *First Report*, 10. See also J. Bottomley, 'Public policy and white rural poverty in South Africa, 1881-1924' (Ph.D. thesis, Queen's University, Kingstone, 1990); Iliffe, *The African Poor*, 115-23; Pienaar Commission, *Second Report*.

¹⁷ Quoted in S. Parnell and D. Hart, 'Self-help housing as a flexible instrument of state control in 20th century South Africa', *Housing Studies*, 14 (1999), 372.

¹⁸ Berger, 'White poverty', 214-30, 267-82; Lewis, *Industrialisation*, 25-7.

¹⁹ W. K. Hancock, *Smuts: The Fields of Force, 1919-1950* (Cambridge, 1968), 155; M. Creswell, *An Epoch of the Political History of South Africa in the Life of Frederic Hugh Page Creswell* (Cape Town, 1956), 93-4; Berger, 'White poverty', 193-7.

²⁰ *Cape Times*, 4 June, 9 June, 14 June 1924.

Party.²¹ For the Labour Party, this was part of the ideology of the imperial working class, an ideology shared by workers in Australia and elsewhere. White workers were urged to vote against the South African Party government because 'it is the tradition of the people of every British Dominion to insist that their country shall be the home of an ever-increasing civilised and contented people', and 'because South Africa shall be no exception and shall not be permitted to degenerate into a big, cheap-labour compound, in which the people will find it harder to earn a civilised livelihood'.²² Much more systematic racial segregation and discriminatory policies were needed to ensure 'civilized' lifestyles for white and coloured people.

The Pact parties made a strong appeal to coloured voters, who were still a significant electoral force in the Cape Province (and also comprised a significant proportion of the membership of predominantly white trade unions in the Cape). Hertzog himself declared that coloured people should be treated on an equal basis with the 'European' in employment and education, and even that he favoured extending the vote to coloured people in the Transvaal and Free State (which Afrikaner republicans had opposed successfully at the formation of the Union). Coloured people, Hertzog said, would help maintain the white man's position against the 'native'.²³ The term 'civilized labour' (as opposed to 'white labour'), probably borrowed from Australian trade unions, may have been used first by the Labour Party in the 1924 campaign specifically so as to appeal to *coloured* workers. The appeal may have enjoyed some success, with a strong swing to the NP in several Cape constituencies where there were concentrations of coloured voters.²⁴

The elections of June 1924 were a triumph for the Pact parties. The NP won 63 seats and the Labour Party 18, against the 53 won by the South African Party (and 1 seat by an independent). After some discussion, the National and Labour parties agreed to form a coalition government, headed by Hertzog and including 7 other NP ministers and 3 Labour Party ministers. The Pact Government quickly moved to re-establish a racial hierarchy through the two dimensions of segregation: lifting up white (and, more ambiguously, coloured) people at the same time as keeping African people down or out. Welfare reform was to be a central element in this racial project.

SWARTGEVAAR: THE PACT GOVERNMENT AND THE RESTORATION OF RACIAL PRIVILEGE

Economic change and the workings of the 'market' had eroded the racial hierarchy, by impoverishing some rural white people and enriching some urban black people (despite the many legislative and social restrictions on the latter). 'Poor whites' were far from being the poorest people in South Africa, but they were poor in the sense that they were poorer than growing numbers of African people. The Pact Government sought to use the state to counter the 'market' and restore a clear racial hierarchy. Prior to the election Hertzog had spoken of the need for a *skeidsmuur*, i.e. fence or dividing line, between civilized and uncivilized labour.²⁵ In November 1925, in a speech in his

²¹ Hancock, *Smuts*, 160.

²³ *Cape Times*, 19 May, 4 June 1924.

²⁵ Hancock, *Smuts*, 159.

²² *Cape Times*, 13 June 1924.

²⁴ Giliomee, *Afrikaners*, 391-3.

parliamentary constituency of Smithfield in the Orange Free State, Hertzog outlined how his government would respond to the *swartgevaar*, i.e. the mix of demographic, political, sexual, social and economic threats posed by African people. The government, he said, would implement more systematic racial 'segregation'. The two elements of segregation which have attracted most attention in recent literature have been further 'influx control' (i.e. restrictions on urban residence for African people) and the removal of African voters in the Cape from the common voters roll.²⁶ But racial segregation was not simply a matter of shutting African people out; it was also a matter of keeping them down, and especially of raising up white people above them.

