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for two years. The number of deaths is very small. On the Coast, I believe, the deaths are rather more, but in the Mount Elliott district, for instance, the number of deaths is exceedingly small.

Are the dipping regulations applied strictly?— They are rigid. Every beast is entered on the register and if it is not brought to the tank on the due dipping date an enquiry is made as to where this beast is and, if the beast is not able to come to the tank for some reason or another, the Veterinary Department have adopted the very high-handed attitude in Umtata of ordering the destruction of that particular beast because it cannot come to the tank.

We have protested against this and we have asked them not to take up that attitude, but they say "No, they are not prepared to relax in any way. Well, there may be much to be said for it, but more against it, and it certainly antagonises the people. Say, for instance, a Native has three head of cattle and one of those has to be destroyed because it cannot go to the tank on account of having injured its foot. That is done. We have urged that they should allow, in cases of that kind, for local treatment to take place, but they will not do so. In other districts they do not go so far and they resort to hand treatment.

MR. LUCAS: So there is a question of discretion of officials in that matter?— Oh, yes, they exercise their discretion, but I do not think it is legal.

It is not a Head Office instruction?— I do not know what the instructions of the Veterinary Department are.

It cannot be an instruction if one district does it and another district does not do it?— No, I suppose it cannot.

MR. MOSTERT: What about a case where a cow has just calved?— In that case they are given a month's grace.

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The calf does not go to the fields at once, but the moment it goes to the fields, it has to go to the dipping tank.

CHAIRMAN: Now, the view has been expressed to us by responsible persons that the total abolition of dipping would be a way of ultimately benefiting the Native. It is admitted that it would probably mean that the cattle would all be wiped away by East Coast fever. The argument is that a fresh start would then be made with good cattle. Would you care to express an opinion on that?— (Mr. Welsh): I should be very much opposed to it and I think it is rather a cruel way of finding a remedy. All that some of them have is an animal or two and to take an action like that would mean ruination to them. How can they plough their lands and what will they have to live on. No, I think a remedy like that, or a suggestion like that, is ridiculous.

The suggestion was made by a very highly placed person?— I do not care who he is. (Mr. Barry): It is on a par with the opinion which was expressed to get over some other troubles by repealing all your liquor restrictions. That was the suggestion made by some people with a view to getting over the difficulty of over-population.

DR. ROBERTS: Do you think people would die?— They would become so demoralised and impoverished that they would get into all sorts of difficulties and they would go the way the Griquas have gone.

SENATOR VAN NIEKERK: On this question of over-stocking. Besides giving an opening for your cattle to leave the Territories, is there any other way in which we could assist the Natives to deal with this question of over-stocking, or to curb the evil?— (Mr. Welsh): We have not discovered any other way so far. The only way is to get rid of the stock. No suggestion has been made about any other way to deal with it - of course, there is the

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popularising of the eating of meat and the opening of butcher shops. But they do not kill cattle for eating purposes. As a matter of fact, it is very rarely done.

You must first have the opening for the disposal of the cattle?— It is absolutely essential to have an opening, and why should not the Transkei have a market like other parts. We hope that the markets will develop into something very big for us.

Provided you get that opening, will the Natives make use of it in order to reduce overstocking?— I think so.

MAJOR ANDERSON: In other parts we are told that they will not sell. Traders assure us that they will sell. There are so many cattle pledged to traders and they tell us that they will sell. Of course, Natives are not very eager to sell their cattle, but I think they are beginning to realise that they are unable to keep the numbers which they have at present.

MR. MOSTERT: Does the Native really realise that he is overstocked?— I think so. In a good season, of course, he does not mind so much, but when the dry seasons come along, he realises it very clearly and he knows that something has to be done.

MR. LUCAS: But they are discussing it in the Bunga every year?— Yes, the leaders are.

CHAIRMAN: Mr. Brownlee made a point last night that there is a very big red Native population with whom we are not getting into touch. Now, what proportion of these people are sufficiently intelligent to see this?— A good many are not in a position to see it, but I think that pressure will make itself felt. I quite agree that the Native is very reluctant to part with his stock.

Have you any idea of the relative proportions of

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red Natives and educated Natives?— No, I do not think so, but, of course, the number of Red Natives is a very great majority.

The word "educated" — I do not mean it in the sense of those who have done a bit of skilled work, but those who have got on to a higher intellectual level — would those educated people be more than 10% of the total population of the Transkei?— I should not think so. Personally, I should put it at 5%.

So that the great bulk of your people would not be affected very largely by the facilities to trade?— They would be if they took advantage of it — if you could induce the reds to sell.

But creating an opportunity will not be sufficient in itself; you must also create the will to use the opportunity?— Yes, that is so, but you must remember this, these people are very heavily in debt. I do not think that there is a store in the Territories which has not got a very great deal of money outstanding. The traders cannot force the people to pay because they have not got the money. I was talking to a trader the other day, and he said "I can put my hand on 500 oxen tomorrow, but it is of no use to me".

But no remedy can be of any effect until there is an outlet?— Exactly, that is the position.

SENATOR VAN NIEKERK: Would the Natives object to their cattle being taxed?— If the Government were to enforce a tax they would pay it, but they would make a very strong protest. They have to pay for their dipping. They pay so much for each animal per year.

What do they pay?— 6d in this district per beast per year. In some districts it is 9d.

What is the highest?— 1/-. (Mr. Barry): It used to be 2/6d in Umzimkulu until a few years ago.

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MR. MOSTERT: How often do they have to dip?— During the summer months weekly, and every second week, but during the winter months dipping is not so active, monthly or so. In the Mount Fletcher district, they suspend the dipping entirely for a few months, and I want to say that there the Veterinary Department were very reasonable indeed. (Mr. Welsh): I do not want to suggest, and I do not want you to think that I am throwing stones at the administration of the Veterinary Department here, because they have to carry out their instructions. The barrier between us and the market is not imposed by them.

CHAIRMAN: It is a question of policy?— Yes, it is a question of policy and not of administration. (Mr. Barry): Another way by which we might ease off the position would be if we could supply these meat extracting companies. Our hope is that it may be possible for them to have branches in the Territories and do their chilling here and send the carcasses out, and they may even have the extracting done here.

DR. ROBERTS: You mean, they might have the industry here?— Yes, we have the labour here and we have the water power and the ground and we have the cattle on the spot. As to the statement that the Native will not sell, I have discussed this matter with many traders and all barring one have said that they could put their hands on almost any number of cattle owing to the large amount of book debts. Without giving away any income tax secrets and without mentioning any names, I can say that the book debts of these traders vary from £1500 to £2000 and £3000 and more. That means that a very large measure of pressure could be brought to bear on these Natives to sell their cattle. The traders, most of them, were perfectly clear, however, that they were not going to kill the goose that

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laid the golden egg by pressing the Native to rush his cattle off and sell them. It would only be in the case of those men who simply will not try to reduce their indebtedness. My experience of the trader is that he will go a long way to give time to the Native, but there are very many of them who are hopeless, and, in their case, the traders would be obliged to bring pressure to bear.

SENATOR VAN NIEKERK: With the exception of the trader who wanted to clear out ---- he would put on the screw, would he not? - No, I doubt it. He would probably hand over to the man who took over from him. It would not pay any of them to put on the screw just now.

MR. MOSTERT: How many traders have you got here? - We have 650 traders in all. I have a statement here shewing the numbers. 27 in Bizana, 12 in Butterworth, 24 in Elliotdale, 49 in Engcobo, 19 in Flagstaff, 23 in Idutywa, 28 in Kentani, 21 in Libode, 43 in Lusikisiki, 20 in Matatiele, 10 in Mount Ayliff, 33 in Mount Fletcher, 20 in Mount Frere, only one in Mount Currie, 25 in Nganduri, 23 in Ngqeleni, 22 in Mqamakwe, 16 in Port St. Johns, 25 in Qumbu, 38 in St. Marks, 26 in Tabankulu, 27 in Tsolo, 28 in Tsomo, 30 in Umtata, 6 in Umzimkulu, 34 in Willowvale and 15 in Xelanga, making a total of 650.

CHAIRMAN: Would those conditions apply to these traders - take the average of £2,000 as the book debts - would that apply to all these traders? - I think so.

It would mean that $1\frac{1}{2}$ million of debts is owing to the traders? - I should say, roughly, one million. You see, some of the stations are very small and the amounts would go down. (Mr. Welsh): Some papers came through my hands a little while ago, and one of the very big stations I saw had debts outstanding amounting to £7,000.

