PART V

WAGE REGULATION
Wage Regulation.

993. The second of your Commission’s Terms of Reference directs us to inquire into and report upon:

The application to Natives in urban areas of the existing laws relating to the regulation of wages and conditions of employment and for dealing with industrial disputes and/or the desirability of any modification of these laws or of providing other machinery for such purposes.

994. We have drawn attention in paragraphs 529-564 to the difficulties which face the urbanized Native in his attempt to raise his standard of living in the face of the competition of his tribal brethren, subsidized as they are by the income from their tribal holdings. We cannot, however, agree that the extension of the laws relating to the regulation of wages represents a suitable way of dealing with this question. We are, on the contrary, of opinion that in the chaotic state of the Native labour market, which we have brought out fully in our Report, the introduction of wage regulation for Natives will tend not only to increase the chaos, but also to inflict grave harm on the economic structure of the country generally.

995. We set out below the reasons which have influenced us in coming to this conclusion.

Conditions of Native Labour Market not Conducive to Wage Regulation.

996. The continual shock to the creation of a permanent labour-force resulting from the drift of the tribal Natives into and out of the urban areas has been explained. Whatever wage regulation is introduced will always be influenced by the subversive factor of the continuous disintegrating effects, on the urban labour market, of large numbers of casual labourers from Reserves and farms.

997. To attempt to regulate the wage factor, when the labour-supply factor is subject to influences which defy regulation, can only have a harmful effect on the economic life of the community as a whole. Wage regulation at all times reduces the elasticity of the economic system and the power of the community to adjust itself to changing circumstances. In European countries where wage regulation has been applied, the labour supply-factor is reasonably calculable. The position in the Union as regards Native labour has no such stability, and unless such stability can be achieved we consider that wage regulation can hardly be regarded as even a possibility.

Need for Elasticity.

998. The need for elasticity and power of adjustment is particularly of importance in a period of falling prices, when these factors are at a premium owing to their value for the restoration of economic health. The Union has suffered for a considerable period from falling prices, and the economic outlook of the world gives little confidence in the view that this process will be reversed in the near future. To put a greater strain on the economic machinery in such a period would be very unwise.

Regulation and Economic Health.

999. Regulation in matters economic followed “laissez faire” on account of the inadequacy of the latter to provide social justice. Its object seems, however, to have been completely forgotten. It is no longer regarded as an instrument for furthering the economic health of the community, but as a lever with which to re-distribute wealth, even at times at the cost of economic health. In a period of falling prices real wages rise if nominal wages remain stationary. The avowed object of those who desire wage regulation for the Natives is to increase their nominal wages. When their real wages are rising, and the fall in prices is inflicting a very heavy burden on those whose duty it is to keep the wheels of industry in motion, it is scarcely a proper time to introduce a further rise.
The tendency to Drift to Towns.

1000. The tendency of the Natives to drift to the towns, and to prefer mining and farm work, is almost certain to be strengthened by increased pay in such jobs. There can be no doubt that these must cause an increased preference in occupations for which the Natives already have a marked preference, and tend to draw more Natives to them.

1001. Your Commissioners are all agreed that the increasing urbanization of the Natives would not be to their advantage. The introduction of wage regulation would not only encourage the present strong tendency to urbanization, but it would make the development of the Reserves more difficult, which your Commissioners unanimously consider to be the most hopeful method of dealing with the Native economic problem.

1002. We consider that whatever advantage the urban Native might obtain from increased wages, under wage regulation, would be lost through reduction of employment, through the liability, which they always shoulder of maintaining from their own means those out of work, and through the effects of an increasing drift to the towns on the salutary effects of the Urban Areas Act.

The Example of Bloemfontein.

1003. Some witnesses argued that no diminution of employment would result in increased wages, and quoted Bloemfontein where there has been wage regulation for Natives for some time, to support their contention. We cannot, however, agree that there is any good ground for departing from the well-established maxim that more expensive things are used less freely. As regards Bloemfontein, there was an increase in employment after the introduction of a minimum wage. But this increase synchronization with a considerable extension of building operations, which included important public works. Even so, the Superintendent of the Location estimated that in February, 1931, there were 1,500 to 1,600 male Natives unemployed, which represents about 15 per cent of the male Native population apart from boys of school-going age. He expressed the view that, when the building contracts were completed, unemployment would become aggravated. Subsequent figures supplied by him show that there was an increase in employment since February, and that in July, 1931, the number of Natives employed was about 800 lower than in February.

