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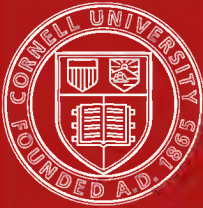
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THE
RECONSTRUCTION OF THE NEW
COLONIES UNDER LORD MILNER

BY
W. BASIL WORSFOLD

IN TWO VOLUMES

VOL. I. (CHAPTERS I. TO XIV.)

FROM THE VEREENIGING AGREEMENT, 31ST MAY 1902,
TO THE INTRODUCTION OF CHINESE LABOUR, JUNE 1904

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“I should prefer to be remembered for the tremendous effort, wise or unwise, in various particulars, made after the war, not only to repair its ravages, but also to restart the New Colonies on a far higher plane of civilisation than they had ever previously attained.” (Milner at Johannesburg, 31st March 1905.)

PREFACE

THE source of what is most original and valuable in the information contained in this work is the very complete collection of papers relating to the period 1902-5, which is in Lord Milner's possession. My primary and deepest obligation is, therefore, to him: first, for his confidence in permitting me to have access to these papers and to his private diaries; and secondly, for the unflinching kindness which he has shown to me—a kindness all the more remarkable in view of the many demands upon his time—during the six years that I have been engaged upon the preparation of these volumes.

There is, of course, much that is of interest, both literary and historical, in the private correspondence that cannot be published now. Some of this material must rank as *arcana imperii*, which cannot be divulged without doing injury to the State; some of it, again, would, if published, deal needless wounds, or re-awaken contentions long forgotten. Indeed, it is impossible not to recognise that in the present age, when the obligation of reticence is so widely observed, the writing of the history of our own times—that is, of a frank, complete, and impartial statement of all the vital facts capable of proof—has become increasingly difficult. Fifty years hence the historian will be free to record the most confidential documents of to-day; and to this extent he will be better equipped than the contemporary writer. On the other hand, he will have no acquaintance with the thousand and one matters of common knowledge which

are, as it were, a part of the mental atmosphere of the other.

While, therefore, the contemporary historian is hampered by the obligation of reticence in the discharge of his task, he may yet perform a useful, perhaps an indispensable, service. This much he can do. He can endeavour to make sure that when the time comes for the story to be told without reservation, nothing in the new material then available will be found inconsistent with anything that he has written himself. Some new facts, some fuller information upon this and that episode there will be, and some gaps, perhaps scarcely noticeable, will be filled up; but his story in all its essential features should remain unaltered and unaffected.

If this book lives, it will be for a future generation to say in what degree it has achieved this aim.

Apart from my great outstanding obligation to Lord Milner, I am largely indebted to the published official papers, both Imperial and South African, and to the Johannesburg *Star*. In respect of this latter source of information my grateful acknowledgments are due to the Argus Printing and Publishing Company, Limited, for permission to use the admirably full reports of Mr Chamberlain's South African speeches, of Lord Milner's speeches, and other matter which has appeared in this journal while it was under the successive editorships of the late W. F. Monypenny, myself, and Mr Geoffrey Robinson, now editor of *The Times*. And here I take the opportunity of stating that, with few exceptions, all the speeches quoted in this book are taken from the pages of the *Star*.

My obligations to Sir Lionel Phillip's "Transvaal Problems" (1905), Mr Beak's "Aftermath of the War" (1907), and Sir Edgar Walton's "Inner History of the National Convention" (1912)—works which are invested with a special authority by the personalities of their

respective authors—are, I trust, properly acknowledged in the text.

In addition to these published sources of information I have received valuable assistance from Sir Harry Wilson, K.C.M.G., formerly Colonial Secretary and Acting Lieutenant-Governor of the Orange River Colony; from Mr Patrick Duncan, C.M.G., now a member of the Union House of Assembly, and formerly Colonial Secretary and Acting Lieutenant-Governor of the Transvaal; and from Mr Lionel Curtis, formerly Assistant Colonial Secretary for Urban Affairs in the Transvaal Crown Colony Administration. To all of these I am indebted for their kindness in allowing me to consult them upon subjects which came directly within their knowledge.

Since this work went to press the statesmanship of the Empire has become the poorer by the untimely death of Alfred Lyttelton. To him I am indebted for information upon certain matters in which he was immediately concerned, and for permission to publish quotations from his letters to Lord Milner: and to Sir Richard Solomon my thanks are due for the like permission in the case of one important letter.

In an earlier book, "Lord Milner's Work in South Africa, 1897-1902," now issued uniformly with these volumes by Messrs Kegan Paul, I endeavoured to trace the events of Lord Milner's High Commissionership (apart from the military history of the war) up to the Vereeniging Agreement. The period covered by these volumes extends from this date (31st May 1902) to 31st March 1905; and I have added an "epilogue" to bridge the interval between Lord Milner's retirement and the birth of the Union of South Africa on 31st May 1910. During the latter half of the Reconstruction period, I was myself in Johannesburg, and as editor of the *Star* had opportunities for personal observation which have enabled me to describe the events of the

years 1904 and 1905 from a somewhat closer standpoint. The three volumes, therefore, taken together should furnish a connected narrative of the eight momentous years during which Lord Milner served the Crown and Empire in South Africa.

I am, of course, solely responsible for the presentation of the facts, and for the opinions expressed in these pages.

W. B. W.

ROMDEN PLACE,

SMARDEN, KENT,

10th August 1913.

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THE RECONSTRUCTION OF THE NEW COLONIES UNDER LORD MILNER

CHAPTER I

“FROM LION’S HEAD TO LINE”

WITH the surrender of the Boers at Vereeniging the whole of Southern Africa, apart from the territories of Germany and Portugal, became a part of the over-sea dominions of the British Crown. The enormous area, stretching from the southern shores of the Great Lakes to Table Bay, thus united under a common flag, embraced not merely the most fertile and highly mineralised districts of Africa south of the equator, but—a matter of even greater significance—it contained those regions of South and South-Central Africa that are best adapted to form permanent homes for people of European origin. Vast territories on the east and west coasts, belonging to Portugal and Germany, remain outside the British pale; but these possessions of the oldest and newest of the European colonising powers in Africa are beyond comparison inferior in natural resources and climatic conditions to the highlands of Mashonaland, the Transvaal, and Natal, the plateaux of the Cape and Orange River Colonies, and the well-watered lowlands of the eastern and southern coast line.

But if by comparison with the arid and fever-stricken territories of Portugal and Germany British South Africa may be termed both temperate and fertile, it must not be forgotten that these relatively favoured regions are subject to special physical disabilities which, aggravated, as they

have been, by political and social conditions of unprecedented difficulty, have rendered the material progress of the country as a whole both slow and uncertain, and even now cause the industrial fabric laboriously reared during the nineteenth century to rest upon economic foundations alike artificial and unstable. Of these physical disabilities it is sufficient to mention the insufficient rainfall, untimely in season and variable in quantity; the deficiency of navigable and permanent rivers, and the insect pests and strange and virulent animal diseases that respectively ravage the crops, and decimate the flocks and herds of the farmer.