MR. MOSTERT: You could say that the average

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debts outstanding due to an individual trader would be £2000?-(Mr. Barry): On a very conservative basis.

DR. ROBERTS: That is a year's wages for the mines? - Yes, about that.

CHAIRMAN: What is the value of a beast here now - would the average be £3 or £4? - (Mr. Welsh) I have only been told by people who cannot sell. I have no knowledge of the value of cattle here. (Mr. Barry): I think, in this district, from about £2.10.- to £3.10.- and a big slaughter ox would, at the outside, possibly be £5.

MR. MOSTERT: The value of what we term compound oxen is from 17/- to 21/- dead weight per 100 lbs.? - Yes, that would work out at from £2.10.- to £3.

CHAIRMAN: The Natives own_x in the neighbourhood of 1½ million cattle and you can say that they owe to the traders, taken on the basis of Native currency, in the neighbourhood of from 300,000 to 400,000 cattle? - Yes.

So that one fifth of the cattle really belong to the traders, under those circumstances? - Yes.

If they were paid in cattle, one fifth of the cattle would belong to the traders? - (Mr. Welsh): Yes, if their debts were called up, but of course the traders nurse these people a good deal.

DR. ROBERTS: Do you think that that enterprise in East London is likely to be a success? - Yes, I inspected it a fortnight ago with the Manager and the Chairman of the Chamber of Commerce, and, as far as I can make out, it will be a success.

And will they have branches here and there? - Yes, we sincerely hope so. I should now like to say something on the agricultural development of the Transkeian Territories. Ever since the Council started, we have been trying to do something. It started in a very humble way

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at Tsolo about 15 years ago. I am now referring to the Agricultural School at Tsolo, which began with four pupils and the idea was to train these people in agricultural methods. We have three schools now and they turn out a great number of students qualified to go through a two years' course. A good many of these are employed in our Territories. Many go back to their allotments and others again take up employment on farms. Numbers of applications have come from farms and others again are employed by the Government of Basutoland, Natal, the Belgian Congo and Tanganyika even. These people are spread pretty far and wide. Large avenues of employment are opened up for these people and we are very much encouraged by this fact. We think that the methods of the Natives are improving. We have a Director of Agriculture here, who has a staff of Europeans and Natives under him, and their business is to try and improve the methods of the Native cultivators. The last two or three years, for the first time in the history of this country, it has produced more than it consumed, and today we are actually an exporting country. We are exporting about 100,000 bags of mealies per year now.

We put that down to the better methods to a very considerable extent. There is a not a great variety of crops here. Wheat does not do very well, except in the upper district, but kaffer corn and maize do well. We have tried cotton and we have spent quite a lot of money on it. We had a farm and we had experts out from America and also people from Liverpool, but we came to the conclusion that these parts were too cold. The nights are too cold, except in a few sheltered valleys. So we do not encourage people to take up cotton here, because, as far as we have been able to find out, they will not be able to make a success of it.

Still, we are making progress in other directions.

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Our progress may be slow, but still it, is there. Every one is anxious to help along the agricultural development of these Territories and we feel we are going in the right direction.

DR. ROBERTS: Have you closed the jinnery at Butterworth? Yes, the machine is still there, but very little is done and very little cotton is produced here nowadays.

CHAIRMAN: Do you know how many students have been through your school of agriculture since you started it? No, I have not got the details here, but Mr. Hughes, the Director of Agriculture, can tell you that.

The demonstrators here are all in the pay of the Bunga? Entirely.

How many are there now? About 80 at present. We are increasing them this next year.

Is the number determined by what funds you have available? Yes, it is a question of funds very largely and also of supply of the men themselves. But when we have them, we cannot turn them out too fast. There has been a heavy drain on us through supplying other areas which wanted them. Well, we are very willing to let other areas have them. The Siskei, especially, has taken them. They have about 35 of them. It is a new thing there, so we have rather starved ourselves, but it is a question of getting the men and the funds. We have not always got sufficient men ---

If there were more men available, would more funds be made available by the Bunga? Not to any considerable extent, because, if they did put more funds available for demonstrators - for training of demonstrators - they would have to start other things. We shall have a little more money after this year, because Pondoland, which hitherto

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defrayed the cost of dipping out of its general revenue - which used to be a very heavy item amounting to about £17,000 - is now coming into line with the Transkei and this will have the effect of an amount of about £17,000 being released.

SENATOR VAN NIEKERK: That will be £17,000 to your advantage? - Yes, and that £17,000 we hope to spend in Pondoland. Agriculture and other services have to be attended to in Pondoland. They have not been able to do a great deal - only a little bit in that way - in the way of roads and so on, but now we shall spend more there and we hope to be able to keep pace with the rest of the country.

DR. ROBERTS: These districts which take your men from you, do they do anything to meet you in regard to the money which you spend on the training of these demonstrators? - No, I am afraid they do not.

That is rather shabby? - Well, it is for the good of the country generally. Then we do a great deal in trying to foster farmers associations. As a matter of fact, I may say that I think these people, in a number of places, have gone over from one thing to another - they have set aside their agitation on matters of all kinds and they have gone into the farmers association movement, and instead of agitating in other directions, they now talk farming. They are very keen and they have their congresses regularly. I attended one of these congresses last year at Teko. It was a combined meeting of the Siskei and the Transkei and Dr. Jabavu came over with his people and we had a very good meeting indeed. These people have switched over from agitation to farming.

CHAIRMAN: When you say that these people have switched over from agitation to farming, what do you mean really? - Well, I am referring to this. There were Native people among whom a great deal of agitation was fostered by

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Wellington and Kadalie - who have now gone over to farming matters in which they shew a great deal more interest.

Are they educated Natives?- Yes, and probably they find it much more remunerative than to go in for the agitation on these other matters. They were very badly robbed in the past. Then we have agricultural shows and every year we are doing better and better. Two or three districts group~~ed~~ together. We have had this for about ten years and certainly they are a credit to the people concerned. They are very good shows and the competition is extremely keen. At first, people were suspicious of these movements. They did not understand things, but now that they understand them they have faith in them and they are very keen.

Do the reds compete?- Yes, they do.

To a considerable extent?- Yes. I have seen here at a show at Umtata, quite a large proportion of the produce is from the reds. Let us take, for instance, one item which is produced on a large scale, tobacco. The tobacco tax killed the industry and it was never revived. Some excellent tobacco was grown here. A very important personage who helped to kill the industry actually smoked that tobacco himself and he found it very good indeed.

SENATOR VAN NIEKERK: Does the Union Government pay the same salary to the demonstrators as what you pay?- I think so. We asked them to do so, but in certain other respects they do not pay as much as we do. At one particular place I know that they pay a little higher than we do. Of course, they have more money than we have. They get money out of the development fund, but we have to cut our suit according to our cloth. We have no demonstration train here

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but we try to get to the backveld. We try to get to the men who cannot come to the schools, and we get at them by sending people along with a couple of sheep and poultry and cultivators and such things. The principal of the school goes along with a few of his staff and a number of articles and they do propaganda work. That class of work has become very popular except at one place where no one attended. I think there was too much beer drinking in that particular locality, but generally these demonstrations are well attended and greatly appreciated.

We help the people in fencing their lands. We tell those people that, if they want to fence their lands, they can pay half and we shall advance them the balance. Any group of ten who wish to fence their land can get the work done in that way, provided they pay half the cost.

MR. LUCAS: It is optional is it, or can the majority force the minority?— Yes, any majority can force the minority. We found that some people were taking advantage of the majority fencing, without paying towards it, so we found it necessary to get the law altered.

In the year ending September last year, we reaped $2\frac{1}{2}$ million bags of maize in these Territories and a quarter million bags of kaffer corn and $11\frac{1}{2}$ million pounds of wool, and a very large amount of mohair. 224 thousand and 711 thousand skins and 169 thousand hides.

DR. ROBERTS: How many years have you been self-supporting in maize?— We have been self-supporting for two years now and we hope and think that this will be the third year. In regard to this question of compulsory fencing, Proclamations 67 of 1923 and 304 of 1926 deal with that matter. That generally is the position of these Territories and their production.

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CHAIRMAN: Taking these figures which you have given, in relation to having 810,000 morgen of arable land under cultivation --- that is not the amount of land that can be made arable. That is only land that is actually under cultivation.