As regards the Urban Areas Act, we have shown in our Report that the Union is now engaged on an intensive campaign of reclamation of Native trims. To put the strain on this important social work which would result from increasing urbanization of Natives, would be a very great disservice to the Native population.

1004. Margin of Production in Mining and Farming.

1005. The reactions of wage regulation on industries in which it does not directly apply must also be considered. These would be primarily mining and farming. These industries have this in common, that the margin of productive enterprise is determined largely by the productivity of natural resources. An artificially created higher level of urban wages must necessarily increase wages in these industries. This would depress marginal production, of which there is a great deal not only in respect of low-grade ore, but also of all classes of farming, and would thus directly reduce the national income. This would not be to the advantage either of the country as a whole, or of the Natives as a group.

1006. We therefore recommend that the laws applicable to the regulation of wages, either in their present state or in an amended form, be not extended to Natives in urban areas.

1007. Messrs. Anderson and Lucas and Dr. Roberts are not in agreement with the views of the majority of the Commission on the second Term of Reference, paragraphs 993-1006. We have set out in the following paragraphs, 1010-1016, information which may be useful to those not familiar with the terms of Reference, that may be referred to in this connection.

1008. Mr. Lucas gives his views on further matters falling within this Term of Reference in an Addendum. See page 221.
1009. Messrs. Anderson and Lucas and Dr. Roberts report as follows on the Commission's second Term of Reference:

1010. The fact that wages paid to Natives are generally low creates certain tendencies which it is important to recognize. Thus there is too often an absence of incentive to increase the efficiency of Native labour; it is apt to be used wastefully; the employer is inclined to continue the use of manual labour instead of introducing mechanical improvements which would in the long run add to efficiency and economical production. The undoubted existence of these tendencies in the field of industry and employment in the Union, added to the fact that the consuming power of the Native is comparatively low, thus limiting the market for production and trade, makes it doubtful whether the low paid Native labour supply is an undoubted asset to the country. The questions raised in this paragraph have been fully discussed in the Report, more particularly in paragraphs 526, 544, 551, 560, and 563.

1011. On the other hand the existence of a large supply of labour on a low economic basis of living and payment does make possible and encourage certain forms of industry which could hardly be carried on without it.

1012. The low grade ore mining of the Union is the principal instance of this, and much of the agriculture of the Union is in a similar position. The place which these industries hold in the economic life of the country makes it necessary to consider their position with extreme care when regulation of wages of unskilled labour is contemplated. We believe that it is possible to make use of the machinery of the Wage Act to raise the level of wages of urban Native labourers, and that if this is done gradually and circumspectly there need be no damage to the industries just mentioned.

1013. In considering any question affecting the employment of Europeans and Natives, the outstanding factor is the wide gap between the wages paid to Europeans and those paid to Natives, the gap corresponding largely to the difference between the standard of living of the European and of the tribal Native. This question has been dealt with in paragraphs 527 and 528 of the Report.

1014. In addition to the effects there mentioned there is another. If a skilled employee loses his occupation he has not the position of a labourer to fall back upon. In Europe, if a skilled artisan becomes unemployed, he can, without any great hardship, accept for a time a labourer's post, because the labourer's wage is based on the maintenance of a standard of living comparable to his own. It is not, however, not only the spread between the wages of skilled Europeans and Native labourers which operates in this way: the difference in the standard of living of the poorest white and the tribal Native on the generally accepted view, is still not less than a ratio of two to one. Native wages have generally been fixed for a standard of living comparable more with that of the tribal Native than that of a person living in a civilized community. Where 2s. 6d. a day is regarded as quite a reasonable, and in many instances a very good wage for a Native labourer, it is generally considered that not less than 5s. a day can be offered to a white labourer for unskilled work.

1015. There is a very big margin between the white unskilled worker's minimum of 5s. per day, and the Native's wage of 2s. 6d. a day, or in many cases considerably less, which is not covered by any increased return in the value of the services rendered. The effect is obviously a direct incentive to the employment of Natives in preference to whites, and although for many years efforts have been made to encourage the employment of whites on unskilled work in place of Natives, no appreciable success has been achieved in any but Government occupations, where the loss in increased costs has been borne out of general revenue or from railway rates.