A few figures and a brief comparison will serve to exhibit the peculiarities and deficiencies of the economic position of South Africa. Speaking broadly, the new English-speaking countries, whose rapid development is the greatest event of the nineteenth century, are distinguished by their large exports of the surplus produce of the soil. With great areas and relatively small populations, such countries naturally find their readiest sources of realisable wealth in agriculture and the pastoral industries; and, although in almost all cases industrial progress has been aided and accelerated by discoveries of gold, the ability of their inhabitants to produce cheaply both the articles of food and the raw materials of manufactures required by the more densely-populated countries of Europe remains the basis of their prosperity. Thus in the financial year 1904-5, in spite of the recent development of its manufactures, nearly two-thirds of the total export of the United States — an export amounting to over £300,000,000 in value — consisted of food and raw materials. In the same year (1905) Canada exported (in round numbers) £30,000,000 worth of food and raw materials out of a total export of £40,000,000; while Australia, out of a total export of £50,000,000, sent £20,000,000 worth of wool alone; and in the case of New Zealand two items — frozen mutton and wool — accounted for more than half of a total export of £15,000,000 in value.

These exports presuppose an ample supply of food for home consumption and a high development of agriculture and the pastoral industries; and these conditions are realised

fully in all the new English-speaking countries with the sole exception of South Africa. Here we have a country where agriculture is so backward that enough food even for the needs of its own people cannot be grown, and where the export of raw materials is conspicuously meagre as measured by the returns of the other over-sea dominions. In the year 1898—the last complete year before the war—whereas Canada, Australia, and New Zealand exported, mainly to the United Kingdom, food and raw materials (other than minerals) of the combined value of some £70,000,000, South Africa sent no food and only some £4,000,000 worth of wool, ostrich feathers, angora, and other raw materials. At the same time the value of the total South African export for 1898 reached the high figure of £26,800,000—a total which gave South Africa an export per head of her European population of £27 in value, as against £22 per head in Australia, £7 in Canada, and £13 in New Zealand. The magnitude of this total export is due, of course, to the extraordinary mineral wealth of the country. The value of the gold, diamonds, and copper exported in 1898 was £20,500,000, or nearly 80 per cent. of the total export; and in 1905 it had risen to £30,000,000, or more than 80 per cent. of the whole (£36,500,000).¹

The salient economic feature revealed by this comparison is the fact that South Africa alone of the new industrial countries is in a position approximating to that of old countries such as the United Kingdom and Germany. Instead of exporting food, it imports it—to the value of £1,500,000 in 1898 and of £2,500,000 in 1905.² Unlike other new countries its main export consists not of the produce of the agricultural and pastoral industries which give employment to the bulk of its European population, but of the gold and diamonds won by a small section of

¹ These figures are based upon the “Statistical Abstract” of the trade of the British Empire. The years taken are those of the period at which the events of the narrative took place. The total export of South Africa for 1912 was £63,262,000 in value—roughly a 100 per cent. increase since the pre-war days.

² The import of food and drink of the Union of South Africa for the year 1911 was £6,336,262 in value. The two chief items were: “Corn, Grain and Flour,” £1,285,157; and “Meats,” £485,969.

its inhabitants under conditions both unstable and abnormal. It is only within the last thirty years that any appreciable industrial development has taken place; and the additional railways, harbours, and other public works, which form the machinery of this development, are due to the profits of the mines and to the exertions and needs of the small industrial population engaged in working them. At the time, therefore, of the outbreak of the war, the industrial fabric of South Africa rested in a degree to which perhaps no parallel can be found elsewhere,¹ upon a single group of industries, and a limited, and in part transitory, element of its population.

The significance of this salient feature in the economic position of South Africa is emphasised by the existence of social and political conditions, which distinguish it from other over-sea British communities, and from the United States, in no less marked a degree. These conditions are summed up in the bare statements that to-day² of its total population of 7,500,000, five-sixths are African natives, mainly of the Bantu race, and the European population (1,300,000), thus numerically a small minority, is itself divided into two almost equal sections, the one of British and the other of Dutch extraction. In the United States, as in South Africa, there is both a white and a coloured population; but whereas in the former the white population is ten or twelve times as numerous as the coloured, in the latter the coloured population is five times as numerous as the white. In Canada, where the total population is roughly the same in numbers as in South Africa, the coloured element is so small as to be negligible; and although the 7,500,000 of European population consists mainly of inhabitants of either French or British extraction, the British section is twice as numerous as the French. In the case of Australia and New Zealand the contrast is still sharper. In these countries not only is there no appreciable native population—for the Maoris are a stationary if not a dwindling race—but the European population is almost exclusively

¹ Egypt in the early days of the British occupation, when the future development of the country depended upon the successful irrigation of the cotton lands of the Delta, is the nearest example.

² *I.e.*, as shown by the census of 1911.

of British descent. Politically and socially, therefore, as economically, South Africa is a country *sui generis*. Canada has its two nationalities, but a British majority of two to one. The United States has a coloured population, but its European population is ten times as numerous; and, what is more, the latter is increasing, mainly through immigration, at a more rapid rate than the former. Australia and New Zealand have neither the nationality difficulty nor any native question. South Africa has a coloured population, not dwindling, but virile and rapidly increasing, five times as numerous as its European inhabitants; and its European population is not a solid British community as in Australia and New Zealand, not a new and composite stock as in the United States, not even a mingling of two races with a dominant British element as in Canada, but a combination of two almost numerically equal nationalities, hitherto differing in language, pursuits, and in social and political ideals, and now, after half a century of virtual separation, united under the same flag by the compulsion of a long and devastating war.

The backward condition of the country as a whole, as revealed in the paucity of its exports other than minerals, and the large extent to which its European inhabitants are dependent alike for the slight industrial development to which they have attained, and for the hope of material prosperity in the future, upon the successful working of the mines, are, therefore, the central facts in the economic position of South Africa. And with them a no less dominant political fact, the smallness of the British population, must be connected. Remembering the comparative unfruitfulness of the soil, the lateness of the discovery of mineral wealth, and the relative smallness of the European population required to produce the harvest of gold and diamonds whose overflow has quickened the industrial progress of the whole sub-continent, it is easy to understand why the British population has remained so small, and why the pastoral Dutch were allowed to have established themselves so firmly over so great a part of the land, that they nearly succeeded in wresting the country from the British Crown. During the nineteenth century, therefore, the

physical and economic conditions of South Africa constituted as serious an obstacle to the success of British rule as the military prowess of the Boers, or the separatist aspirations of the Afrikaner nationalists. The undeveloped condition of the cultivable land occupied by Europeans west of the Drakenberg; the absence or inadequacy of the means of communication and transport; the high cost of living to the European in the towns, consequent upon these conditions; and the presence of a native population, which multiplied, instead of dwindling, in contact with the European, and by making it impossible for the white man to do manual labour without loss of social prestige, excluded the unskilled British labourer, while at the same time it failed to provide a supply of such labour sufficient for the industrial needs of South Africa—these were circumstances which all alike operated to restrain the growth of the British element. Nor was this all. These economic conditions tended not merely to limit the growth of the British population in South Africa, but also to keep the British population, thus limited, separate, and distinct from the Dutch. The meagre profits of agriculture and stock-raising, unaided by irrigation, water-storage, and railways, offered little inducement to the British immigrant to submit to the privations inseparable from a farmer's life in the undeveloped and sparsely-populated country districts. Commerce and the mines, on the other hand, in addition to offering a livelihood under very tolerable social conditions, afforded an excellent prospect of rapidly acquiring wealth. And so, while the Dutch clung to the soil, the British, when the discoveries of diamonds and gold had drawn an appreciable stream of emigrants from the United Kingdom and Australia, became, relatively, more than ever concentrated in the towns, where for the most part they devoted themselves to pursuits which caused the Dutch to regard them with suspicion and too often with open antagonism. In these circumstances it is not surprising that the British population in South Africa, even when raised by the expansion of the gold industry to something like numerical equality with the Dutch, failed to become an effective instrument for that process of racial reconciliation, the importance of

which had been recognised by British statesmen almost from the first moment that the British flag was flown over the castle at Cape Town.