Segregation meant uplifting poor whites through a combination of 'civilized labour policies', land settlement policies in the countryside, and welfare reform. The political imperative was explained by an NP MP, Dr. Stals, who had just won his seat from the South African Party. The 'poor white' problem, he said:

is a question which not only concerns the poor; it affects the whole white civilisation of this country. It confronts us with the question whether we, the descendents of the staunch old pioneers, will maintain their civilisation and hand it over to our children ... It may be asked whether there is poverty only in South Africa and whether other countries do not suffer from the same thing. There are poor people everywhere, but the circumstances in South Africa are unique. ... In this country, there is a small number of whites against the natives, a few civilised people against uncivilised hordes, and for that reason it is so important that not a single white person should be allowed to go under ... There is no greater problem than this, because the existence of the European civilisation in this country hinges on it.²⁷

The discourse of 'civilization' was crucial to the Pact Government's policies. Labour market policies were explicitly referred to as 'civilized labour policies', but the underlying principles informed other policies also. 'Civilized labour' was defined in a circular sent out by Hertzog:

The Prime Minister desires it to be understood by all Departments of State that it has been decided as a matter of definite policy that, wherever practicable, civilized labour should be substituted in all employment by the Government for that which may be classified as uncivilized. Civilized labour is to be considered as the labour rendered by persons, whose standard of living conforms to the standard of living generally recognized as tolerable from the usual European standpoint. Uncivilized labour is to be regarded as the labour rendered by persons whose aim is restricted to the bare requirements of the necessities of life as understood among barbarous and undeveloped peoples.²⁸

A civilized standard of living entailed being able to employ a 'native servant'!²⁹

²⁶ See, for example, S. Dubow, *Racial Segregation and the Origins of Apartheid in South Africa, 1919-36* (Basingstoke, 1989).

²⁷ *Hansard*, House of Assembly (hereafter 'HoA'), 12 Aug. 1924, cols. 429-32.

²⁸ Circular no.5, 31 Oct. 1924, quoted in *Year Book of the Union of South Africa*, vol. 9 (1924), 203.

²⁹ South Africa, *Report of the Economic and Wage Commission*, paras. 332-3.

The 'civilized labour policy' did not require raising the wages paid to semi-skilled or skilled workers, because poverty among white people was rarely due to low wages. Rather, it entailed excluding African workers from such jobs and providing employment for mostly unskilled white workers at the 'civilized' rates generally paid to semi-skilled or skilled workers. A Department of Labour was established to look after 'races which subscribe to a civilised standard of life'. The state-owned South African Railways and Harbours were the primary focus for job creation, with poor white workers appointed as 'skilled labourers'. By 1929, the Railways and Harbours could claim to have found 'employment and often housing for approximately 25,000 workless men who were regarded as "poor whites", without any prospect of hope'. When the Pact Government introduced tariffs to protect local industries, it offered preferential tariffs and government contracts to reward firms that employed a high ratio of 'civilized' to 'uncivilized' labour. And when it established the parastatal Iron and Steel Industrial Corporation (ISCOR), it required that this did likewise. In both the public and private sectors, African workers were replaced by better-paid white workers. Finally, the 1926 Mines and Works Act entrenched the colour bar in gold-mining, which was the one industry in which Afrikaans-speaking migrants were in the majority among white workers.³⁰

The Pact Government also sought to keep more white people in the countryside. It moved to subsidize production, support domestic prices, and protect farmers with tariffs. Farmers were provided with cheap credit, export subsidies and preferential railway tariffs. A massive parastatal system for marketing produce was used to maintain high producer prices, with the cost passed onto consumers. As a result, consumers paid local prices that were higher than world prices. State interventions, especially those affecting the marketing system, served not only to boost farmers' incomes but also to protect them against risk. In sharp contrast with the pre-1924 South African Party government, the Pact Government favoured struggling small farmers over the larger producers.³¹

Civilized labour policies together with agricultural policies served to ensure that working white and coloured people enjoyed civilized living standards, but they could only be of secondary importance in addressing the 'poor white' problem. This was because unemployment was not, in the 1920s, the sole cause of 'white' poverty. This was made clear, first, by the 1925 Economic and Wage Commission, and then by the Pienaar Commission. The Pienaar Commission found that the unemployment rate was only about 4 per cent within both the white and coloured populations; most of the 100,000 to 150,000 'poor whites' were not fit to work. The policy challenge posed by 'poor whites' would need to be addressed primarily

³⁰ Lewis, *Industrialisation*, 76, 80; Simons and Simons, *Class and Colour*; Davies, *Capital, State and White Labour*.

³¹ Morrell, 'South African state'; A. Jeeves and J. Crush, 'Introduction', in Jeeves and Crush (eds.), *White Farms, Black Labor: The State and Agrarian Change in Southern Africa, 1910-1950* (Pietermaritzburg, 1997); S. Schirmer, 'Mechanisation motives in South African agriculture: c. 1940-1980' (unpublished paper, 2003).

through shifting from the piecemeal system of poor relief to a more systematic set of grants or pensions.³²