Yes, but all that would not be under cultivation in one year, would it? No.

If it were all under cultivation in one year, then it would mean that the amount of crop production shewed an excessively low yield per morgen or per acre? Well, of course, there is kaffircorn too.

Yes, but I am taking your crops altogether. You have 2½ million bags of maize; that is 3½ bags to the morgen? You forget that there is kaffircorn as well and beans and other things. I just want to say this, we are trying to eradicate noxious weeds. We are getting a good deal of Government revenue out of these people for failing to eradicate noxious weeds and we have also started competitions, offering prizes to schools for the eradication of noxious weeds. In that respect we have met with considerable success and one team of twenty brought 130,000 weeds.

Is the nkanga a noxious weed? It has not been proclaimed as such.

Is it the case that it is being used very largely as fuel? That is so.

And to that extent does it help to eke out the manure? In the areas in which it grows most profusely, that is on the Cape side, fuel is very scarce.

Towards St. Johns, where fuel is not scarce, the nkanga is very profuse? Yes, you have preserved forests there. They are all demarcated forests and you dare not take as much as a flower from those parts. That is the reason probably.

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MR. LUCAS: To come back to maize, how do you arrive at the figure of 2½ million bags?— That is the return which we get from the magistrates.

And how do the magistrates get the facts?— (Mr. Barry): We go about our districts and form an idea more or less of the proportion under cultivation. We know roughly the average size of the land and we can tell what the crop prospects are and then we also get advice from officers of the Agricultural Department, from field officers and from traders and, on all that, we form our own opinion.

Do you make allowance for the green mealies that are eaten?— No, we do not make any allowance for that.

There is no detailed collection of figures about the number of bags?— We have tried to get at that in connection with the annual agricultural census, but we find it is almost impossible to get at any correct figures.

So we could not form any very definite conclusions as to the yield per acre or per morgen?— No, it is purely an estimate, but, of course, the export figures are actual figures.

SENATOR VAN NIEKERK: Has the Bunga a fixed policy of afforestation?— (Mr. Welsh): The Forest Department has been operating in the Transkei for a matter of about thirty years, at any rate for a very long time. In the early days, the Bunga began to come to the conclusion that the progress that was made was too slow, so they started plantation work of their own and established a number of plantations. Then the Forest Department put up the matter again and said that it was undesirable to have two departments doing the same class of work, and the Forest Department suggested that they should take over the Bunga plantations. After that, the Bunga stayed their hands and did no more development work, but merely

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contented themselves with keeping their old plantations going. The Forest Department did not take over the plantations which had been started by the Bunga. Then the matter was raised again a few years ago with the Forest Department, and they were asked to do more, but they said they did not have the funds available, but they have come to an agreement on the matter now. The Forest Department will go in for plantations and afforestation and we shall do the same, but we shall not overlap. That is to say, if the Forest Department want to establish a plantation in a particular area, we shall refrain in that area and not put another one there.

I am now arranging for a big development scheme whereby we hope to extend our present plantations and, if we can find the money we hope to make a start with this next year.

SENATOR VAN NIEKERK: Are the Natives able to make use of these plantations?— The demand is much greater than the supply.

Is the wood used for building?— Yes, for building and for all sorts of things. They use the wood for kraals and for other purposes. I think one could sell a great deal of timber in these areas and a great deal more could still be done.

Is the Bunga embarking on a scheme of small forests?— Yes, say 100 morgen dotted all over. I discussed the matter with the Director of Agriculture some time ago.

Could you tell us how many forests you have and whether there is one in every district?— No. The Bunga has plantations in a number of districts. The Bunga also employs a number of foresters in various parts of these areas. The Government also have certain forests. In Mount Fletcher, for instance and in other parts, but it has taken them a long time to go ahead with this. The Bunga will not put down

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plantations in coastal areas where there is plenty of wood; but we are concentrating in various districts which are particularly bare and where there is the need for plantations.

How do you acquire your land?- It is Crown lands and we get a grant. The Government gives the Bunga a grant of land for that purpose.

And you can select anything that you like?- Yes, within reason. Of course, we do not want to turn people off. We ask people if there is any objection and then, if there is no objection, we feel it can be done. If they do raise objections, we still have the right to judge whether the objections are legitimate.

MR. LUCAS: Does the Forest Department get any revenue from its forests in the Transkei?- Yes.

What happens to that revenue?- It is Union revenue and it goes to the general revenue of the country. The General Council gets nothing at all out of that.

Have they protested against that?- Oh, they have protested against many things, but I do not think that they have claimed a share of the revenue.

At Fort Edward we heard of an European being allowed to cut timber. Now, were the Natives allowed to cut as well? I take it that it was under permit from the Forest Department that the European was allowed to cut?- I know that there are European sawyers round about there.

And are the Natives allowed to cut too?- I take it that they would be and I certainly never heard any statement that they are not.

These Europeans are apparently allowed to employ Natives?- Yes, Natives are employed. I think the cutting of wood by Europeans in that particular area is rather discouraged. I heard the Minister discuss it when he was here. The Minister was perturbed to see Europeans living under very undesirable

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conditions and that led him to discuss the matter.

SENATOR VAN NIEKERK: Do you encourage private plantations?— Well, we give Crown lands for the purpose.

Do Natives go in for planting trees on their own?— Yes, and we give them seed for nothing.

DR. ROBERTS: Mainly wattle seed?— No, any kind of seed. If a Native does it on his own allotment, we help him to fence too and what I have tried to do is to get an extra piece of ground on the commonage for a wattle belt, but we cannot do that. There is no ground available. But, if a man plants on his own homestead site, we encourage him in every possible way.

Has that been taken up to any extent?— No, I am sorry to say it has not been taken up very much.

MR. LUCAS: Can he spare any lands for that out of his holding?— Unless you fence, it is rather difficult. You see, you have your goats and calves around.

SENATOR VAN NIEKERK: In some parts of the Northern Transkei, we saw a good deal of that going on?— In Pondoland, yes; there is a good deal of that there. That was in the days gone by when the chief ordered them to plant trees. I cannot find out who it was, but one should put up a monument to him. They did plant trees then and it is very refreshing to see it all. We give them trees and seed and encourage them, but we cannot give more ~~far~~ ground. The matter has been up before the Council, people asking for a bit of ground outside of the allotment, but they are not able to do it.

Is your headman of any considerable help to the Bunga, by trying to encourage people to do certain things?— Yes, I should say that the headman is a very useful man and he does a great deal for very little pay. He is supposed to be a policeman.

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Does he carry much influence; if he were to tell people that it is to their advantage to plant trees, would they do it?— Yes, I think so. I think the people would obey him. The Forest Department suggested planting trees. The headman is a man of considerable influence and his position is generally hereditary. Of course, there are occasions when it is not. There is great competition for the post and a good headman is a useful man, whereas a bad one is an annoyance. But he is a man of great influence.

MAJOR ANDERSON: Will you tell us something about the co-operative societies?— I am afraid I know nothing about it. We are getting an expert here from Pretoria next week. We are told that it is a very good thing, and I certainly believe that it is a good thing. I daresay you have seen Father Huss' articles on this question. We have them here and a good deal is being done, but everything has to be put on a proper basis, of course. It strikes me that, at present, they charge rather a high rate of interest on loans, on unproductive loans. All that is being gone into now and they are having a congress next week.

SENATOR VAN NIEKERK: Can you give us a statement of the revenue and the expenditure of the Bunga fover a number of years?— Yes, you will find it all in this statement which I have put before you, in the Blue Book that is on the table. I may say just shortly what the position is. Each year ends in June. The estimated revenue and expenditure for the current year, ending June next, is £195,000, and the expenditure is estimated at £222,000. There was a balance in hand of £22,000.

MR. MOSTERT: So you had a surplus?— Yes, we had a surplus in both Councils.

That is good finance?— Well, thank you very much for saying that, but we are budgeting this year for a £4 deficit.

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SENATOR VAN NIEKERK: So your present revenue is adequate?— Well, of course, we could speed up things considerably if we had more money, we could help in a lot of ways. We could do more in the way of fencing the lands, but today we cannot do too much and it is a slow process.

DR. ROBERTS: You have no public debt, have you?— No, and we are not going to have any.

You could not have one?— Oh, yes we could, I think.

Would you be allowed to?— Yes, but we would not ask for it.