And when Lord Kitchener and the army of the Empire had made it possible for the Home Government to re-unite the European communities of South Africa under a common flag, the “contentment” of the Dutch, this paramount object which British policy had striven unsuccessfully for a century to obtain, was not by any means secured. An obstacle fatal to the attainment of this object—the assumption of the military headship of South Africa by the Transvaal as a Boer Republic—was removed; but the question whether the two European nationalities were, or were not, to co-operate harmoniously in the future development of the country was not decided. It was merely taken from the military sphere, into which it had been suddenly projected by Mr Kruger’s ambition, and transferred back to the economic sphere. The fact was brought to the knowledge of the Home Government by the emphatic declaration of the Land Settlement Commission, to which a reference has been made in a preceding volume.¹

“We find among those who wish to see British rule in South Africa maintained and its influence for good extended,” wrote the Commissioners, “but one opinion upon this subject (*i.e.* the necessity of establishing British settlers upon the land). There even seems reason to fear lest the vast expenditure of blood and treasure which has marked the war should be absolutely wasted, unless some strenuous effort be made to establish in the country at the close of the war a thoroughly British population large enough to make a recurrence of division and disorder impossible.”²

The creation of a British-minded majority, the only sure guarantee of the permanent ascendancy of British ideals and of the maintenance of the British connection, still remained, therefore, an object of future accomplishment. The command of the administration of South Africa as a whole, secured by the successful prosecution of the war, had opened the way for the application of the measures by which it

¹ “Lord Milner’s Work in South Africa, 1897-1902,” p. 516.
Cd. 626.

might be brought about; but these measures had yet to be applied.

It was an object, moreover, which, in spite of all the disillusionments of the last three years, and the lessons of the war and of the rebellion, still presented itself to the mind of the Englishman at home in an aspect essentially different from that in which it was viewed by the Englishman in South Africa. To the former it was an object to be attained by the (supposed) geographical juxtaposition of the people of the two nationalities under a *régime* of equal justice, in which education and material progress would be allowed full scope as unifying agencies. To the latter, by whom it was seen in the hard dry light of actual experience, the creation of a British-minded majority was an object which, under the existing economic and social conditions of South Africa, could be obtained only by using the interval, necessarily brief, in which South African policy could be controlled from Home, so to strengthen the British element that, under self-government, the attempt to re-establish Dutch supremacy would be evidently hopeless and therefore be abandoned; and the two nationalities could thus cooperate in the development of the country on a basis of real equality. The error of the Home English lay in the fact that they failed to perceive that the agencies on which they were relying were agencies which had proved incapable of bringing about the desired end in the nineteenth century. They ignored the past history of British administration in South Africa; and yet the conclusions to which it pointed were definite enough. Education had developed the natural astuteness of the South African Dutch—or, more correctly, Franco-Dutch—population, and changed what was at first an unreasoning resistance to the authority of Government as such, into a definite assertion of racial superiority. Industrial expansion had widened instead of narrowing the line of cleavage between the Dutch and British inhabitants. The grant of self-government to the Cape Colony had been perverted into an opportunity for a determined and admirably organised political propaganda in support of the maintenance of the Dutch as a separate and dominant nationality. Even the immediate lessons of the last ten years were ignored.

The Home Englishman forgot that the educated Afrikaner had everywhere shown himself to be the most convinced and successful champion of the separate interests and the nationalist aspirations of his Dutch fellow-countrymen; forgot, too, that industrial expansion, when the resources which it created were controlled by the Transvaal oligarchy, served to provide Mausers and artillery to fight the British, and not irrigation works, experimental farms, and railways to enable British settlers to live and thrive alongside of the Dutch farmers.

To the majority of the South African loyalists, then, the attainment of racial reconciliation was tantamount to making the British strong enough to hold their own under self-government; and this object could only be accomplished by largely increasing the existing British population, and establishing part at least of the new British settlers side by side with the Dutch upon the land. To men holding this view, it followed that those physical and economic conditions which were adverse to the growth of the British element must be changed; it followed, also, that the authority charged with the duty of giving effect to British policy in this all-important matter must be invested with power to control the administrative and legislative machinery by which alone changes so fundamental in character and difficult of execution could be brought about.

On this vital point Lord Milner had made up his mind, as early as 8th November 1901. He then put on record a statement of the need for an increased British population which was as luminous as it was precise. In a memorandum of this date, prepared for the information of the Home Government, he pointed out that an increase of the British element was a condition precedent to the establishment of the administrative union of the South African colonies compatibly with the maintenance of British ideals. By collecting the most reliable statistics then available, he computed that at the end of the war, without an influx of new settlers, the white population of South Africa would stand as under:—

British.	Dutch.	Other Whites.	Total.
368,000	496,000	76,000	940,000

Assuming that of the 76,000 "other whites" one quarter only were British, and one half non-British, subjects, while the remaining quarter were Dutch or nondescript, then on a basis of one member to every 10,000 whites (or 2,000 electors) a Federal Assembly of 90 members would consist of 39 British and 51 Dutch representatives.

But "by a policy favourable to the introduction of British settlers," he calculated that five years after the restoration of order there would be in South Africa:—

British.	Dutch.	Other Whites.	Total.
615,000	544,000	111,000	1,270,000

In thus estimating the augmentation of the British element, Lord Milner relied especially upon the industrial expansion of the Transvaal, where he computed that the British population would rise from 100,000 to 250,000.¹

On the same basis of representation as before, the Federal Assembly would number 122 members, and of these, thanks to the growth of the British element, 64 would be British and 58 Dutch. If, further, it were assumed that a certain proportion of the Dutch representatives would be men who had become identified politically with the British cause, then a chamber thus composed would provide a British majority sufficient to secure the predominance of British ideals in the Federal administration.

"But," Lord Milner wrote, "absolutely everything depends upon starting the new self-governing confederation with a British-minded majority. We must wait for Federation and Self-government until that majority is assured. Otherwise we may have a repetition, on a vast scale, of our deplorable experiences in Cape Colony."