THE ACCEPTANCE OF STATE RESPONSIBILITY FOR THE
DESERVING POOR

The most pressing category of 'deserving' poor comprised the elderly and invalid. Under pressure in Parliament, and on the eve of the 1924 election, the previous South African Party government had appointed a civil servant (James Collie) to investigate old-age pension schemes. Collie's memorandum was presented to Parliament by the new Pact Government soon after the election.³³ It distinguished between voluntary insurance schemes (as in France), compulsory insurance schemes (as in Germany) and non-contributory schemes (as in Britain or New Zealand). It concluded by setting out eight possible non-contributory schemes for South Africa. These varied according to the age of eligibility (65 or 70), the level of the pensions, and whether or not they were means-tested. The most expensive was 'Scheme A', which would provide universal old-age pensions (i.e. without any means test) for elderly white, coloured and Indian people from the age of 65, and invalidity grants for 'native' people. African people would get invalidity grants because of the practical difficulties in determining their age. District surgeons or magistrates could certify invalidity, and this would (Collie suggested) catch most elderly African people. The total cost would be £3.85 million per year (i.e. more than 10 per cent of total public expenditure). All of the schemes covered African people, but all also discriminated in benefit levels, with the proposed benefits for coloured people being two-thirds of those for white people, and those for African people being just one-third of the white level. Both men and women would receive equal benefits from the scheme.³⁴

Whilst some MPs clamoured for immediate action, the government urged further reflection, especially given the cost (and some dissent within the NP over the shift from self-help to state assistance).³⁵ Meanwhile, both a departmental committee examining unemployment and poor relief and the Economic and Wage Commission found that the provision for the elderly and disabled was inadequate.³⁶ In February 1926, the government appointed a five-man Commission on Old Age Pensions and National Insurance, with a brief to consider not only old-age and invalidity pensions but also provision against the risks of sickness, premature death, unemployment and maternity. The Commission was being asked, in effect, to consider a comprehensive social insurance and assistance system for South Africa. The Commission

³² Pienaar Commission, *Third Report*, 23–9.

³³ Union of South Africa, 'Memorandum on the subject of an Old Age Pension Scheme for the Union of South Africa, together with a brief description of various existing schemes', by J. Collie (1924).

³⁴ At no stage does there seem to have been any discussion of gender discrimination, presumably because a large proportion of the deserving elderly poor were widows.

³⁵ *Hansard*, HoA, 1925, cols. 1,987–95.

³⁶ The findings of this committee (the Hancock Committee) are summarized in *Year Book of the Union of South Africa*, vol. 9, 201; South Africa, *Report of the Economic and Wage Commission*, 112 and 339.

was to be chaired by B. J. ('Pen') Pienaar, a senior NP MP for Wonderboom and chairman of the parliamentary public accounts committee. Its other members – all MPs – were Patrick Duncan (South African Party MP for the Johannesburg constituency of Yeoville, a former cabinet minister, and a future deputy leader of his party and later still governor-general of South Africa), Henry Sampson (ex-trade-unionist and Labour Party MP for the Johannesburg constituency of Jeppe), J. W. J. Wessel Roux (NP MP for the rural constituency of Ceres in the Western Cape) and Dr. Nicolaas van der Merwe (a church minister and newly elected MP for Winburg in the Orange Free State, and about to become one of the leading members of the Malanite wing of the NP and a critic of Hertzog). Three of the five members – i.e. a majority – were from the NP. Collie served as the secretary to the Commission (until 1928). The Commission held hearings in Cape Town and the Boland whilst Parliament was in session (up to early June 1926), and then across the length and breadth of the Union between July and December. It also solicited written submissions from employers, unions, churches and other interested parties.

In recognition of the urgency of assisting the elderly, the Commission produced in April 1927 a first report recommending non-contributory, means-tested old-age and invalidity pensions. The *Report* adopted the discourse of 'civilization' that dominated the Pact Government: 'Many aged and infirm people are living under conditions which are unworthy of a civilised community as the assistance provided from the existing sources is quite inadequate'.³⁷

The law provides that children are responsible for the maintenance of their parents when they are no longer able to earn enough and are without means sufficient for their maintenance. It has been recognised for some time that in many cases children are unable to give the necessary assistance to aged parents even if they lowered the standard of living of their own families to do so. Nor could they share with their parents the small quantity of the food they are able to provide, which is already less than is required by their own growing children. Another fact that is generally admitted is that there are in every community many aged persons who have no children or near relations to whom they can look for assistance, and who are, therefore, almost entirely dependent on the goodwill and charity of their fellow citizens ... In far too many cases, [people] are not earning enough to bring up their own families properly and are quite unable to make any provision for their own old age and are not in a position to do anything towards assisting their parents.³⁸

When children had the means to care for the elderly, four of the commissioners decided (with Sampson dissenting) that they should be compelled to do so. In other cases, the commissioners agreed, the state should assume responsibility.

The Commission examined provision elsewhere in the ('civilised') world with respect to issues such as the age of eligibility and benefit rates. The Commission recommended setting the age of eligibility at 65 for both men and women, ignoring widespread calls and a dissenting opinion from Sampson that women should be eligible from the age of 60. There would not

³⁷ Pienaar Commission, *First Report*, 10.