CHAIRMAN: You would have to borrow from the Union Government?— I do not know. The Union Government have got some of our money. We have invested our pension moneys with the Public Debt Commissioners in Government stock.

You would have to go through the Public Debt Commissioners?— I take it we would have to, but there is nothing in our Constitution to say so.

DR. ROBERTS: You earmark a certain sum for the Bunga building year after year?— Not exactly. We had an overdraft on the Bunga. When our money is plentiful, we put it out on fixed deposit. We made about £2,000 per year on that and the interest paid for that building.

MAJOR ANDERSON: Who originates votes of money in the Bunga?— The districts do. The councillors of the districts, together with the magistrates, originate money motions. Everything is put before the Council and referred to the Committee on Accounts, which goes into it and then these matters come back to the Council and are passed. I then review them and send them to the Department and it is approved of by the Minister - really by the Governor General.

SENATOR VAN NIEKERK: Your system of taxation, is that elastic?— The amount is stable, but of course the more population we have the more money we get.

But that makes very little difference does it not?—
That is so.

So your income is practically stable?— Yes, it is.

MR. MOSTERT: Does not your budget increase?— It does, but very slightly. The Council was established in 1904 and that year its revenue was £34,000. 1908/9, the revenue was £47,000. Five years later, i.e. 1913/14, it was £102,000. In 1918/19 it was £127,000, and in 1923/24 it was £148,000, and now, in 1928/29, it is £188,000.

So that is a progressive increase?— Well, it is more apparent than real. This is the position. In the early days, the Council revenue was derived by a tax of ~~2~~ 10/- on each male and the hut tax was Government revenue, but on the consolidation of Union taxes in 1925, when the Treasurer of this Council played a very important part, they reversed the whole thing. The bulk of the tax - what was Bunga tax here, became Government revenue and the quitrent and the hut tax became Bunga revenue. So we received a considerably increased revenue. Instead of 10/- per male adult, we got 10/- per hut. There was a big jump in the period between 1923 and 1928.

CHAIRMAN: You say that the increase is more apparent than real. Has it just been increased by transferring the recipient authority?— Yes. That is what it amounts to. There is really not so much difference in the original taxation - there is really no growth in the original taxation, if you follow what I mean.

It really means that you get a larger share now and the Government gets less?— No. They get more than they used to get because the tax has been increased here and has been reduced in other areas. And, of course, you must also

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bear in mind that we have had other areas coming in as well.

What do you mean by that?- Well, Cala has come in, and Pondoland too. Western Pondoland was in since 1911, but Eastern Pondoland has been in only four years now. These additional areas coming in has added to our revenue.

SENATOR VAN NIEKERK: Do these figures include Pondoland?- Yes, the last figure which I gave was for the two Councils, but, before that, it was different.

CHAIRMAN: So that it comes to this, that these figures are really not comparable, because they are not for the same areas?- No, that is so.

SENATOR VAN NIEKERK: If you had to continue the survey of other districts, that would increase your revenue?- Yes, from the surveyed districts we get more revenue per capita than we get from the other districts. The quitrent is a minimum of 15/- per lot and a man may pay a good deal more than that.

DR. ROBERTS: The expenditure incurred in the cost of surveying would have to be compensated for?- We have not got to pay for that.

The inhabitants have to pay for that?- Yes.

MR. LUCAS:

Has the question been considered of setting up your own surveying department?- Yes, that question has been considered.

And is there any chance of that coming about?- Not at present.

The matter has been carefully gone into?- Yes, but under present circumstances it does not seem advisable to undertake this matter.

Do you think that it will come about at a later date?- It may.

The Commission at this stage, 1 p.m., adjourned until 2 p.m.

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On the Commission resuming, at 2.15 p.m., the examination of Messrs. Welsh, Barry and Whitfield was continued.

MR. LUCAS: What is your view, Mr. Welsh, of the present arrangements whereby a special fund is set up for Natives by special taxation and the rest goes into the general revenue?— (Mr. Welsh): Well, I think the Natives must pay their share to the State, of course.

Have you analysed in any way what the Natives contribute to the consolidated revenue fund?— No, I have not done that. You see, we have no means of knowing what the revenue is. My office does not see any of the revenue returns. We only deal with Bunga revenue, pure and simple.

Are the sources of revenue for the Bunga limited by law?— Yes. In the circumstances, I think, there is provision that additional revenue could be raised. Originally it was the intention to have not less than the 10/- rate. I think at one time it began at 5/- in one district, but I do not think that there is anything to prevent raising the rates. The Bunga does not itself impose the levy as it did originally. Now the State does and it hands over certain things to the Bunga. Of course, we have the dipping rates and our income from other sources and so on.

Has the Bunga got the power to levy any taxes?— We could get the powers. The main source of Bunga revenue is the Government revenue which is handed over as far as quitrent and such things are concerned. We had the whole of the local tax, but one fifth of the poll tax goes to the development fund.

Who collects the quitrent?— The Government does.

Do they charge for that?— Not that I know of. It says here, in Section 35 of our Constitution, "It shall be lawful for the Govern^{OR}ment General to levy a rate to be paid by every Native man or woman who shall be the occupier, either

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alone or with his or her family, either or any separate portion of land or of any hut, and also a rate to be paid by every other Native man domiciled in the area under the jurisdiction of the General Council, and the Governor General may, from time to time, make regulations defining the incidence of such rates in such area. "

Have the members of the Bunga at any time discussed this system of allotting to the Natives the proceeds of certain taxes, and of other taxes going to the Consolidated Revenue Fund?— They have requested, more than once, that the amount allotted for Natives should be increased. They have said that too large a portion finds its way into the general revenue.

That is the £1 tax. I was thinking of other matters. Take your traders' licenses for instance. Does any portion of the traders' licenses in the Transkei go to the Bunga?— No.

You told us that none of the proceeds from the forests go to them?— From the Government forests, no.

Have they ever discussed any specific tax, the proceeds of which today go into the Consolidated Revenue Fund, as being in equity really theirs?— I do not recall any.

While we are on the question of traders' licenses, I was asked the number of general traders licenses and the figures have not been worked out and they come to exactly 650.

Do you know what the license is?— (Mr. Barry): It is according to the tax they carry.

You do not know how much they pay?— No.

MR. MOSTERT: I want to come back to this cattle business again. Is it not a fact that, if I have cattle here and I want to send them to Johannesburg, I have to apply to the Chief Veterinary Officer in East London, who would either give me a permit or refuse me a permit to send these cattle to

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Johannesburg?- I understand he is the controlling officer.

But in fact is that not done?- Well, of course, he is the controlling officer, but he gets his instructions elsewhere.

And then he advises your Veterinary officer here that a permit can or cannot be granted?- That is so.

Is not that done?- If they are quarantined ---

Well, on the Johannesburg market, we have almost 50/50 of the cattle coming from what we call quarantined areas and, therefore, it does seem so strange that you people here are not allowed to export any?- Of course, they can take them off fenced and tanked farms, but if the animals have to be put into a fenced and tanked farm in the Native areas, it makes it impossible - it means that it is total prohibition because there are no such farms here, that is the whole point.

Now I am a farmer living here, say, outside Umtata. Say I had 50 head of cattle which I want to send to Johannesburg. I apply to the Chief Veterinary Officer in East London and he grants me a permit and I rail these cattle from here in sealed trucks and I send them - that can be done?- Yes, I think that is right. If you are a farmer with a farm that is fenced and tanked, then you can do it, but he will not let you, a farmer, take these cattle out of a location and ^{en}train them. They will not allow location cattle to go out.

CHAIRMAN: Unless they have been on a farm for a time?- Yes, unless they have been on a farm for a time either under quarantine or on a tanked and fenced farm.

MR. MOSTERT: To some place where they are under proper supervision - can they send them to East London from the Territories if they have not been in locations?- I think they can go from the farms in these areas. As a

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matter of fact they have been sending them from the farms.

MR. LUCAS: There was another thing which Mr. Hemming mentioned yesterday about restricted sales; he spoke about a regulation under which a European is not allowed to sell to a native unless he can certify that he himself has bred the beast which he is selling?--(MR. BARRY) In the Umtata district in order to check the speculation which has been at the bottom of the spread of East Coast fever to a large extent, we allow cattle to go from the European farms into the locations if we are satisfied that these cattle have been bred on the farms. The reason is this. At one time trainloads of cattle were brought into this country - which is already overstocked - from South West Africa and Prieska and other parts, and they were dumped on the local market and found their way into the Native locations and, in order to check this speculation, we had to take some steps and we laid down this rule, because a speculator might lease a farm and bring up trainloads of cattle by the thousands. He would then bring in these cattle as a farmer.