Two further considerations must be included in this rapid survey of the political and economic conditions of South Africa as it was at the time of the great war (1899-1902). The first is the importance of the Transvaal as the chief contributory to the total South African export—the export examined above as providing the best general

¹ The census of 1911 showed an increase in the European population of the Transvaal (as against 1904) of 123,554; but it does not distinguish the British from the non-British increment.

indication of the industrial circumstances of the European inhabitants of the sub-continent; and the second is the law, partly physical and partly social in its origin, which forbids the European workmen to compete with the native labourer, or to undertake any of the rougher forms of manual labour as a means of livelihood.

According to the financial statement of the Treasurer of the Cape Colony, issued on 1st August 1899, the values of the goods respectively exported by the republics and colonies, which collectively made up the total South African over-sea export of £25,730,000¹ for the year 1898, were these: from Natal, £840,000; from the Free State, £939,000; from the Cape Colony, £7,951,000; and from the Transvaal, £16,000,000. Thus of the total South African export, the main items of which have been previously examined, an amount slightly less than two-thirds of the whole came from the Transvaal. And this dominant contribution consisted, as we have seen, almost exclusively of the gold won in a single district of that state—the Witwatersrand.

The second point is concerned with an aspect of the economic life of South Africa which is of the highest significance. The labour required by the original Franco-Dutch colonists, whether for domestic purposes or for agriculture, stock raising, or viticulture, was furnished partly by slaves—mainly imported from the East or from Central Africa—and partly by the more or less compulsory service of the Hottentots. When these first European settlers spread eastwards and northwards they applied the same system of compulsory service to the Bantu tribes, with which they then came into contact, until they were checked by the restrictions imposed upon them in this respect by British administration. But the submission of the Dutch to the British principle, that men of all races and colour were alike equal before the law, was grudging; and the application of the new principle was largely evaded both by the Dutch in the Cape Colony, and by the emigrant farmers in their settlements beyond the Orange and Vaal rivers. Thus, by the time that any considerable body

¹ These figures differ slightly from those given above and taken from the "Statistical Abstract."

of British settlers was introduced, the custom of regarding the performance of manual labour as the special province of the coloured population, and, indeed, as derogatory to the dignity of the white man, was well established. Nor must the fact that the climate of many parts of the country is such as to make continuous physical labour irksome and sometimes detrimental to the health of Europeans, be overlooked. Moreover, the removal of the checks upon the growth of the Bantu population—almost incessant tribal warfare, recurrent famines, and epidemics of disease—consequent upon the gradual extension and more complete establishment of European supervision over the natives, within and without the boundaries of the colonies and republics, had produced a surplus of this population, of which a considerable section was amenable to the attraction of the wages offered by European employers at the epoch when the creation of mineral industries on a large scale took place first at Kimberley and then at Johannesburg. When, therefore, British emigrants of the humbler class came out to South Africa, they found themselves in a country where, alike on the farms and on the mines, rough manual labour was assigned to the coloured man; and those of them who had been accustomed to such labour in England or Australia readily fell into the habit of expecting even the household work necessary for them and their families to be done by a coloured "boy." But, as there was practically no demand for unskilled white labour, the British immigrants of this class were almost always skilled artisans, or miners from Cornwall, Australia, or America. The position is described by Sir David Barbour as a naked economic fact, and with no thought of its sinister bearing upon the political necessity for strengthening the British element of the European population, when he writes with impressive simplicity:

"The white man does not labour with his hands in South Africa unless in special cases. This may be partly attributed to the climate, but it is also due to the existence of a black population, which, though small in proportion to the size of the country, greatly outnumbers the whites."¹

¹ "Report on the Finances of the Transvaal and Orange River Colony." Cd. 628. (Dated 29th March, 1901).

Thus the main source of the growth of population in a European country, or in the other over-sea British-speaking communities, the increase by natural increment—or by this combined with immigration—of the great class who earn their livelihood solely by the work of their hands, was excluded by economic conditions from among the factors upon which statesmanship could rely for the expansion of the British race in South Africa.

To complete this review of the general South African conditions by which Lord Milner's administration of the new colonies was affected, one other circumstance must be called to mind. The public support given by Lord Milner to the movement for the suspension of the Cape constitution had brought him into conflict with the Secretary of State. To Lord Milner it had seemed the most natural thing in the world to give advice and support to the loyalist leaders in the Cape Colony, when, after the death of Rhodes, they had turned to him for guidance. To Mr Chamberlain it seemed no less natural, in view of the close intimacy of his relations with Lord Milner, that no step of such importance as the latter's public declaration of his approval of the Suspension Petition¹ should have been taken without previous consultation with himself; and the omission to consult him, he regarded, therefore, as something of a personal wound and a matter quite apart from any question of the rightness or wrongness of the course pursued. In the face of this grave misunderstanding, Lord Milner requested to be relieved of his offices, so soon as the situation in South Africa should permit of his resignation taking place without injury to the public interests.

Mr Chamberlain, however, declined to find in this misunderstanding, however painful at the moment, any ground sufficient to justify the retirement of Lord Milner. On the contrary, he assured him that the Cabinet as a whole, and himself personally, would regard his resignation as a serious blow to the interests of Great Britain in South Africa. A great work was to be done for the Empire in South Africa; Lord Milner was the one man most capable of doing it,

¹ Conveyed in Lord Milner's letter to Sir W. Hely-Hutchinson (Governor of the Cape Colony), published in the Cape Press on 19th May 1902.

and, in these circumstances, Mr Chamberlain urged him to consider it to be his duty to carry on this work as long as his health would permit. The temporary estrangement of the two masterful statesmen quickly passed away; nor did the incident bring any loss of mutual regard. With this exception the official relationship between the two men was almost ideal; and the mutual confidence which had existed between them before, when once renewed, remained unbroken up to the time when Mr Chamberlain left the Balfour Cabinet (in 1903) on the issue of Tariff Reform.

Mr Chamberlain's decision not to suspend the Cape constitution¹ made the rapid and successful development of the Transvaal more than ever necessary. The assumption of office by a Bond ministry would preclude the hope of any active co-operation on the part of the Government of that colony in the measures rendering a large increase of British population possible, which British policy demanded; on the contrary, there would be veiled or open hostility. In any case, half the European population of South Africa, and more than half the area of Dutch numerical predominance, were withheld from the immediate control of the High Commissioner; and this at a time when the policy which he aimed at putting into effect, was one which was based upon the needs and conditions of South Africa as a whole. None the less Lord Milner, having once withdrawn his resignation, accepted the position without further demur, and set about to obtain the maximum of advantage possible from the skilful and enlightened administration of the new colonies. If the Cape were fated to remain, as it had been in the past, the Achilles' heel of South Africa, the Transvaal was the potential seat of a great industrial community, British in sentiment as well as in race. To develop its great natural resources, agricultural as well as mineral, and to build up upon the foundation of this industrial expansion a numerous and permanent British population, were the only direct means of adjusting the balance in favour of the British race in South Africa, that remained at his disposal. He determined, therefore, to make the

¹ Conveyed in a telegraphic despatch to Sir W. Hely-Hutchinson (Governor of the Cape Colony), of 2nd July 1902.

utmost use of the opportunity afforded by the period of Crown Colony government to administer the Transvaal in such a manner that its population should become a stronghold of British sentiment, and its predominant industrial importance a lever for removing the gross mass of divergent state interests that had hitherto blocked the path to South African federation. "You have no idea how the state of the country cries aloud for judicious expenditure," he wrote on the eve of peace to a correspondent in England. "It lacks everything, and it is out and away the finest undeveloped estate in the Empire. And there is no means of pacification comparable to the effect of works of public improvement, benefiting and interesting all its inhabitants."