1016. The only openings which could be filled by the large class of Europeans who are not capable of becoming skilled workers, are labouring occupations or occupations for which the necessary skill is easily acquired. Nearly all such openings, outside Government service, are to-day filled by Native workers. The poorer Europeans, therefore, have a very direct interest in the economic position of the Natives.
1017. Unless the Natives are assisted to become so prosperous in their own areas that they will not come out to work for Europeans, thus necessitating the employment of Europeans on unskilled work, or unless the Government is prepared to subsidize the employment of European unskilled workers to the extent of approximately 50 per cent of their cost, there can be little prospect of employment for that large body of Europeans that is not capable of, or not trained for, work above that of labourers. The direct welfare of large numbers of Europeans, and the almost as direct welfare of all the European population in the Union, therefore, depends upon the lessening of the gap between the wages of Europeans and of Natives; and as Europeans cannot live on the wages at present paid to Natives this involves an improvement of the economic position of the Native population of the Union.

1018. Economic and other pressure on the Natives in the Reserves and in other rural areas has been driving Natives into the urban areas where the difficulties, due to their presence, are now becoming almost insuperable. The solution of these problems can, in our opinion, be attained only by the improvement of the economic position of the Natives throughout the Union. To obtain this improvement, it is necessary that the proposals of the Commission for the development of the Reserves shall be carried out wholeheartedly and generously. If this course is followed, the position of the Natives in the urban areas would in time be materially improved.

1019. At present, the very large supply of Native labourers in the towns makes it possible for employers to keep Native wages at a very low level. Even with any likely improvement in the rural areas, the improvement in the urban Natives' position will not be such as to enable the standard of living of most Natives to rise, without assistance, to anything like the level of the standard of living of the poorest whites. The machinery necessary to bring about a rise in the Natives' standard of living can only be provided through some form of wage regulating legislation. However true it may be that work which is now performed by low-paid man-power can be more economically performed by well-paid employees aided by mechanical power, the pressure necessary to produce the change from man-power to mechanical power is not likely, in any reasonable time, to operate sufficiently to bring about the change; and even if such change were made, there would still be the tendency to employ as few well-paid whites as possible and to substitute for them, wherever possible, low-paid Native workers.

1020. In the increased production which can be obtained by efficient organization and careful training of employees there is in most industries scope for the provision of higher rates of pay than rule to-day for unskilled and semi-skilled work. In the training for greater productiveness of Native employees and of the Europeans whose only future is that of labourers, there lies the possibility of great expansion in all branches of South African industries at wages which will make possible a civilized standard of living for both Europeans and Natives.

1021. As has been shown in the general Report, it is improbable that a degree of segregation which will involve removal of the whole of the urban Native population from any town can be attained. Prosperity in the Reserves should help appreciably to reduce that population in urban areas by attracting numbers from them to the Reserves, but the fact must be faced that, for good or ill, there is and in all probability there will always be a relatively large Native population in each urban centre, where there is such a population to-day. There is, therefore, a poor prospect of employment for European labourers except where, in fair competition, they can give services equivalent in cost to those given by Native labourers. They must be prepared to lower their standard of living to that of the Natives, or steps must be taken to raise, as rapidly as possible, though with the greatest care to avoid dislocation of industry, the standard of the Natives to a level at which the employer will not be driven on the score of cost to prefer them to Europeans. The question then being decided, not only in justice to the Native, but also in the interests of the Europeans, that the Natives' standard of living must be raised, there remains to consider the method to be adopted.

1022. In urban areas the Native is, in the interests of the general health and welfare of the community, required—at any rate in theory—to live in houses and in surroundings which satisfy the requirements of the health bye-laws. To achieve this it is under existing conditions necessary to subsidize his
housing out of the general revenue of the local authority. This amounts to a subsidization of employers of Natives by the community as a whole, while there is lost all the incentive of personal interest on the employer, which the necessity of paying higher wages would exercise upon him to improve his efficiency, and of the personal interest of the employee, which the prospect of providing out of his wages his own home, would exercise upon him to make him a better workman. The slum problem, the housing problem, the general problem of raising the Native standard of living to approximate more nearly to that of a simple European standard of living, are dependent mainly upon the Native's wage level. We feel little doubt that the Native is capable of greater efficiency than circumstances have as yet either encouraged or allowed him to exhibit. The objective, therefore, should be the raising of both his efficiency and his wages, the one reacting on the other, thereby securing a higher Native standard of living and consuming power which will be as much to the advantage of the community as of the Native. On the question of subsidization of Native wages see also paragraph 506 above.