Say I own a farm, the Government must give me a permit and, if I overstock, it is my own business. Well, in order to check the speculator, we made these arrangements which were fully concurred in by the farmers associations in these areas and we laid it down that the cattle should go off the farm if we were fully satisfied that these particular cattle were the produce of the farm. And we go further and we say that cattle paid to Natives in lieu of wages shall be allowed to be removed from the farms into the locations. And we go still further if we are satisfied that the cattle have been brought from the locations here to the farmers for grazing purposes -- as happens to a very

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considerable extent owing to the exhaustion of the grazing in the locations -- we allow those cattle to go back. All we have tried to do is to check this indiscriminate speculation and that is why, in consultation with the farmers associations, we made these arrangements.

As far as I know, the farmers were perfectly satisfied.

SENATOR VAN NIEKERK: Can you tell us how long this system has been in operation?-- I have been here 10½ months now and it was in operation before I came here.

It means that, in spite of the overstocking, the Natives are still buying up cattle?-- Yes, it is an extraordinary thing. I am constantly refusing permits for Native labourers who go to the mines bringing back stock with them. They want to bring stock down with them to the already overstocked areas. It is true my refusal to grant permits imposes a hardship in individual cases, but it is done for the general good.

MR. LUCAS: It was suggested that that refusal would prevent Natives from going to work, the argument being that they go to work in order to buy cattle to bring back with them?-- I do not think it would operate in that direction to any appreciable extent.

This regulation about which you have been speaking ---?-- It is not a regulation, it is within the discretion of the magistrate under the Grazing Regulations. The magistrate has the right to allow or refuse cattle from entering into the locations.

Does that apply only to the Umtata district?-- No, it does not. The arrangement about the farms -- I am speaking as Magistrate of this Umtata district in which we have a block of European occupied farms -- have been made generally.

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It is an arrangement which we have in operation here.

According to Mr. Hemming, the whole position was rendered much more difficult in connection with the East Coast fever regulations. He contended that it made dealings in stock even more difficult than they are?— I am sorry I cannot follow his logic. The idea of course is to restrict speculation.

SENATOR VAN NIEKERK: But why should there not be speculation inside the Territories?— Because you cannot distinguish between an imported beast and a beast that is not imported. You see, they were all scrub cattle and they were being brought in in thousands. They were coming in from South West Africa and from other parts and they were mixing them with ours.

You can prevent cattle from coming in?— No, that is just where it comes in, not on the farms, and that is the danger. You might say let the Native have an internal market by selling to the farmer. Why should not the Native re-buy from the farmer? But, if you once allow that, then you at once open the door to the speculator and he would import large numbers of cattle and you could not distinguish those from the locations and those that were imported, and they would all go back to the locations. I would say this, that the Commission will find a very great difficulty in appreciating the troubles that we have to contend with so far as speculators are concerned. Speculators, as you know, will invariably buy in the cheapest market, which is the infected area, and you want to block the speculator at every turn.

CHAIRMAN: Is it not possible simply to stop that influx by prohibiting the importation of cattle?— From outside you mean ---. Well, you can check it so far as the importation into the Native locations is concerned, but we

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have never gone so far as to interfere with a man's private property. If I am a farm owner, it is my affair if I want to overstock, but that does not give me the right to push my stock off into the Native locations. And that is where we can interfere.

If a farmer inside the Territories breeds the cattle, then he can sell to the locations, is that the position?— Yes, because the breeding on the farms is limited and if you make this limitation, it acts as a drag.

Your argument against the lessening of speculation by stopping the importation of cattle falls away?— (Mr. Welsh): The question of the total prohibition of the importation of cattle has been considered by the Government, and they are not prepared to prohibit it in toto.

But in practise your regulations do it?— Yes, into the locations, but if a farmer wants to bring a trainload of oxen or cows, there is no law to prevent him, but we make it difficult for him and we try to prevent him from bringing them into the locations.

Does it not seem rather contradictory that we should try and persuade the Veterinary Department to allow people to sell outside while, at the same time, you allow cattle to come in?— I do not know, we only keep scrub cattle out. We do not try to keep good cattle out.

Your regulations are intended to keep out scrub cattle, which would ordinarily be brought in if these regulations did not exist?— Yes, exactly, that is so.

So, on the one hand, we are asking the Government to allow your Natives to sell outside, while actually you have at the same time to prevent your Natives from buying outside?— They have offloaded a good lot already.

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Is there not a contradiction there?- No.

If they want a market outside ---?- We do not ask the people who sell to us to buy, we are asking the people who are exporting to buy from us.

Look at it from the point of the supply and demand factor. The demand factor is much stronger than the supply factor. Now, in view of that, why should you worry about an opportunity to sell?- Well, we have to worry because they cannot leave today and the Natives cannot live if they have no opportunity of selling their stock. In a good season, of course, they do not worry, but it is very different when the seasons are bad.

Why should they want to buy?- The Native will always buy cattle if he has money. You cannot understand his psychology.

If the stream is definitely running one way and if it is not trying to run another way, why should we remove the obstacles?- Because sometimes you have two streams running both ways. "A" wants to buy and "B" wants to sell.

MR. LUCAS: There are Natives who are very well off in the matter of cattle?- Yes, quite. This factory at East London will probably take any number, they will take practically anything. (Mr. Barry): The cattle which the Native wants to bring into this country are invariably breeding cattle. He wants to bring in heifers and cows, but he will not bring in an ox.

MAJOR ANDERSON: But he would export an ox?- Yes, he would if he could.

MR. MOSTERT: But you would make a regulation that only a certain class of cattle should be allowed in?- Into the locations, not into the Territories. (Mr. Welsh): There are large farming areas and no one would interfere with

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these farming areas.

If only a certain class of cattle were allowed in here it would meet the case?— Yes, certainly, we would welcome good breeding stock.

And the only thing you want is to try and prevent scrub cattle from coming in?— Yes, that is so, we have too much of that.

MR. LUCAS: It would help me if you would explain what complications arise from that in the European areas in your Territory. You have just explained one about cattle. Would you explain to us in short the effect of having Europeans in these Territories, European farmers, what effect has it upon your administration?— I think things work very well as they are.

I was not suggesting that there was any conflict between the two, but can you just mention one way where you have difficulty. If you were dealing with Native areas only, you could deal with the stock questions. Now, in what way do Europeans complicate questions in these areas?— I do not know. It is easier to deal with a purely Native district than with a mixed district.

Can you make a proclamation that will directly apply to Europeans in these Territories?— Yes, nearly all our proclamations apply to them. For instance, our Magistrate Court procedure is laid down in a proclamation which applies to everyone.

Could you override the application of the mining laws to these areas?— We have been told that a proclamation cannot amend an Union Act; yet it has been done.

Is not your proclamation in regard to the Magistrate's Court under the law of 1917?— Yes. That Act of 1917 had a clause in it that it should not apply to the Native Territories and we had a proclamation amending it a

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good deal for these parts.

What would be the position in case of discovery of any precious metals or minerals?— The result would be very unfortunate.

Take the legal position first and the economic position afterwards. Could you prevent the application of the provisions of the Precious Stones Act and the Base Minerals Act? Do these provisions apply here?— Yes, they do.

Supposing precious metals were discovered in any part of the Territories. Who would have to give any rights to the discoverer, or who would be the person to give permission to do any work?— I give the permission to prospect and the Mines Department gives the discoverer's rights. We have recently got the Department to prohibit the prospecting for precious stones here. They thought at one time that a diamond mine had been discovered, but it was a "salt". But not for precious minerals.

Would the chiefs have any say in handing over the mining rights?— They might say something, but it would not be of any force.

Take Pondoland, can the land be alienated and can people be allowed to work there against the wishes of the chief?— Yes, I think so. They have just got a mining lease there to work for lime. That is three miles this side of Port St. Johns. A firm from Durban has acquired a mining lease there from the Department of Mines.

Is that Native Territory?— Yes, I think it was.

So that the Natives are not really protected in their holding of land in these areas, even?— There is a copper mine at Mount Ayliff which has been in existence for many years, about a quarter of a century. It was held by a Company but it has been given up now as there was nothing

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in it.