CHAPTER II

THE ESTABLISHMENT OF CIVIL GOVERNMENT

THE first weeks after the declaration of peace brought an almost overwhelming mass of work upon Lord Milner. Apart from his anxious correspondence with Mr Chamberlain on the subject of the Cape Colony, the matters demanding immediate treatment were: first, the questions arising directly out of the surrender of the Boers, the withdrawal from South Africa of the greater part of the British forces, and the transference of the new colonies, as a whole, from military to civil authority; second, the obtaining of the definite sanction of the Secretary of State to certain administrative measures, already approved in principle by the Home Government; and, third, the expansion of the machinery and *personnel* of the rudimentary civil administrations already established in the two new colonies—an expansion necessary, not merely to enable them to carry on the ordinary and normal work of Government, but to satisfy the extraordinary demands of the repatriation.

Fortunately the main outlines of the work of material development in the new colonies had been agreed upon, as between the Home Government and Lord Milner, during the latter's visit to England in the preceding year (24th May to 10th August 1901),¹ and had formed the subject of continuous and exhaustive correspondence in the months which succeeded his return. Although, therefore, Lord Milner was uncertain up to the moment when, on the afternoon of 31st May, Lord Kitchener² telephoned, "It is peace," whether

¹ See "Lord Milner's Work in South Africa, 1897-1902," chap. xi. "Preparing for Peace."

² Lord Kitchener left the Transvaal within three weeks of the signature of the Terms of Surrender. He was succeeded in the South African command by General Sir Neville Lyttelton.

the war would come to a sudden close, or drag on for weeks or months until the Boer forces were worn down to a point at which unconditional surrender could no longer be avoided; yet, directly the Terms of Surrender were signed, he was in a position to submit for the approval of the Home Government definite schemes in respect of the three questions—the Gold Tax, Land Settlement, and Repatriation—upon which immediate decisions were required, in order that the work of economic reconstruction might not be delayed for a single unnecessary moment. His schemes had been thought out beforehand, and he was ready to begin at once. On 4th June, the Wednesday following the Saturday on which the Surrender Agreement was signed at Pretoria, he obtained in reply to an urgent telegram of 2nd June Mr Chamberlain's assent to the gazetting of the 10 per cent. tax upon gold mining profits—an act which, by settling at once a long debated question and by removing any apprehension of unfair exactions, while it at the same time provided a large and expanding revenue, materially contributed to the rapid re-establishment of the chief industry of the colony. On 6th June he telegraphed privately to Mr Chamberlain that he relied upon him personally to obtain the funds necessary for the repatriation and the general development of the new colonies. On the 13th Lord Milner obtained official authority, pending the issue of a development loan, to incur an expenditure up to an additional £500,000 upon account of Land Settlement and other items not included in the ordinary expenses of the Administration. On 10th June he telegraphed an outline scheme for the repatriation of the Boers in accordance with the provisions of Article X. of the Terms of Surrender, and on 18th June he received the assurance that these proposals were “approved generally.” On 20th June he asked Mr Chamberlain to “agree generally” to the conditions for the leasing and sale of land to British settlers contained in his despatch of 9th May, and the necessary sanction was telegraphed from London on 7th July.

In the meantime questions directly arising out of the Surrender Agreement and the withdrawal of the British Army had been brought to Lord Milner for immediate

settlement from day to day; since any delay in such matters would have prevented the vast machinery of transport, required to move hundreds of thousands of men for thousands of miles across land and sea, from being set in motion. During the week following the signature of the Agreement Lord Milner was busy at Pretoria making the preliminary arrangements for repatriation. On Monday, 9th June, he was occupied at Johannesburg—having ridden home from Pretoria on the preceding Saturday—in discussing with Major-General Baden-Powell the estimates for the maintenance of the South African Constabulary, the serviceable and indispensable force, which was to obtain security of life and property for the European inhabitants in districts of the new colonies, however desolate and remote, or however densely populated by Kafir tribes, and render invaluable assistance in the actual work of repatriation. On Saturday, 14th June, he was back at Pretoria, and engaged with the Commander-in-Chief, Lord Kitchener, in making arrangements for the transfer to the civil authorities of the surplus transport animals and vehicles and the surplus stores of the Army. As practically the whole of the horses, mules, draft oxen, and other animals, which constituted the sole motive power available for the transport of human beings and materials of all kinds over the veld, were in possession of the military authorities throughout South Africa, it was obvious that the work of repatriation could not be commenced until at least a portion of these animals had been placed at the disposal of the Civil Government. It is almost incredible that in the circumstances there should have been any disposition on the part of the military authorities to exact more than a fair price for surplus transport animals and vehicles, and surplus stores, which were now no longer required by them, but urgently needed by the civil authorities. Yet, in point of fact, all, or almost all, of the transactions on this head entered into as between the military and civil authorities, were marked by a jealous regard for the supposed financial interests of the War Office, which in the end produced the deplorable result that a large mass

of surplus military stores, which might have been sold in good condition at a fair price to the Civil Administration immediately after the declaration of peace, was kept back and eventually sold, when it had greatly deteriorated in condition, to private firms at an enormous sacrifice. The need for the transport animals and material was so imperative that the Civil Administration was for the moment at the mercy of the military authorities. Lord Milner did everything possible to obtain from Lord Kitchener an abatement of the monopoly values demanded; and by the closest bargaining succeeded in obtaining approximately 5,500 vehicles (including 47 traction trains) and 80,000 oxen, mules, and donkeys, with the almost useless blockhouses and wire entanglements, for the sum of £1,391,000.¹

The actual surrender of the Boer Commandos, both in the new colonies and in the Cape, was accomplished with such admirable smoothness and promptitude, that Lord Kitchener was able to leave Johannesburg, *en route* for England on Wednesday, 18th June.² On the preceding evening he was entertained at a farewell banquet in the Wanderers' Hall, at which some four hundred persons, including Lord Milner, had assembled to do him honour, and where he met with a most enthusiastic reception. He had desired that the civil officers should not enter the country districts of the new colonies until the surrender of the Commandos had been completed; and the first steps for the actual occupation of these districts by the representatives of the Civil Administration were not taken, therefore, until the last week in June. The surrender of the Commandos was completed on 20th June, and on Saturday, 21st June, the formal inauguration of the administration of the Transvaal, under the constitution conferred by the Letters Patent of the preceding year,

¹ Subsequent purchases brought the total paid by the Repatriation Departments for "Army stores" to £3,521,000. These terms were so excessive that a large sum was subsequently refunded by the War Office.