1023. The part, however, which State regulation of wages can play in bringing about general economic improvement, is limited: if applied injudiciously or too quickly or with insufficient comprehension of the economic and human factors which at present largely govern industry and employment, the result might be quite other than that hoped for. It is as much a two-edged weapon as a protective tariff. But a country which believes in and makes use of a "scientific tariff" should not be afraid of the use of scientific wage regulation. The arguments for the application of the Wage Act to unskilled Native labour were set forth in the Report of the Economic and Wage Commission (1925). We believe they are sound, and that the advantages of making use of such regulation outweigh its advantages.

1024. The Wage Act, for some time to come, will be more suitable for regulating Native wages than the Industrial Conciliation Act. Under the latter Act, wages have been laid down for unskilled workers in the baking and the furniture trades on the Witwatersrand, while wages for dock labourers, a large number of whom are Natives, have been prescribed in Capetown. Under the Wage Act wages have been determined for unskilled workers in a number of individual industries, but only in one area, Bloemfontein, have the wages of unskilled workers as a class in a large group of industries been determined by law.

1025. The need for provisions such as those contained in the Wage Act to enable effect to be given to agreements upon wage rates was well illustrated in Port Elizabeth. In that town in 1929, a conference consisting of representatives of the Town Council, Chamber of Commerce, Chamber of Industries, and the Master Builders' Association, together with a number of Native representatives, agreed that for Port Elizabeth there would be a minimum wage for unskilled workers of not less than 3s. 6d. per day until 1st June, 1930, after which date the minimum wage should be 4s. per day. The Town Council and a number of individuals in the other organizations represented at the conference adhered to this recommendation, but the general body of employers in Port Elizabeth failed to carry out the agreement made at the conference, and the wages of large numbers of Natives in Port Elizabeth are now below the minimum then agreed upon. Apart from the serious consequences of the great dissatisfaction caused among the Natives by the conference minimum not being accepted and acted on generally, those employers who are paying that minimum feel that they are placed at a serious disadvantage in relation to competitors who are paying very much lower wages. By applying the provisions of the Wage Act, effect could have been given to the conclusions of the conference, which obviously could have had the support of a responsible body of public opinion. Without the application of the machinery of the Wage Act, it will not be possible to give effect to any such agreement as was come to at Port Elizabeth conference.

1026. Capetown furnishes another instance where public opinion favouring better wages for unskilled workers is unable, when there is no means to give effect to that opinion, to prevail against the forces working for low wages.

1027. In 1925, the Capetown Master Builders' Association, as a party to the local Industrial Council for the building trade, agreed to a minimum wage for 'builders' labourers of 74d. per hour, or 27s. 6d. per week of 44 hours, this wage being laid down as one of the provisions of the Industrial Council Agreement for the building trade in the Capetown area. In subsequent
agreements, the wage for builders' labourers was not included. But the Master Builders of Capetown voluntarily agreed among themselves to continue paying that minimum wage. The minimum wage for labourers in Capetown for many years been from 4s. to 5s. per day, and the Master Builders, in their agreement, were merely maintaining the existing rate for unskilled workers. Since 1925, a number of large building contracts have been given out in Capetown by public tender. A number of contractors from other Provinces, where the building labourer's wage is about 2s. 6d. per day, or less, per week, tendered for these contracts on the basis of such a wage. A number of large contracts was secured by these contractors who then imported into Capetown Native labourers from their headquarters at wages of 2s. 6d. to 3s. per day. There are, therefore, in operation in Capetown two different wage levels for the same class of work, a wage to Natives from those other Provinces of 2s. 6d. to 3s. per day, and a wage for Capetown Coloured men and Natives of 7d. an hour, or 5s. for an eight-hour day.