³⁸ *Ibid.* 9–10.

be any specific grounds for excluding 'undeserving' elderly (although 'provision should be made that where a pensioner is leading a riotous life or cannot be trusted to expend his pension wisely the Magistrate may direct that the pension may be paid to some other person or body to be expended on the maintenance of the pensioner'³⁹). The final recommendation had two conspicuous changes in comparison to any of Collie's schemes. First, it made no provision of any kind for African people. Secondly, it set the pension at a lower level than Collie's minimum, at 10 shillings per week. Sampson dissented from this also, recommending instead a pension of £1 per week; the lower rate, he said, was 'quite inadequate for the maintenance in South Africa of an individual on a civilised basis'.⁴⁰ The proposed benefit was certainly very low in comparison with the wage rates considered as 'civilized' by the government. A wage of £1 per *day*, i.e. about £30 per month, was common among semi-skilled or skilled white workers and artisans, although wages were understood to support a family whilst a pension was to support a single individual. The proposed benefit to white pensioners of just £2 per month was less than the wages paid to many African workers.⁴¹

There would also be a means test. This was necessary because universal pensions (as in Collie's Scheme A) would be too expensive and a means test accorded with public opinion:

We are satisfied that the country cannot afford and does not desire to see a system of universal Old Age Pensions. The alternatives are a system of pensions which is subject to a means limit and which has proved so popular in Australia and New Zealand or the abandonment of the idea of doing anything for those who are already aged and necessitous.⁴²

The Commission estimated that the means test would result in only one quarter of the elderly white population receiving old-age pensions, together with two-thirds of coloured and Indian elderly. In total, they estimated, old-age pensions would be paid to 15,500 white and 14,000 coloured and Indian people, and invalidity pensions would be paid to another 8,000 white and 9,000 coloured and Indian people.

The total cost of old-age pensions would be £771,000 per year, and the cost of old-age and invalidity pensions together would be just over £1.2 million per year, or less than 4 per cent of total public expenditure. This was less than one-third of the cost of Collie's Scheme A, and reflected the fiscal conservatism of the Finance Minister (Havenga) and the Pact Government. One Labour Party MP was moved to criticize Havenga for dragging his heels on old-age pensions:

I am all the more anxious because recently the Minister of Finance, in a speech, heralded his intention to practice what is called economy, and pointed to the necessity of reduction in taxation. That may be hailed by the financial pundits as another proof of the wonderful success of a wonderful Minister of Finance. But there are other questions besides £ s. d. There are questions of humanity standing far above all questions of whether rich men should become richer and governments should spend less.⁴³

³⁹ *Ibid.* 32.

⁴⁰ *Ibid.* 34.

⁴¹ Data on wages from South Africa, *Report of the Economic and Wage Commission*.

⁴² Pienaar Commission, *First Report*, 24. ⁴³ *Hansard*, HoA, 1928, col. 1,250.

'This country lags behind' other countries, he added, concluding that 'the way in which a country treats its old people is a criterion of its civilisation'. An opposition MP took up the issue, regretting that the government was not acting despite 'the splendid position' that the Treasury was in, with 'a good deal of money to spare' and no need to raise taxes.⁴⁴

The government finally tabled an Old Age Pensions Bill that substantially accepted the recommendations of the Pienaar Commission. Benefits for white pensioners would be set at £30 per year, which was marginally higher than the £26 per year recommended by the Commission. Coloured pensioners would receive £18 per year. The age of eligibility would be 65 for both men and women, who would receive equal benefits. There would be a means test. The only major difference between the Commission's recommendations and the Bill was the exclusion of Indian people.⁴⁵ The Bill enjoyed support from all three parties. The only dissent was over the low level of the pension and the provision for the state to recover funds from children who did not look after their parents despite having the funds to do so. All MPs appeared to share Havenga's initial opinion, when introducing the Bill, that 'it is the duty of the state to come to the assistance of our aged poor' who were 'unfortunate' but 'not always undeserving'.⁴⁶ The Old Age Pensions Act was signed by the Governor-General in June 1928.

SOCIAL ASSISTANCE AND THE RACIAL HIERARCHY

In designing these new schemes, both the Pienaar Commission and the Pact Government exercised choice. South Africans were not isolated from international debates and developments, but rather assessed policy reform with extensive knowledge of alternative models. Alternatives were acknowledged in Collie's 1924 memorandum, more fully in the Pienaar Commission's *First Report*, and in parliamentary debates. Havenga acknowledged the range when he told Parliament, when introducing the Old Age Pensions Bill, that 'thirty years ago old age pensions were a novelty ... [But] today there are about forty such schemes in operation in various parts of the world'.⁴⁷ Non-contributory social assistance was the approach adopted in the United Kingdom (until 1925), New Zealand, Australia and a few other countries. The major alternative – social insurance, whether voluntary or compulsory – was adopted in most of continental Europe (with the United Kingdom adopting social insurance for health and unemployment).