MAJOR ANDERSON: Does the revenue from any of these mines go into the General Revenue?— I think the revenue has been in the payment of leases, but I do not think there has been any actual mining done.

The money derived from the leases does not go to the Native revenue?— No, it does not.

Are not the Pondoland rights safeguarded to the Pondos by treaty?— Well, there is a treaty, but I do not think that there are any reservations as regards that.

I understood that there was a clause by which the land was to be reserved to the Pondos?— Well, if that is so then land has been alienated for trading stations, mission stations, etc., from the very date of the negotiations.

MR. LUCAS: Supposing that precious minerals or metals were discovered over a large area in Pondoland, is there anything to protect the Pondos from the land being taken for mining purposes?— Not that I know of and I hope that the land will not readily be given up. I think the Government has it in its power to do one thing or another. If a valuable gold mine were discovered, I take it that it would be worked.

SENATOR VAN NIEKERK: They would not lose the land itself, would they?— No, I suppose not.

MR. LUCAS: Would the Pondos get anything out of it supposing a gold mining reef were discovered there?— I think that there is provision that they would get a royalty. These questions have never cropped up for the simple reason that we have never discovered any gold mines, but I have the impression that the people concerned would be entitled to a royalty.

CHAIRMAN: Half the claim license monies go to

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the surface holder. That is quite a considerable amount of money? - Yes, but who would be the surface holder in Pondoland?

MR. LUCAS: The Crown would be. So the Pondos might quite well lose their land? - (Mr. Barry): These matters are regulated by the Cape Act. I know, in one district, there was a considerable amount of prospecting. There was a place where coal was found in large quantities and leases were taken out, but they all lapsed. But all the lease rents and prospecting permits, all that revenue went to the Consolidated Revenue Fund and not to the Natives. And if they mined there, I do not think that the Cape Acts made any provision for royalties.

What is the effect of the Native Lands Act on these Cape Acts? - (Mr. Welsh): The 1913 Act does not apply here.

Does it not apply here to the extent that land cannot be alienated to Europeans? - No.

CHAIRMAN: Could you put in the salient points of the Supreme Court rulings, the grounds on which the Act does not apply? - Yes, I could give you the judgment. I think it was held that, because it affected the Native's right to the vote, it did not apply here. As a landowner he was entitled to the vote, and if he could not hold land he could not have a vote.

MR. LUCAS: I thought that that decision made only part of the Act not applicable? - No, before that the position was different, but we have had this ruling since then. For instance, one could get permission to mortgage - a Native could mortgage to an European.

Can an European come here and buy land? - No, he cannot buy location land here.

DR. ROBERTS: Can an European buy land from another European who had title given to him by the old chiefs? -

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Yes, certainly, but no European can buy land in the reserves.

CHAIRMAN: Simply because the Crown will not grant it?- Because it is scheduled area.

The Crown could grant it, but will not?- Oh, yes, the Crown could do anything.

So the effect is really the same as if the Land Act were in force here?- I suppose so. In regard to this question of royalties, one fifth of the royalties are paid to the magistrate for the benefit of the people.

MAJOR ANDERSON: Would that go to the Bunga fund?- Well, that case has never arisen and I hope it never will.

MR. LUCAS: As far as the towns are concerned in the Territories, can the Council deal with their land as they wish; take Umtata, for instance, can the Umtata Town Council dispose of its land freely?- I think they have to get permission from the Administrator before they can put up commonage land. They are not subject to my Department at all.

And are any of the village councils subject to you? The European villages, no. The Bunga operates only in the Native area and we call the villages European area.

I find here in Umtata, Europeans and Natives living side by side in an European type of house. Does any difficulty arise from that?- I have never heard of it.

(Mr. Barry): It is undesirable, of course. (Mr. Welsh): There are Europeans on the other side of the river who have complained of Natives being in the same area as they are.

There is a Native woman who has a house on the other side of the river. How would she have got that?- She would probably have bought it from the European owner.

You have Native landlords and European tenants?-Yes.

Do you know whether many Natives owning land privately who have sold to Europeans?- (Mr. Welsh): I am not aware of it.

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Are the European landowners in the Territories increasing their holding?— No, I do not think so, I do not think their holdings are any larger than they were.

SENATOR VAN NIEKERK: On this question of restricting the influx of cattle into the Territories, if you give permission to a man to export his cattle, do you still comply with that rule?— (Mr. Barry): What rule?

The rule about the non-importation of cattle into the Territories. You have a regulation that no cattle can be imported into the Territories?— No, not into the Territories, - it only applies to importation into the locations, that is all.

Now, if the regulations are released, on the other hand, so that you can export cattle, would you still stick to an importation regulation?— I would be guided by the density of the stocking. If I found that my district was still overstocked, I would still oppose the importation of further scrub cattle to replace those that are going out.

How do you overcome the difficulty, who is to be the judge there?— We have the use of our Council of officers and we have men in the country and we have the traders, people who get into touch with all these conditions and they have to satisfy us that the cattle to be imported are of good quality.

Do you not think that you will ultimately get into conflict with the rest of the Union. They will say "You want to have your scrub cattle exported, but you refuse to take any other cattle from the other parts"?— I suppose we would be perfectly fair if we had, from the outset, been granted equal opportunities, but we have been bottled up for twenty years and we have to put ourselves right before we can dream of starting on a level footing with everyone else.

Native education is excluded from the operations

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of the Bunga?-(Mr. Welsh): The ordinary academic education is not under the control of the Bunga, although we have subsidised Native education very heavily in the past. In the six years ending 1927, we paid £100,000 towards it. When free education came in, the Council was asked whether it would make up the loss of the fees for one year. It agreed to do so and it took us seven years to get rid of that burdon. We paid for seven years about £16,000 per year until we refused to pay any more and the money was found elsewhere. Now we are in no way in control of Native education. We have some scholarships for Natives, but that is all.

Are you debarred from assisting education? - De facto, we are, because we have not got the money, but the law says that we may do so.

Are not the Bunga members pressing for subsidies for education? - Yes, certainly they are, and they are pressing very strongly, but not from the Bunga funds, they are pressing for such subsidies from other funds. I have had cases of that kind. They are pressing for subsidies from the development fund and from other funds. It is really an understanding now that the Bunga does not assist with the ordinary education. There are other bodies responsible for the education of the Natives, as well as for the education of other people.

Now, all the resolutions of the Bunga are subject to confirmation by the Government? - No, not all the resolutions. The Bunga passes its resolutions, and, if the matter is one which, in my opinion, does not require confirmation, we act at once. But anything of importance or anything of general policy, or anything requiring Government funds, has to go for approval. For instance, if we wanted to extend our plantations, or if we wanted to buy cattle or seed, or

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increase our institutions, that would not have to go to the Government for approval.

Are those powers definitely laid down?- Yes.

Now, in cases where you have to get the approval of the Government -- perhaps you would not like to answer this -- has the Bunga been hampered in any way?- You mean, in being vetoed?

Yes?- No, I think the Government has been quite reasonable. I do not think that any resolution which was reasonable and to the benefit of the people has been turned down. In any case, I cannot recall any having been turned down.

The magistrates make a private recommendation?- Not a private recommendation. In the early days, the Bunga passed resolutions and then the magistrates met here and discussed matters. There was quite a lot of talk and some of the resolutions were not approved of. So we discussed matters and we decided to have the discussion with open doors, and now the position is that the resolutions are revised by myself and the magistrates, and any member of the Bunga can attend that, and then I send up the resolution. I have had cases where I have reversed the resolutions of the magistrates. Some resolutions too, are refused by the Government.

Is there not a feeling among the Bunga members that their decision should be final?- I think there is. In the earlier days they had a committee, the following session, to consider the decision of the Government on the previous year's resolutions. I think, on the whole, the Government grounds for turning things down have not been without substance.

DR. ROBERTS: The real reason for not accepting the 1920 Act in its entirety was just the operations of the Bunga. The 1920 Act, giving full powers --- you know that

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was not accepted generally. Is it not a fact that it was the excellence of the way in which the Bunga did its work which upset the 1920 Act?— Who did not accept it?

The magistrates did not?— I have only heard very vague rumours of what went on over the Kei. I think they said that it went further than what they thought would be the case. Cala was not then under the Bunga system and they asked for a Bunga under the 1920 Act, but they were told that they could come in under our system and they are in now and they are quite happy to be.