² For the precise numbers of the Boers surrendering in the several colonies, and for Lord Kitchener's recognition of the assistance rendered by the military leaders of the Boers in effecting the surrender, *see note* at p. 573 of "Lord Milner's Work in South Africa, 1897-1902."

took place. On the morning of this day Lord Milner left Johannesburg by train at 8.45 A.M., and, upon reaching the station at Pretoria, drove in state with a military escort to the Government Buildings, where, in the old Raadzaal, the Letters Patent were read, and he took the oath of office as Governor of the Transvaal. When the members of the Executive Council had been sworn in, and the ceremony was completed, the principal officers of the new Administration took lunch at the Residency, Lord Milner's official residence at Pretoria. Among the guests were Generals Louis Botha and De la Rey, with whom Lord Milner had a lengthy conversation afterwards upon questions connected with the surrender. From the Residency Lord Milner returned again to the Government Buildings, where the first meetings of the Executive and Legislative Councils, as constituted by the Letters Patent, were duly held. On the following day, amongst a mass of other administrative business, the High Commissioner had a further interview with Generals Botha and De la Rey, accompanied on this occasion by Mr Schalk Burger, the late Acting-President of the South African Republic. He then left for Bloemfontein by special train at 10 P.M. After a night passed in the train, he reached the capital of the Orange River Colony at 9.30 A.M., bringing with him General Christian de Wet, who had joined the train at Vredefort to discuss surrender matters with the High Commissioner. At noon the Letters Patent were read, and the oaths of office administered, in the Government Buildings; and it is noticeable that here, at Bloemfontein, the public manifestations of satisfaction at the inauguration of the new Government were much more enthusiastic than at Pretoria. At 10 P.M. of the same day (Monday, 23rd June) Lord Milner started on his return journey. At Kroonstad he parted from General Baden-Powell, with whom he had been in consultation during the early hours of the night, and at 10 o'clock in the morning (Tuesday) he reached Johannesburg, where he was at once immersed in administrative business—on this occasion, the organisation of the carrying capacity of the South African railways, and its adjustment to the needs of the immediate situation.

These incidents, taken from among the mass of private and official engagements recorded in Lord Milner's Diary, will serve to illustrate the variety of the matters which were brought to him for decision, and the manner in which he met and satisfied the demands of this abnormal period. But such incidents lay for the most part outside the main volume of the ordinary and extraordinary administrative work, which continually claimed and absorbed the largest portion of his time and energy from day to day. The distinction implied in the words "ordinary and extraordinary" is not meaningless; for it must be remembered that during the three years following the declaration of peace the Administration of which Lord Milner was the head was called upon to perform duties which were quite outside of, and additional to, the regular work of government as carried on under normal conditions in any civilised state.

Of all these abnormal and additional duties the most immediately pressing was the restoration of the former inhabitants of the two colonies, both Dutch and British, to their homes. So far as the British, or industrial, population was concerned the task was relatively simple. In the first place something approaching one half of this population had been brought back, notably to the Rand district, while the war was still in progress; and the special and temporary Government organisations, intended to regulate and assist the return of the British refugees, the Permit Office, the Refugee Aid Department, the Personal and Property Enquiry Department, and the Labour Bureau, had been constituted and set in operation for some months prior to the cessation of hostilities. Moreover, the majority of the dwellings of the British population, being for the most part within the protected areas or in the smaller towns permanently occupied by the British troops, were still in existence, although most of them had been "looted" to a greater or less degree; and the refugees themselves were in the coast towns of South Africa, the poorer classes living in the refugee camps, and the more well-to-do in hotels or in the houses of their relatives and friends. Yet even the return of the remaining British population required

both time and judgment. The railway system, which was left in a hopelessly dilapidated condition by the war, and was only gradually and with much expense and effort restored to proper working order during the years that followed, was subjected to an overwhelming strain during the first two months of peace. Of the British forces in the field, the local South African corps were disbanded, then over 30,000 regulars, selected for the Imperial garrison, were drafted off to their permanent stations: Pretoria, Potchefstroom, Middelburg, and Standerton in the Transvaal; Bloemfontein and Harrismith in the Orange River Colony; Newcastle in Natal, and Middelburg in the Cape Colony; and the remainder, and large majority, of the troops were at once withdrawn. At the same moment, therefore, that thousands of British refugees were being brought up to the new colonies, an army of between 100,000 and 200,000 men was being hurried down from all parts of South Africa to the transports at the coast. And all the time that this was going on, the food supplies, mining and building material, seeds, agricultural tools and instruments, and stores of all kinds, required by the military and civil authorities for the garrisons, Constabulary, civil servants, concentration camps, surrendered burghers, prisoners of war, and the civil population already established in the two colonies, were struggling up from the ports, over the same single lines of railway, in trucks even more limited in quantity and dilapidated in quality than the rolling stock in which the passenger traffic was handled. Of this phase in the inevitable conflict between the needs of the withdrawing army and the returning population, Lord Milner wrote nine months afterwards:

“The railway lines, necessarily in a bad condition at the close of the war, and with all their employees desperately overworked, were at times hopelessly blocked, and the attempt to reconcile the demands of the Army, the Repatriation Departments and the general public upon railways, which were quite unable simultaneously to satisfy the requirements of them all, was, for at least two months, one of the most pressing and most harassing of the duties of the Administration. I have to thank General Lyttelton and

the officers of his staff for the great consideration which they showed me in the really appalling difficulties with which I was at one time confronted in this respect.”¹

But the restoration of the Boers to their homes was a matter of far greater difficulty. It was a task which could be accomplished only by means of a special and complex organisation; and this organisation, the Repatriation Departments of the two colonies, had to be created with the utmost rapidity out of the materials, limited and inadequate both in respect of *personnel* and equipment, that were available on the spot. In order to understand what repatriation really meant, it is necessary to remember both the large extent of the country over which the 155,000 men, women, and children of the burgher population, together with the 100,000 farm natives who formed their immediate labour supply, had to be distributed from the refugee camps, and the denuded and devastated condition to which this great area had been reduced by the methods of the guerilla war. The united area of the two new colonies was 161,966 square miles² (the Transvaal being 113,640, and the Orange River Colony 48,326, square miles in extent)—an area roughly one-third greater than that of the United Kingdom (121,000 square miles), or rather more than three-fourths of that of Germany (210,168 square miles). The mills of the British Army had ground slowly, but they had ground “exceeding small.” If we except the immediate neighbourhoods of Bloemfontein, Pretoria, and Johannesburg, the few lesser towns, mainly upon the railway lines, permanently occupied by the British troops, the farms upon which the new British settlers had been established in the protected areas of the two colonies, and the few remote districts, chiefly in the Western Transvaal, where the Boers had still maintained a little stock and cultivated a little land, the whole of this great area was left ravaged and desolate, with little but its roofless houses and empty cattle-pens to distinguish it from a barren and uninhabited wilderness.

¹ Under date 14th March 1903 to Mr Chamberlain. Despatch on the progress of re-settlement. Cd. 1551.

² The Transvaal area was slightly reduced at the peace by the grant of the Vryheid and Utrecht districts, and a part of the Wakkerstroom district, to Natal.