The insurance option was, quite explicitly, rejected in South Africa with respect to old-age pensions. Although it is unclear whether the Pienaar Commission examined insurance options fully before completing their *First Report*, they were certainly aware of them.⁴⁸ Moreover, by the time that the Old Age Pensions Bill was debated in Parliament, Pienaar and Sampson had attended the 10th Session of the International Labour Conference and toured Europe to learn about insurance policies.⁴⁹ The Commission's *Second*

⁴⁴ *Ibid.* col. 1,252 (Watt; see also Blackwell).

⁴⁵ Bill no. 26 of 1928.

⁴⁶ *Hansard*, HoA, 1928, cols. 3,982, 3,993–4 (Havenga); 4,182, 4,305–12, 4,351–2 (criticisms).

⁴⁷ *Hansard*, HoA, 1928, col. 3,982.

⁴⁸ Pienaar Commission, *First Report*, 22 and 40.

⁴⁹ Pienaar Commission, *Second Report*, 7–8.

Report includes, as an appendix, a list of contributory programmes in different countries.

The first reason why the Pienaar Commission and government chose non-contributory pensions was the perceived urgency of helping elderly poor white people. The Commission's *First Report* recommended:

pending further enquiries into the institution of a contributory scheme ..., that for those who have already attained the pensionable age, or who will attain it before such a Contributory Scheme is instituted, and whose means are inadequate for their maintenance, a system of non-contributory pensions should be introduced without delay, as the need for such assistance is very great.⁵⁰

Both Havenga and Duncan told Parliament that the country could not wait for people to accumulate the right to pensions through prior contributions. This was especially true, Duncan argued, because South Africa was not fully industrialized, so there were many poor people who could not be brought into a contributory system based on deductions from wages.⁵¹ The Commission's *Second* and *Third Reports* proposed a system of compulsory insurance 'providing for sickness, medical, funeral, and maternity benefits' and unemployment, but felt that this was only practicable for workers in industrial areas.⁵²

The second reason was the difficulty in establishing insurance schemes that were racially exclusive. Excluding African workers would raise the relative costs to employers of employing white workers and would deter them from so doing, whilst excluding low-wage workers (of any race) from the scheme would provide an incentive to employers to keep wages low. The Pienaar Commission therefore concluded that 'it would be undesirable to make any distinction on the grounds of colour' in urban or industrial areas with respect to contributory programmes.⁵³ The same problem did not arise with respect to social assistance. Non-contributory pensions made it easier to establish a clear and unambiguous racial hierarchy. The choice of social assistance for the elderly thus reflected not only the urgency of redressing poverty, but also the urgency of re-establishing a racial hierarchy by raising the incomes of white (and coloured) people whilst excluding African (and Indian) people. In looking to foreign models for lessons, the Pienaar Commission paid special attention to countries (such as Australia) where conditions were seen to be similar to 'the special racial and economic conditions which exist here'.⁵⁴

The Pienaar Commission and Pact Government were responding to the realities of power in South Africa. In each of Brazil, Chile and Argentina, the welfare state developed along contributory lines, reflecting primarily the strength of the organized working class, which had industrial and electoral power, and the weakness of the poor, who had neither.⁵⁵ In South

⁵⁰ Pienaar Commission, *First Report*, 15; also 32.

⁵¹ *Hansard*, HoA, 1928, col. 3,998.

⁵² Pienaar Commission, *Second Report*, 48; *Third Report*.

⁵³ Pienaar Commission, *Second Report*, 22-4, 26, 63.

⁵⁴ Pienaar Commission, *Third Report*, 33-4.

⁵⁵ C. Meso-Lago, *Social Security in Latin America: Pressure Groups, Stratification and Inequality* (Pittsburgh, 1978); J. Malloy, *The Politics of Social Security in Brazil* (Pittsburgh, 1979).

Africa, 'poor whites' in both the town and countryside had the vote, and could use it to offset the power of urban trade unions. The importance of electoral politics has generally been under-emphasized by recent South African historians, but at the time social policy reforms were attributed to electoral politics by their critics. When, in 1932, the Carnegie Commission launched its critique of the old-age pensions and other programmes that put cash in the pockets of the poor, they blamed these programmes on the 'voting power' of 'poor whites'.⁵⁶ One member of the Commission wrote that competitive party politics had had 'more and more harmful results':

Practically all the white indigents have the vote, and in several constituencies they hold the balance. Public men who do not realize their responsibility or only consider election chances, have increasingly created wrong ideas and foolish expectations in the minds of the poor.⁵⁷

Political leaders made irresponsible election promises, and charity rapidly came to be seen as a right and its provision as the duty of the state.⁵⁸ The situation was not dissimilar in Uruguay, where poor workers and small farmers had the vote, and partisan competition resulted in social assistance as well as insurance programmes. It is unsurprising that the NP, drawing on support from smaller farmers and unskilled workers, tended to favour a non-contributory programme.