SENATOR VAN NIEKERK: Are your district councils functioning well?— Yes.

Do you think they are necessary?— Yes, I think so; you must have district councils. They deal with all sorts of different things. In regard to this question of resolutions going to the Government, I want to refer you to Clause 22, Sub-section (2) of our Constitution, which deals with it. This is what it says "The Chief Magistrate, in consultation with the Magistrates, referred to in Section 16 hereof, shall deliberate upon all proceedings of the General Council, and shall be responsible for giving the necessary directions or applying for the necessary authority thereon; provided that nothing in this section shall prevent the Chief Magistrate from consulting any other official present."

Now, I should like to say a few words on the question of Native agriculture. As you may know, we publish a journal both in English and Xosa. I might say that we have in the past also tried to buy for the people concerned implements and so on. We can get better terms from the merchants and if these people want to come to us and put the money down, we can buy for them any plough or harrow or anything they may need.

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This morning I heard some discussion on the question of traders. As I have said, there are 650 European traders here. So far as I know, there is only one Native trader who sees no artificial barrier in the way of Natives acquiring trading stations. I suppose the real basic factor is the want of capital. There are very few new trading stations being opened, so almost the only way of acquiring a station would be to purchase one in existence. From time to time applications are made for new sites, but very few are granted. The policy of the Government is that this part of the country is almost sufficiently stocked with trading stations and not to give up more Crown land for trading stations.

As a matter of fact, the Government has gone so far as to reduce the area by half, so as to discourage it. I cannot recall a case where a Native has applied for a new site, whereas up to nine Europeans have applied for a site, which, as a matter of fact, was not granted to any of them either.

Personally, I think that if there were competition between a Native and an European for a trading site in a location, I should be inclined to give preference to a Native if he were a suitable person. It is his own country. I know one Native across the Kei who failed and there is one in these Territories who failed. There may be others, but I know of one who seemed to be doing quite a fair business. That was on the Natal side at Umzimkulu and there was one at Mount Fletcher too.

SENATOR VAN NIEKERK: Unless the Natives are prepared to buy out the existing traders, it means that they have no chance?— I would not say that they have no chance. It is very difficult to acquire a trading site, but I do not know of a case where a Native has applied for an unoccupied

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site.

I am speaking generally. In future, unless a Native is prepared to buy out the right of an existing place, he will find it very difficult to get a license?- I would not say it is impossible, but it would be very difficult. For one thing, I do not know of any Natives/^{who} could put up the money, or rather there are very few indeed.

Unless you remove the five miles restriction?- Yes.

MR. LUCAS: Would you be opposed to allowing/^{in a} any closely occupied area, such as Ngqeleni location, - Natives to set up little shops in their own huts to see what they can do?- You mean, to start shops without acquiring a trading site?

Yes?- That question has never come up. I have always been wondering when it would come it. But that is a question which the Government would have to decide. I would have to make my recommendation to the Department.

DR. ROBERTS: Do the Natives have hawkers licenses?- Yes, any amount, especially for hawking grain.

MR. LUCAS: Is not one of the difficulties that the Natives have had so little opportunity to learn business?- That is so, but I do not think that naturally the Native is a very good commercial man. Some of them find difficulty in looking after their own finances and many are in debt owing to economic circumstances. You see, the Native has had no training and he has no capital.

Would not what I suggest be a means towards their getting that training in a reasonably cheap and yet practical way?- Well, I am afraid that they would burn their fingers even in small stores at their own places. The Native today does not seem to know much about commerce.

Would it need amending the law to enable them to set up such little stores?- A case has not come before me and I do not know. I would have to go into it. They

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might start in a very humble way. After all, the richest man who has ever been here started off in a kaffer hut, half of which was a shop and half a dwelling. He stuck to it and he finished up to be a very rich man.

He started by trading? - Yes, that was an European.
(Mr. Barry): There was one man in the Kentani district. He started peddling his wares. He converted one of his huts practically into a shop and he put a counter up in the middle and was carrying on business there when the matter was raised and he was warned and prosecuted for trading without a license. He produced a hawkers license, but it did not help him and he was convicted none the less.

Why was he convicted? - He did not have a trading site. That was the difficulty.

The obstacles in the way of the Natives developing their trading instincts are very serious? - Yes. Of course, any number of hawkers licenses are always being granted.

Hawking is restricted to a very small scale, is it not? - That is so. (Mr. Welsh): Although there might be scope in some places for them to open shops in a small way, I am unable to call to mind any case where they have endeavoured to do so, except, perhaps, the one just mentioned by Mr. Barry.

Apparently they cannot do so under the law? - They do not know what the law is and I do not know of anyone having the desire to do so. We have heard of many things in the Bunga which are much more impracticable than this one, but I do not think that any Native has ever expressed the desire to go in for that class of business.

Would you have any objection to allowing a number of stores to be opened in a small way like that in the same way as Europeans do? - I think one should be guided by the demand and see whether there is an opportunity for a

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man to make a reasonable living. We have this five mile radius today and we want to keep up a high standard. There is one thing that we want to guard against and that is to have these derelicts coming in.

Would it not be possible to do what is happening in many places in Europe, where the wife has a small shop and runs that while the husband is at work? Well, of course, that is a matter which might be sympathetically considered. I have one case here. A chief in Western Pondoland thought he would like to start a store, where he would be able to serve his people and make something for himself as well. He gave orders to his people that they should buy at that store. Well, the thing began with a certain amount of flourish of trumpets, but since then it has failed most absolutely.

SENATOR VAN NIEKERK: The Natives in the Bunga, do they grasp the financial position? Yes, they do. Of course, there are some persons in the Bunga who, according to our opinion, are ignorant. You find men who are supposed to be quoting from their notes and, when you look at them, you find that they have their notes upside down. But there are very able men and one man is particularly able. He is a man of blood and, generally speaking, I should say that they are able to grasp their duties quite well.

(Mr. Barry): In regard to the opening of these small shops such as suggested by Mr. Lucas, I just would like to say this. Traders have invested a considerable amount of capital in trading stations, in the justifiable belief that they will have a virtual monopoly of trading within a five mile radius. If they did not have that understanding, the value of the trading station would be considerably depreciated and, I think, if any attempt were made to start these small

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shops in the interests of the Natives themselves, and to encourage among the Natives a commercial sense, I think there would be a very wide and strong protest on the part of the European traders and I have no doubt that they would have Parliament on their side.

SENATOR VAN NIEKERK: Yes, that would be so, but do you not think that they have had a fair innings?— They may not think so.

CHAIRMAN: Does that not amount to this that, in view of the fact that so many vested interests have been created, it is almost impossible for the Native to start in a small way and learn a thing which he has not hitherto done?— (Mr. Welsh): That is one of the effects.

Looking at it from the broader social aspect, is it a thing which one would put up with for all time?— (Mr. Barry): No, I am rather inclined to Mr. Welsh's view that a thing like that should be sympathetically considered, but I do not think that, however much sympathy there might be, it would be agreed to by the powers that be to allow it. The European is a fairly powerful factor.

MAJOR ANDERSON: Would the position be met by giving notice that, after a certain period applications of that sort would be considered — give notice for a certain number of years?— Say ten years.

That is rather a lot?— I do not think it is too long in the case of a trader who has invested a large amount of money.

MR. LUCAS: Parliament did not give the liquor people anything like that?— No, not under the Liquor Act, but liquor is a different thing.

Yes, but there were great vested interests in liquor as well?— The power of the vested interest was based on liquor.

MR. MOSTERT: Is it a law or a regulation that the

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trading stations must be five miles apart from each other?— It is the law. There is also a law that no one can get another trading station within twenty miles - that is to say, no man can hold two trading stations within twenty miles from each another. The object of that is to prevent the creation of monopolies.

DR. ROBERTS: Do you find that one man controls a good many stores?— Yes, but that will break down in time. There is a provision that a man may sell, but the buyer who buys two stores, cannot sell both to one man. If he sells he has to split them up.

SENATOR VAN NIEKERK: Have there been cases of any such grants being cancelled?— I do not know of any and I do not know of any being surrendered on account of its not being profitable.

They can be sold?— Yes, and they can be mortgaged.

MR. MOSTERT: Have they got freehold title?— Yes.

So that these trading stations are sold sometimes?— Yes, they are registered in the Deeds Office.