Taking the protected areas of the two colonies as one-fourth of the whole, the extent of the devastated and denuded country in which lay the homes of the great majority of the burgher population was equal to the joint area of England, Wales, Scotland, and Ireland. But the mere extent of the country constituted only a small part of the difficulty of repatriation. The roads, which, apart from the railways (some 1,000 miles in all of mainly single lines), and the telegraphs which ran beside them, formed the sole means of communication between the towns and the rest of the country, were few in number and poor in quality—being, indeed, for the most part mere tracks seamed by the wheels of ox-waggons and mule-carts, and trodden into hardness by the feet of cattle; while scattered among the remoter and more mountainous districts of the Transvaal there were 500,000 dark-skinned Kafirs, some of whom were still living in their primitive tribal organisation. When the repatriation commenced, and for some months afterwards, practically all the supplies of food and other necessaries of life upon which the Europeans depended, had to be brought for thousands of miles from over-sea countries to the South African ports, and then carried over the single lines of railway for distances varying from 1,000 to 400 miles to the towns of the new colonies. And, here, if a man journeyed into the country districts away from the railway lines for even 20 miles, he had to carry with him food and forage, for there was nothing left to support man or beast, nothing to give him shelter, in a land where the houses of the rare and far-separated villages were roofless and stripped of furniture, and the scattered and isolated farmsteads had blackened walls and empty stalls. Moreover it was winter—not the cold and rainy winter of the north, but a season of warm days abruptly changing into cold nights, with rainless skies beneath which the grass lay brown and sapless.

The condition of the Transvaal is faithfully described in a passage which occurs in the final report of the Repatriation Department issued in 1906. At the declaration of peace “. . . all the farm houses had been laid waste, many of the smaller towns had been destroyed and hardly a homestead remained intact. The system of ‘drives’ which had been

organised by Lord Kitchener had denuded the country of all live stock and supplies. In short, the Transvaal had been stripped of everything which was necessary to enable the country population to return to their homes and resume their occupations. Added to this, the stocks of supplies and merchandise in the hands of merchants and others in the large centres and smaller towns along the railway lines were so limited as to be of very little service in feeding or in any way equipping the large numbers of people whom the declaration of peace threw on the hands of the Government.”¹

And in the Orange River Colony, except for the fact that the protected area here was larger than in the Transvaal, the devastation wrought by the guerilla war was no less complete.

Who, then, were these people whom 20th June, the day on which the surrender of the Commandos was completed, left “thrown on the hands” of the Administration of the new colonies, and what was their condition? First, there was the bulk of the non-combatant population of the late Republics; the men, women, and children, who, having been deported by the British military authorities, or having voluntarily sought their protection, were collected already in the various burgher refugee, or concentration, camps, established both in the two new colonies and in the Cape Colony and Natal. Of this population there were 69,219 belonging to the Transvaal, and 39,948 belonging to the Orange River Colony, at the end of the war.² Second, there were 27,500 prisoners of war, of whom 24,273 were in the over-sea camps in India, Ceylon, St Helena, and Bermuda; 2,226 were in the prisoners’ camp at Simonstown, in the Natal or other South African camps, or at large on parole; and 1,001 were held by the Portuguese Government in Portugal. Third, there were the 17,621 men and boys belonging to the Transvaal and Free State Commandos, who had laid down their arms by 20th June, under the terms of the Surrender Agreement. Fourth, there were the “National Scouts” and other former burghers, who, realising the folly of further resistance, had taken service

¹ “Reports and Financial Statements of the Repatriation Department of the Transvaal,” Pretoria. Government Printing Office, 1906.

² Cd. 1551, p. 64.

in the British Army, or otherwise actively assisted the British Government, during the continuance of the war. Of these there were 1,480 at the date of the Vereeniging surrender. And to the total of 155,000 persons, thus composed, must be added some thousands of the poorer classes among the 50,000 British refugees of whose return mention has been made above, and the 60,604 natives contained in the native refugee camps of the Orange River Colony, together with an almost equal number in those of the Transvaal.¹ The helpless condition of the burgher population as a whole may be gathered from the fact that, when the final record of the Transvaal Repatriation Department was made up, it was found that of the Dutch inhabitants of the colony more than 95 per cent. in the country districts, and 75 per cent. in the towns, had required the assistance of the Government to enable them to resume their former occupations and manner of life; while the majority of the country Boers and their families had been actually dependent upon the department for food, in varying degrees of completeness, for no less a period than twenty-two months. During the process of repatriation the refugee camps in the two new colonies became receiving-houses and centres of distribution for all these sections of the ex-burgher population, with the one exception, however, that the National Scouts and other ex-military burghers were maintained in their depôts until provision was made for them. The Boers in the field, on laying down their arms, trooped off to the camps, either to take up their quarters there, or to draw rations from them; and they and the non-combatant population were then sorted out and redistributed, the various families or individuals being sent in each case to the camp from which their respective homes could be reached most easily. For the first few months the departures from the camps were balanced by the inflowing stream of the prisoners of war, gradually returning from over-sea. Then one by one the camps were emptied and finally closed down.

Before proceeding to narrate the methods of the actual repatriation, it will be convenient to notice the manner in

¹ The figures are taken from the official returns in Cd. 1551.

which the over-sea prisoners of war were brought back to South Africa, and the system under which they and the prisoners in the South African camps were drafted off to the various burgher camps, ready to be removed to their homes by the Repatriation Departments of the two colonies. The task of transporting the prisoners of war from the various over-sea camps to South Africa was carried out by the Home Government; but the general control of the arrangements was necessarily placed in the hands of Lord Milner, since the dates of sailing and composition of the successive shipments had to be adjusted to meet the exigencies of the Administration of which he was the head. The execution of the arrangements for the reception of the prisoners after they had left the transports, and for their subsequent disposition, was entrusted to Captain W. F. Bonham (Essex Regiment), D.S.O., who was charged with the general supervision of all the prisoners of war. In this duty he was assisted by some other staff officers, who, like himself, had had experience of dealing with the Boers captured during the war, and whose services had therefore been placed at Lord Milner's disposal for this purpose by the military authorities. The system pursued in respect of the over-sea prisoners was this. Instructions relating to the order of return, the preparation of lists, the taking of the oath of allegiance, or the declaration substituted for it, and other details were drawn up and forwarded to the authorities in charge of the over-sea camps. In making up shipments these authorities were directed to select for return, first, prisoners who had volunteered for service with the British forces, or who had in other respects shown their readiness to accept cheerfully the change of Government; second, men of no special bias; and, third, the irreconcilably hostile, and men who had proved insubordinate or mischievous in the camps. The first shipment, consisting of 478 men brought by the *Canada* from St Helena, reached Cape Town on 1st July 1902—exactly a month after the Surrender Agreement had been signed—and the last,¹ the

¹ With the exception of (1) a few individuals, (2) a handful of Boers who settled at St Helena, and (3) some 900 burghers, mainly in India, who refused to make the necessary declaration of allegiance.