Whilst there was general agreement among white elites on the need to re-establish a racial hierarchy in the late 1920s, there were, however, important differences in the parties' preferences for the extent and nature of the hierarchy. All parties in Parliament supported non-contributory old-age pensions on the grounds that the state had a responsibility to provide for at least some of its elderly poor, but MPs (and others) disagreed over the extent of coverage, especially in terms of race. Everyone used the discourse of 'civilization', but this was an ambiguous discourse that was open to different interpretations.

Collie's 1924 proposals were all racially inclusive, covering African people throughout the country. Benefits would be discriminatory, but, because there were so many more poor African people, as much as 40 per cent of the total expenditure would have been spent on African pensioners, compared to 36 per cent on white pensioners, and 22 per cent and 3 per cent for coloured and Indian pensioners, respectively.⁵⁹ This would have been a highly redistributive scheme, in racial as well as class terms. The Pienaar Commission included Indian people and excluded African people from its recommendation, but gave practical arguments for the latter.⁶⁰ The Commission, however, recommended uniform benefits. The Old Age Pensions Bill (and Act) excluded African and Indian people, and discriminated against coloured pensioners in terms of benefits.

⁵⁶ Carnegie Commission, *The Poor White Problem in South Africa: Joint Findings and Recommendations* (Stellenbosch, 1932), paras. 112, 122.

⁵⁷ J. F. W. Grosskopf, *Economic Report: Rural Impoverishment and Rural Exodus* (Stellenbosch, 1932), 229.

⁵⁸ *Ibid.* 229–30.

⁵⁹ South Africa, 'Memorandum'. ⁶⁰ Pienaar Commission, *Third Report*, 15.

The Pact Government's inclusion of coloured pensioners reflected their attempt to build support among coloured voters and to enlist coloured people in the bigger struggle against the African majority. In the 1924 election campaign, the NP made a strong pitch to coloured voters.⁶¹ Hertzog promised the political incorporation of coloured people at the same time as the political exclusion of African people. Indian people, on the other hand, were the target of comprehensive legislative attacks from the Pact Government. The NP sought to disfranchise them, prohibit them from competing with white traders, restrict their land ownership and even, ultimately, return them to India.

Opposition MPs protested against the discrimination against coloured pensioners, but they were divided over the blanket exclusion of African people. Duncan echoed the Commission, supporting the exclusion of African people on supposedly practical grounds.⁶² But other opposition MPs voiced strong objections to the exclusion.

I do not see how in the name of common fairness we can tax the natives and then turn round and say to them 'you shall not share in the benefits of old age pensions'. South Africa will be the first country to adopt an old age pension scheme from which the poorest section of the community will be excluded ... Such a policy is no credit either to us as a civilised community, or to the Government which introduces it.⁶³

They objected especially to the exclusion of African people in towns.

The Pact Government's reasons for excluding African people were partly financial. As Dr. van der Merwe, one of the NP members on the Pienaar Commission, told Parliament: 'It is mainly a question of finance. With our small white population and our huge native population, the burden of paying pensions to the latter would be an impossible one'. In addition there was the practical problem of ascertaining the age of elderly African people. But underlying these concerns were more fundamental anxieties about segregation. Van der Merwe acknowledged that 'the provision of pensions would encourage the tendency of natives to de-tribalize themselves', in that they would not return to their '*kraals*'.⁶⁴ It was the better-paid African person in town, whom some of the more liberal opposition MPs considered 'civilized', who posed the greatest threat to 'poor whites' and the 'white race', as Stallard had put it earlier in the decade. If pensions were to raise up 'poor whites', they should not raise up also the more skilled African workers and the small middle-class African elite.

Soon after, the Native Economic Commission was to provide a new and segregationist argument justifying the exclusion of African people from reforms such as the old-age pensions. According to the Commission, individual poverty was rare in the African population because their 'communal' social system cared 'for all its people'. 'Broadly speaking', the Commission reported, 'there is no starvation because each man will share his food with others'. Poverty occurs only when an entire area is affected, and

⁶¹ See also H. Giliomee, 'The non-racial franchise and Afrikaner and Coloured identities, 1910-94', *African Affairs*, 94 (1999), 199-225.

⁶² *Hansard*, HoA, 1928, cols. 4,000-1. See also cols. 4,188-9 (Chaplin).

⁶³ *Ibid.* col. 2,990.