1028. It is obvious, with the influx in recent years of such Natives to the towns, that, in the absence of some intervention, the wage of Capetown Coloured and Native labourers must be reduced to 'near' the up-country Native wage level. This prospect is not confined to Coloured and Native workers. The Government has tried during the past three or four years to introduce into the building trade in the erection of Government buildings European labourers at the rate of 1s. an hour. Difficult as it is to maintain the employment of European labourers at that rate when the prevailing rate is only 7d. an hour, it is likely to be still more difficult if that rate is reduced to about 6d. an hour.

1029. Without the operation of machinery such as that provided in the Wage Act, the standard of living of the Coloured people in Capetown must be substantially reduced, without any compensating advantage to the community as a whole, and with all the distress which such a reduction will involve, while the position of Europeans, already parlous, will become still worse. In view of the serious position in Capetown because of the low wage level of Native labourers, which has already led to a reduction in the standard of living and the level of wages of its Coloured population, and to a large and continuing drain upon its financial resources in the need to provide and subsidize the housing scheme at Langs, the Capetown City Council in 1930 applied to the Government for a determination under the Wage Act for an unskilled workers' wages there.

1030. In Durban, where it was admitted before the Commission by the representatives of the Chamber of Industry that Natives are underpaid, and where more or less serious rioting has at times occurred, the Borough Council applied to the Government at the beginning of 1930 for a determination under the Wage Act for an unskilled worker's wages.

1031. After the riots which occurred among the Natives in the Bloemfontein area in 1925, the Bloemfontein Town Council appointed a Commission called the "Native Wages Commission" to inquire into and make recommendations on the question of a fair basic wage for unskilled Native labour in Bloemfontein. This Commission recommended a minimum wage of 3s. per day and asked that the Wage Board be approached to make that rate binding on all employers.

1032. Immediately after the appointment of the Wage Board in 1926, the Town Clerk of Bloemfontein asked for the application of the Wage Act with a view to getting wages for Native unskilled labour in the Bloemfontein area settled on a permanent basis. In his letter to the Wage Board he said:—

"As you are aware, there are thousands of unskilled Native labourers in Bloemfontein, and we wish to prevent any dissatisfaction taking root in the minds of Natives through instigations from representatives from Native organizations that they are not being fairly treated."

1033. During the course of the Wage Board's investigation at Bloemfontein in 1927, representatives of employers and of employees agreed to the Board recommending a minimum wage of 3s. 6d. per day to come into operation on 1st January, 1930, the minimum wage in the meantime to be 3s. per day until 30th June, 1929, and 3s. 3d. per day until 31st December, 1929. A determination for unskilled workers' wages was duly made in terms of that agreement, and is now in operation.
No complaints against this determination were made by any of the witnesses who appeared before the Commission, while many of them expressed satisfaction at its results.

From the facts given above it seems clear to us that in spite of a wide measure of agreement among employers in the larger towns that the wage level of unskilled Native labour is unreasonably low, there is little or no prospect within a reasonable time, and in the absence of a regulated wage determination, of any improvement in the rate of wages.

Effective combination of Native labourers to protect their interests cannot, in the present state of development, be looked for. Further, the statutory restrictions contained in the provisions of the Masters and Servants Acts and Native Labour Regulation Act would debar them legally from making use of the strike weapon, which is normally open to wage earners.

The objections have been urged that the present conditions of depression make any wage regulation specially difficult and dangerous and that the fall of commodity prices has effected a general rise in real Native wages which makes any present raising of their money wages unnecessary.

As to the first of these points we are bound to consider the question put to us from the point of view of normal economic conditions. We cannot assume that the present depression is permanent but, whether permanent or temporary, both these difficulties would necessarily come within the consideration of the wage regulating authority. It is reasonable to believe that, they would be given due weight in any award made by it.

Even allowing for the fall in prices which has occurred and its effect upon the real wages of urban Natives, the present level of their wages is in our opinion too low to provide for a decent standard of living for a Native with a family. A common wage in Johannesburg at present is £3 10s. a month with nothing found. Out of that sum the Native living at the Western Native Township, where there is a population of nearly 15,000, must pay 25s. a month for rent, 10s. a month for transport, and 7s. 6d. a month for his Poll Tax. That leaves him, for food, clothing, education for his children, and any other necessary expenditure, a sum of £1. 18s. 4d.