What does the Government get for them, for the ground. These traders would buy, would they not?— Yes, it is an out and out purchase.

MR. LUCAS: How did the man near here get 100 acres?— That was a pre-annexation grant.

What do they pay for these sites?— Originally they were simply leased to them.

And they did they not get title afterwards?— Yes, they have been converted into freehold title.

Does it mean that the Government does not get anything out of them?— No, there is a perpetual quitrent.

MR. MOSTERT: Your trader in the Transkeian Territories is a good class of man?— Yes, very, and more especially in the older districts where you have a very good class. In

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Pondoland it was a sort of refuge. People went there and formed unfortunate alliances with Native women and some of them have sunk and I do not think that Pondoland is quite as good as elsewhere. The matter was considered some years ago, I think about fourteen years ago, the question was then raised of licenses being refused to certain people, but the Government of the day found it rather a big question and dropped it.

CHAIRMAN: In regard to these treaties, we were told that there was a reservation in favour of the Pondos?— Well, I have a copy of the Treaty here, but I cannot see any reservation. It is a pure cession. (Copy of treaty handed to Chairman.)

DR. ROBERTS: Negotiations took place?— Yes, they ceded their lands, under pressure, of course. It is a clean title and it is Crown land today. (Mr. Barry): The agreement does not say that. It says that they are desirous to become subjects of Her Majesty — that is Queen Victoria, of course.

CHAIRMAN: This contains no reservation of the land to the Pondos, but we were told in Pondoland that, under the Treaty, they did safeguard themselves?— (Mr. Welsh): Yes, I have been told that myself, but I do not know where it comes from.

DR. ROBERTS: What was the case immediately after the negotiations by Mr. Rhodes and Sir Robert Stamford that went to the High Court?— They arrested the chief of the Eastern Pondos. There was a question there which went to the Court.

CHAIRMAN: Judging from this document, one would say that the Pondos can live in that country as long as they want to. The view that none but Pondos may live in that country is wrong?— It appears to be entirely wrong and it has never been observed since the day of annexation. People are living

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there and we grant them the right to live there.

MR. MOSTERT: The area of the chiefs who have twelve miles of the Coast area, does not really belong to them?— Well, we respect the grazing rights of the chiefs. We do not interfere with these areas at all.

It is just a common right and not a legal right?— It is not even a common right.

It has been used for so many years?— Well, we respect the chiefs grazing rights and I do not know of a case where we have even granted a trading station in that area. It is a grazing area and we regard it as such. In regard to trading station sites, the quitrent is 4/- per morgen with a minimum of £1.

CHAIRMAN: That is for the use of the land, but do they not pay anything to the Government for the right to trade there?— Yes, of course they have to pay their trading license.

MR. MOSTERT: Is it £12.10.- per year?— It is £12 per year and a turnover fee.

MR. LUCAS: Anyone has to pay that in any area?— Yes, they have.

As they pay no more than a general dealer anywhere in the Cape, does not your argument of vested rights seem to lose its force?— (Mr. Barry): Do you mean in respect of the value of the trading site?

Of the obligation of the community to them?— The point I was trying to make was this, that the traders in these Territories know that no trading site will be allowed within the five mile radius and, consequently, the site has a greater value in view of that fact.

In whose interest was that five miles radius introduced?— It was introduced as much in the interest of the Natives as of the traders. The idea, so far as the Natives

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are concerned, is to have your trading stations so placed that they can maintain a family in a state of respectability. We do not want large numbers of small stations to spring up and all kinds of competition with a poor class of trader coming in.

Over competition and a poor class of trader were considerations in the interests of the Native?— Yes.

And the trader himself has developed a monopoly right because of that. Is that any reason why he should be protected in future?— As against more European traders or Native traders?

Say Native traders?— No, as I said, I agree with Mr. Welsh that a move of that sort should be sympathetically considered, but I did point out that there would be great difficulty of political appeal about the matter.

CHAIRMAN: As regards the question of vested rights, is not the Government giving them a very valuable site very cheaply?— You mean, when they make a grant of vacant land?

All the grants that have been made?— Yes, certainly

What the Government gets is a negligible proportion of the value?— There was a time when it was difficult to get the traders to come in and there were very few of them in those days.

That is always so, but the present position is that the Government is the benefactor in giving a valuable site for a very small consideration?— Yes, I think so. But it was granted to supply an actual want on the part of the people.

The point is, the Government is not indebted to the trader, but the trader is indebted to the Government, and if it is necessary, in the interests of public policy, to change that policy, there is no fair claim of vested rights on the part of the trader?— Except that there is a moral

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understanding which, I think, would be binding. A man is induced to spend £4,000 or £5,000 in acquiring a trading station because he knows that nobody else will come near him. If he had been given to understand that the five mile radius was just merely a scrap of paper, he would not have been willing to pay that amount of money for that station. (Mr. Welsh): What is the difference in the position of the man who got a farm for nothing in the early days, simply because he might be called up to go on commando, in the Transvaal, in the Cape, the Free State or Griqualand. These farms were given away for nothing. What is the difference between the position of these people and the position of the traders?

MR. LUCAS: But some day that man who got the farm may have to pay a tax on it?— Quite so, but the trader may also be called upon to pay a tax.

CHAIRMAN: There is another thing - other people are prevented from coming near you?— Well, that is because we do not want to have a lot of ruffians there.

That has added to the value of your concession?— We made a recommendation to the Government some time ago that these sites should not be given out for nothing and that, if there was a demand for a station it should be put up for auction in the same way as it done in other parts of the Union. That was put before the Council and it was opposed on the ground that the Natives would not have a chance of bidding for such a station. Well, the Government dropped it and they said, "No, we will not do that".

Even in the case of European traders, it would not allow you to select a man on the ground of character?— Oh, that is another point.

MR. MOSTERT: Here is another point. Would you not rather gauge these trading stations by the population?—

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But that is what we do.

Because the population may increase more than two or threefold?- Yes, that is so.

And, therefore, it is justified to have one or two more stores or trading sites in a particular area?- Every application is considered on its merits and the man considers his population and its accessibility. If a station had been refused ten years ago but the population had increased in the meanwhile considerably, it might be granted now.

MR. LUCAS: Subject, always, to the five mile radius?- Yes.

But could you not review that now and say the population has increased and, therefore, we shall give a station site closer by?- Well, we do that, we have the right to do it, and there are some stations within two miles of each other. There is no reason why one should not grant it if on its merits one could grant it.

I have here the decision of the Appeal Division, "Appellate Division 1917, Page 209, Full Bench". That is the case which Mr. Lucas was asking about.

While on this question of trading stations, there is a point which has been before us. The Council passed a resolution "that the Government be respectfully requested to issue a proclamation prohibiting traders in the Transkeian Territories from selling goods on credit to Natives, such law to apply to such districts as may ask for it." On previous occasions they had asked for a general law making the giving of credit illegal. Then they asked for it to be made compulsory, but this time they asked for it to be made permissive. That was passed by the Bunga, and as we very often do, if we are not satisfied that the Bunga represents the mass of the people, we referred it back to the District

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Councils and we instructed the magistrates to call meetings of the tax payers and put it before them and then send it to the next General Council Meeting. This was put before the people and, with the exception of Qolora, who approved of the principle, the others were unanimously against it.

MR. LUCAS: Then there was a resolution which Mr. Qamata moved, making x traders pay cash for mealies instead of barter. Have you got anything to say about that?— Yes, that is puzzling many people. (Mr. Barry): Has the system been explained? It is simply this, that the Natives are in the habit of dealing with a certain store and that they will take their produce there. During the mealie season they will take their mealies there and sell them to the trader, but they will not get cash. The trader will give them a chit. That chit can be handed in later on as cash, only at that shop, of course. The result is that a trader not only buys the grain, but he compels the people to spend their money at his shop.

So he is buying his grain as a commercial man would do, at a lower rate, so as to allow of it being sold at a profit. He is assuming that he will make a profit on that grain. But he also at once makes his trading profits on his chit, whereas, if he paid cash, that man might spend his money in any other market and perhaps in a cheaper market.

To that extent it operates to the detriment of the Native. The other side has been put up too, that if the trader had to pay cash for the mealies or for any of the other products, he would pay a much lower price than he would do if he paid by chit, because he would realise that a considerable amount of his cash ~~disbursement~~ disbursement would go into the coffers of another trader. It operates against the