⁶⁴ *Ibid.* col. 4,194.

the appropriate response was therefore not programmatic relief but rather agricultural betterment. The Commission's analysis of poverty was mistaken, as W. M. Macmillan showed in 1930. Indeed, one of the members of the Native Economic Commission dissented from the majority report, pointing to widespread and worsening poverty in many 'reserves', and even the majority report noted that 'many magistrates' were reporting a need for poor-relief funds for poor black people in their areas.⁶⁵ There is no evidence, however, that the Pienaar Commission or the Pact Government had excluded African people from the new programme on account of any assessment of their *needs*. Rather, their exclusion was rooted in an essentially racist assessment of their *deserts*.⁶⁶

African political organizations were in turmoil in the mid- and late 1920s. Both Clements Kadalie (the leader of the ICU) and the Communist Party had even supported Pact candidates during the 1924 general election.⁶⁷ Hertzog's plans for segregation unsurprisingly prompted more hostile criticism, for example in the 1926 'Native conference' convened by the government, in submissions to the parliamentary select committees on the 'native bills' in 1927, in the African National Congress's (ANC's) conferences in 1926-7, and in the first independent Non-European Conference held in 1927.⁶⁸ Amidst controversy over the proposed disfranchisement of African voters in the Cape and deepening racial segregation and discrimination in many aspects of life, the specific issue of old-age pensions appears to have been overlooked. No African organization or leaders made submissions to the Pienaar Commission.⁶⁹ African political organizations fell into further disarray between late 1927 and 1929. The ANC later described 1929 as the 'worst year' of its history because of divisions and disputes, the ICU was riven by deep divisions, and the Communist Party engaged in fratricidal purges.⁷⁰

African political leaders woke up to the racial discrimination in the old-age pensions once the state began to pay pensions to white and coloured people. In January 1930, at the second Non-European Conference held in Cape Town, a resolution was passed deploring the exclusion of African people

⁶⁵ Union of South Africa, *Report of the Native Economic Commission* (Pretoria, 1932); W. M. Macmillan, *Complex South Africa* (London, 1930).

⁶⁶ The NP is also likely to have been influenced by lobbying by struggling farmers in poorer rural districts. When magistrates distributed maize to impoverished African people during a famine in 1927, white farmers protested that this prevented them recruiting cheap farm labour and selling their own grain. White farmers denounced what they called the 'pusillanimous petting of the natives' by magistrates, and tried to blockade shipments of relief maize. See D. Wylie, *Starving on a Full Stomach: Hunger and the Triumph of Cultural Racism in Modern South Africa* (Charlottesville, 2001), 77.

⁶⁷ C. Kadalie, *My Life in the ICU* (New York, 1970); E. Roux, *Time Longer Than Rope: A History of the Black Man's Struggle for Freedom in South Africa* (London, 1948), 199-200.

⁶⁸ See T. Karis and G. M. Carter (eds.), *From Protest to Challenge: A Documentary History of African Politics in South Africa*, vol. 1 (Stanford, 1972).

⁶⁹ Pienaar Commission, *First Report*, 8.

⁷⁰ Report of T. D. Mveli Skota, Secretary-General of the ANC, document 48h, in Karis and Carter (eds.), *From Protest to Challenge*, 307; Bradford, *Taste of Freedom*; Roux, *Time Longer Than Rope*.

from the old-age pensions.⁷¹ In April, the Transkeian Territories General Council called on the government to include African people in the old-age pension scheme: 'There are old men who have nothing to live on and have no lands', it noted; 'they have no place to go because the Native locations are fully occupied'. Whilst men with land or kin to support them did not need pensions, others did. 'We also pay tax and should share in pensions', protested the council, and the government ('our father') should not 'leave us outside in the cold'.⁷² In December, at another of the government's 'Native conferences', the former ANC president, Revd. Mahabane, twice raised the issue of old-age pensions. Children, he said, were not supporting their poor parents. Given that African people also paid taxes, the government should extend old-age pensions to them. The minister of native affairs admitted that 'the custom of children supporting their parents was falling into disuse, ... but many Natives were still following it and it would be a misfortune for the Natives if the custom altogether went out of use'. African people were excluded from the pension system 'on account of the entirely different conditions prevailing'. He also warned that 'Europeans would immediately demand that Natives should pay more taxes' if they were to receive pensions.⁷³ The following month – in January 1931 – African leaders convened the third of their more autonomous 'Non-European Conferences'. Here another resolution was passed unanimously, calling on the government 'to eliminate from the Old Age Pensions Laws the racial discrimination which precludes the Bantu people from participating in the benefits conferred upon other members of the community'.⁷⁴

These protests against discrimination in the payment of old-age pensions were as unsuccessful in the early 1930s as protests against the more important issues of political disfranchisement and general segregation. African leaders' 'lack of political leverage within constitutional politics had once again run up against the blank wall of European vested interests and political power'.⁷⁵ But, in the face of the Great Depression and drought, magistrates in the Transkei and other 'reserves' were beginning to grow concerned with poverty among African people. By 1937, the chief magistrate of the Transkei was reporting that substantial public expenditures on relief works were preventing 'wholesale starvation'.⁷⁶ By this stage the Pact Government had fallen, and the new 'Fusion' government was more sensitive to the needs of its poor African subjects. The minister of finance exempted elderly African people from taxation, and slowly began to extend other welfare programmes to the African population. These slow moves were to culminate, in 1944, in

⁷¹ 'Report on proceedings and resolutions of the Non-European Conference, in the Cape Times, January 4 and 6, 1930', document 45 in Karis and Carter (eds.), *Protest to Challenge*, 273.