Dr. A. J. Orenstein, Medical Director of the Rand Mines, Ltd., who is especially competent to speak on the subject, considers that on the Rand £3 is necessary for a man, his wife, and two children for food alone, as a minimum to provide a diet consistent with reasonable maintenance of health.

Objection is taken to the application to unskilled workers of wage regulating legislation on the grounds that it would encourage the migration of Natives to the towns and thus cause further unemployment of Natives there; that it would make the lot of the farmer, who is now struggling for an existence, harder than ever; that it would add to the burdens of the local authorities because they would have to provide additional housing; that it would tend to urbanize and industrialize Natives faster than is happening at present; and that the stress should be laid on developing the Natives in their own Reserves.

As far as the drift of Natives to the towns is concerned, your Commissioners have made their position clear in the general Report that that drift can best be prevented and reversed by improving the condition of Natives in the Reserves and other non-urban areas; but however successful that policy may be, its success will not for a considerable time become apparent in material results, or in a reduction of the Native population in the towns by a migration to rural areas.

The Natives are by nature and tradition a rural people. The factors causing migration to the towns are mainly factors of economic pressure, such as have been causing migration among our European population, as well as among European populations in all other countries, but the pressure in South Africa on the Natives, because of their love of a rural life, has to be much greater to urge them to towns than it has to be on Europeans to urge them there,
When the policy recommended by your Commission has been carried to a successful issue, the Natives in rural conditions will have achieved a standard of living which will appeal to and attract them more than the ability in the towns to live on a simple European standard of living, and any question of accentuating the drift to the towns will cease to be of importance. In the meantime, however, there are the urgent problems in the towns which must be attended to; and these cannot wait for the successful application of the policy recommended by your Commission in respect of the Reserves.

The economic position of the Natives in towns is too difficult, and an improvement of that position is urgently needed. There remains then to consider the question of the effect, upon the townward drift, of wage regulation to improve the position of urban Natives, pending the development of the policy recommended for Reserves.

As we have shown above, in only one area in the Union, namely Bloemfontein, has there been any general wage regulation for unskilled workers. There is no evidence to show that the improvement in Native wages in Bloemfontein, as a result of this wage determination, has led to any increase in the migration of Natives to that town. In Bloemfontein after the enactment of the wage determination at the end of 1929, there was an increase in 1930 of over one thousand Natives employed on unskilled work. There were a number of local reasons for this, and it cannot be claimed that this increase in employment was due to the wage determination. What information there is about the population figures for Bloemfontein, shows no increase in the migration to that town. There have always been many Natives employed in Bloemfontein who have come in for more or less short periods from the farms to earn money. In 1931 the number of Natives employed on unskilled work reverted to what it was when the determination first came into operation, but a striking fact in respect of Bloemfontein is that the number of outside Natives coming in to work there has lately shown a marked tendency to decrease. The Manager of the Native Administration Department of Bloemfontein, reported in August, 1931, as follows:

"I would, however, estimate the total number of outside boys, including those issued with permits to seek work, to average 200 per month, although the figures point to a decrease during the past three months."

The subjoined statement shows the number of Natives employed in the urban area of Bloemfontein during the period 1st February to 31st July, 1931:

<table>
<thead>
<tr>
<th>NOTE: L = Local Natives.</th>
<th>O = Outside Natives.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>T = Total.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>February</th>
<th>March</th>
<th>April</th>
<th>May</th>
<th>June</th>
<th>July</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Natives in employment at beginning of month...</td>
<td>7,578</td>
<td>7,321</td>
<td>7,100</td>
<td>6,758</td>
<td>6,605</td>
<td>6,744</td>
</tr>
<tr>
<td>2. Natives issued with permits to seek work during current month</td>
<td>L. 522</td>
<td>L. 574</td>
<td>L. 489</td>
<td>L. 379</td>
<td>L. 425</td>
<td>L. 412</td>
</tr>
<tr>
<td>O. 326</td>
<td>O. 250</td>
<td>O. 182</td>
<td>O. 141</td>
<td>O. 149</td>
<td>O. 156</td>
<td></td>
</tr>
<tr>
<td>T. 848</td>
<td>T. 854</td>
<td>T. 671</td>
<td>T. 629</td>
<td>T. 574</td>
<td>T. 568</td>
<td></td>
</tr>
<tr>
<td>O. 190</td>
<td>O. 202</td>
<td>O. 118</td>
<td>O. 123</td>
<td>O. 132</td>
<td>O. 88</td>
<td></td>
</tr>
<tr>
<td>T. 570</td>
<td>T. 598</td>
<td>T. 429</td>
<td>T. 496</td>
<td>T. 495</td>
<td>T. 405</td>
<td></td>
</tr>
<tr>
<td>4. Natives discharged during month.</td>
<td>827</td>
<td>839</td>
<td>771</td>
<td>509</td>
<td>416</td>
<td>509</td>
</tr>
<tr>
<td>5. Total number in employment at end of month.</td>
<td>7,321</td>
<td>7,100</td>
<td>6,758</td>
<td>6,605</td>
<td>6,744</td>
<td>6,580</td>
</tr>
</tbody>
</table>

From this statement it will be seen that there was a reduction of more than 50 per cent. in July, as compared with February, in the number of outside Natives, i.e. Natives from outside the Municipal area, seeking and obtaining work in Bloemfontein.
1047. The evidence also shows that the migration to Kroonstad, where there is no wage determination, has been relatively greater than anything that has happened in Bloemfontein.

1048. Although farm wages in many parts of the Orange Free State are extremely low, the facts do not show any increase in migration to Bloemfontein as a result of the increase in wages under the wage determination. There was also no evidence that farmers in the neighbourhood of that town had found any shortage in the supply of farm labourers or had had to pay any higher wages because of the determination.

1049. As far as the drift to the towns is caused by economic pressure, and that is the chief cause, such drift would take place even if the present level of wages were lowered. The urge now is the need for ready cash to meet certain pressing calls, such as money to pay the General Tax, money to provide for food, money to provide for clothing. The evidence shows that, for all practical purposes, all Natives who can be spared from the Reserves, even at great loss to their development, already go out to work. It further shows that the conditions in many farming areas are such that Natives must leave those farms to go to the towns, temporarily or permanently, to earn money — and many of those who go temporarily now remain permanently.

1050. The married Natives on the farms find it extremely difficult to move from the farms to the towns. They are tied down by the need to provide accommodation for their families, and by their attachment to cattle, for which they can get grazing on the farms but not in the towns.

1051. We, therefore, think there is no justification for the fear that the raising of the level of Native wages in the towns will aggravate the present townward drift either from the Reserves or from the farms.

1052. An increase in Native wages in the towns might even have the unexpected effect of reducing the number of Natives coming to town. Those Natives, and they constitute a large number, who come to town because of the need of a certain sum of money, might return home when they had obtained that sum, or, if they stayed to earn a larger sum would be able to live longer on it at home before they would need again to go to work in a town.

1053. It is also urged that there would be evasion, by unscrupulous employers, of any wage determinations that might be made. It is probably true that evasion does take place, just as, despite a general legal prohibition against them, murders are committed. If a reasonable measure of enforcement at a reasonable cost were not possible, this might be a good ground for repealing industrial legislation, but the argument that some evasion might take place is hardly a valid reason for not applying industrial legislation to Natives while retaining it for Europeans.

1054. Economic principles are not affected by differences of race or colour, and attempts to apply industrial legislation to Europeans to the exclusion of Natives are likely to fail. The Industrial Conciliation Act by excluding Natives from the definition of "employee" made that attempt with unfortunate results for European employees in the baking and furniture trades. In them industrial council agreements laid down minimum wages for European workmen. It became a criminal offence to employ a European at a wage lower than that prescribed by the agreement, but no such sanction applied to the employment of a Native, however low his wage. There resulted the dismissal of Europeans in posts where special skill was not needed, and the substitution for them of low-paid Natives.

1055. We, therefore, recommend that the existing laws relating to the regulation of wages and conditions of employment should be made to apply to Natives in the industries to which those laws are applicable, due care being taken not to proceed so rapidly as to prevent trade and industry from being able to adapt themselves to any changes.
We agree with the conclusion of the Economic and Wage Commission that it is not practicable to bring employees in agriculture within the operation of wage regulation.

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