⁷² 'Proceedings and reports of Select Committees at the Session of 1930', Transkeian Territories General Council, 24 April 1930, 73.

⁷³ Minutes of Native Conference, 9–12 Dec. 1930, included in *Report of the Native Affairs Commission for the Years 1927–1931* (UG 26 of 1932), 17, 34–5.

⁷⁴ Non-European Conference, *Minutes of Third Conference held at Bloemfontein during January 5th, 6th and 7th, 1931* (Lovedale, 1931), 13.

⁷⁵ P. Walsh, *The Rise of African Nationalism in South Africa* (London, 1970), 85.

⁷⁶ Opening address by the chief magistrate, Proceedings of the United Transkeian Territories General Council, 19 April 1937, 82.

the inclusion of African and Indian people in the old-age pension programme, albeit at discriminatory benefit levels.

CONCLUSION

Old-age pensions were introduced on 1 January 1929, which was nicely timed, an opposition MP noted,⁷⁷ given the general election to be held by mid-year. In the elections, the NP gained additional seats, as did the opposition South African Party, both at the expense of the irreparably divided Labour Party. In providing unskilled white workers with employment on the railways and harbours, in the new iron and steel industry, and in private enterprise, Hertzog could claim to have solved the unemployment problem⁷⁸ (although the Depression was soon to prove him wrong). Old-age pensions were the primary mechanism for solving the problem of poverty among non-working-age white people, i.e. the second dimension of 'poor whiteism'. Together, these policies began to re-establish the clear racial hierarchy. Many years later D. F. Malan, elected prime minister in 1948 to implement apartheid, praised the coalition of Labour and National parties in the Pact Government for having 'introduced a Government Labour Department, initiated the system of Old Age Pensions, and generally assisted in the protection of the European worker by the introduction of the so-called "Civilized Labour" policy'.⁷⁹

In Europe, the growth of the welfare state meant the expansion of rights for the poor. In Marshall's classic formulation, the welfare state in the twentieth century conferred social rights or 'citizenship', following on the achievement of civil rights in the eighteenth and political rights in the nineteenth centuries. Social rights, explained Marshall, ranged 'from the right to a modicum of economic welfare and security to the right to share to the full in the social heritage and to live the life of a civilised being according to the standards prevailing in the society'.⁸⁰ In South Africa, also, the right to income security in old age through non-contributory old-age pensions was an integral component allowing for life as a 'civilised being', but this civilized life was reserved for white (as well as, ambiguously, coloured) men and women. Indeed, the old-age pension was part of the panoply of measures designed to raise 'poor whites' – who had the vote – up out of (relative) poverty and the dangers of mixing with African people. For the NP, old-age pensions were part of the segregationist strategy to establish a clear racial hierarchy.

The perceived duty of the state to provide for the poor was expanded over the following 15 years to cover further categories of 'deserving' poor: the blind, people suffering from other disabilities, poor families with children, and workers. Most of the new policies could be traced back to the recommendations of the Pienaar Commission. The delay in implementing them reflected fiscal conservatism (especially given the government's

⁷⁷ *Hansard*, HoA, col. 3,997 (Henderson).

⁷⁸ *Ibid.* 14 Aug. 1929, cols. 890–2.

⁷⁹ D. F. Malan, 'Foreword', to Creswell, *An Epoch*.

⁸⁰ T. Marshall, 'Citizenship and social class', in T. Marshall and T. Bottomore, *Citizenship and Social Class* (London, 1992 [1949]), 8.

massive expenditure on supporting white farmers), changes within the Pact Government and, especially, a backlash against the old-age pensions – a backlash in which the Carnegie Commission played an important part.⁸¹ It took other changes – drought, the Great Depression, improved public finances and changing party politics – to put them back on the agenda in the 1930s. By the late 1930s, South Africa had a well-developed welfare state for its white and coloured citizens. As the newly appointed professor of sociology at the University of the Witwatersrand proclaimed, exaggerating somewhat, in his inaugural lecture in 1937: ‘Today the provision for [the] European population ... is scarcely less complete than that of Great Britain’.⁸² Old-age pensions were the most important pillar of the welfare state, in simple financial terms. By 1938, more than £2.2 million was being spent on the almost 60,000 white and 22,000 coloured pensioners.⁸³ Like its Latin American counterparts and unlike those in Britain, Australia and New Zealand, however, this was a welfare state that provided almost nothing to the truly poor. It was only in the mid-1940s that tentative deracialization began to make the South African welfare state more deeply redistributive.

⁸¹ Seekings, ‘The Carnegie Commission’.

⁸² J. L. Gray, ‘The comparative sociology of South Africa’, *South African Journal of Economics*, 5 (1937), 270.

⁸³ *Year Book of the Union of South Africa*, 1941.