291 men carried in the *Sunda* from Bermuda, arrived at the same port on 18th February 1903. The prisoners in the South African camps were set at large, and, with the exception of a few men of independent resources, forwarded by rail to the various burgher camps on 20th June, the day on which the surrender of the Boer forces in the field was completed. But two of these South African prisoners' camps, that at Simonstown in the Cape Colony and the Umbilo camp in Natal, were kept open to serve as "rest" or "reception" camps for the over-sea prisoners during the three or four days which elapsed between the disembarkation of each shipment, and its despatch by rail to the burgher camps of the districts to which the men respectively belonged. At the "rest" camps the returning prisoners were sorted out according to districts; and exact lists, showing the names and numbers of the men and the districts of the two colonies to which they belonged, were prepared and forwarded to the Burgher Camp Department, and to the resident Magistrates and Repatriation Boards in the districts concerned. As the system adopted at the two camps was practically identical, the account of the arrangements at the Umbilo camp, given by Captain Bonham, may be taken as descriptive of both.

"The camp was controlled by a staff officer for prisoners of war, who had a small staff of interpreters and clerks. No military escort was ever found necessary in the camp. The camp gates were left open and the burghers were at liberty to go in and out at all times, but had to be back in the camp by 9 P.M. in the evening, and had to answer their names at roll-call twice a day. A large number of the returning prisoners of war had their wives or other relatives in the neighbouring burgher camps, such as Merebank and Jacob's Siding. The men were at liberty to visit these camps, to look for their friends and relatives, and the inmates of the burgher camps were allowed free access to the Umbilo camp¹ during certain hours and subject to certain camp rules. It is a remarkable fact that in no single instance were these camp regulations trans-

¹ In this one respect the arrangements at the Simonstown camp appear to have differed from those at Umbilo. In view of the heated political atmosphere of the Cape Colony visitors were refused admittance at Simonstown, but the prisoners were permitted to leave the camp, and return to it, as they desired.

gressed, although no steps were ever taken to enforce their observance. This orderly conduct and sense of discipline and obedience to authority are to be accounted for in a measure by the months, and, in some cases, years of discipline to which the prisoners had been subjected in military camps, but these qualities are also a marked characteristic of the race.

"On the arrival of a steamer at Durban bringing prisoners of war, the men were disembarked and conveyed by train to the Umbilo camp where they were treated almost exactly as soldiers. The camp contained a library tent and a general store and canteen, and there was also a large recreation field. Every man who was badly off for clothes was supplied with a complete set of clothing or with such articles as he was deficient in, before being sent up country. The Indian and other camps had, as a rule, already supplied the men with everything they required of this nature before embarkation, but the men dispose of or lose many things *en route*. Each man was also allowed two Government blankets to take with him, when he proceeded up country.

"Before being sent away every ex-prisoner of war was made to produce his oath or declaration of allegiance form. The oath is always made out in triplicate, and one copy is given to the man taking the oath, who is advised to retain it as proof of identity.

"No military escort was sent with the trains taking prisoners of war up country, but each train was accompanied by an interpreter, who exercised a general supervision over the passengers and saw that the different parties alighted at the right stations. The amount of luggage taken by each Boer prisoner was quite remarkable, and the occasional cases of baggage being lost are easily accounted for by the enormous quantity carried about. Some attempt was made at the time to limit the quantity, but such open grief was caused amongst the men at being called upon to part with the cherished rubbish and valueless curios accumulated during two years in a foreign country, including many pets and an average of at least one parrot per man, that it was decided not to limit the baggage of returning prisoners of war, and they were allowed to take everything they liked with them at their own risk."¹

It should be added that prisoners of the *bywoner*, or

¹ Extract from Captain Bonham's Report on "The Release and Return of Prisoners of War," dated "Pretoria, Jan. 3rd, 1903." Cd. 1551.

“poor white,” class were the last to be returned to South Africa. The justification for this course lay in the circumstance that such men had no land or resources of their own; and that, therefore, they had no possibility of resuming their former occupations until the farmers—generally relatives—upon whose land they had squatted, or their other employers, had themselves been re-established. And, in point of fact, the question of providing for these landless Boers proved to be one of the most difficult of the repatriation problems, and one for the solution of which, as we shall have occasion to notice in due course, special measures had to be adopted by the Administration in both colonies. Married men, on the other hand, were sent back before single men; since the families of the former were in most cases already in the burgher camps, and the reception of the head of a family in these camps did not, therefore, demand additional tent accommodation, as was the case when single men arrived.

The admirable manner in which the transfer of the prisoners of war from the transports to the burgher camps was carried out, is shown by the fact, to which Lord Milner testifies, that

“all this was accomplished, as far as he was aware, without a hitch, and without so much as a single unpleasant incident occurring after the prisoners had once landed in South Africa.”¹

And he adds:—

“Great credit is due to them (the prisoners) for the manner in which they conducted themselves, and accepted, without making difficulties, the arrangements made by the authorities. But no less credit is due to Captain Bonham and those who assisted him for the excellence of their arrangements, of which I have never heard a complaint from any of the returned prisoners, though I have interrogated considerable numbers.”

While the prisoners of war were being thus brought back to South Africa and drafted into the burgher camps, the actual removal of the ex-burgher population of the

¹ Repatriation Despatch of 14th March 1903, Cd. 1551.

late Republics, as a whole, from the camps to their homes was in progress. The process was one of peculiar and especial difficulty. To replace a population of more than 150,000 destitute persons in ruined homesteads and villages scattered over an area as large as the British Isles, and that area a wilderness; to provide them with food, building materials, stores, agricultural implements, draft animals, seeds, and stock, drawn in most cases from sources of supply thousands of miles distant; to do this with few railways and those choked with traffic, with fewer and worse roads, with a transport system improvised out of the draft animals and vehicles discarded from the service of an army engaged for over two years in continuous and harassing operations in the field; and to do this, moreover, whilst not overlooking the urgent need of the British industrial population for every species of economic and administrative reform, was a task which, if it had not been actually accomplished, might well have been relegated to the category of the impossible. And yet the accomplishment of this task so unprecedented in its character, so complex in its details, seems, as we now see it recorded in despatches and official reports, to have gone forward under Lord Milner's guidance and inspiration with the regularity and precision of a piece of everyday administrative routine. That this should have been possible was due primarily, as we have noticed before, to the measures taken by Lord Milner during the continuance of the war to render the machinery of the Civil Administration in both colonies capable of readily adjusting itself to the anticipated exigencies of the change from war to peace. For, although both he himself and the infant departments which he had brought into being, were subjected to a strain at once heavier and more immediate than had been anticipated—for who could have assumed that peace would be made at Vereeniging, or, that peace being made, the Commandos would lay down their arms within three weeks of the signature of the Surrender Agreement?—yet, as the sequel will show, neither the one nor the other failed in any material respect to satisfy the utmost demands that were made upon them by the rapidity with which

the scenes were changed in the final act of the great drama of the war. Indeed, the mere enumeration of the services which the several departments concerned in the repatriation were called upon to perform, and of the date at which these organisations sprang forth, Minerva-like, in full panoply of office, to fulfil their respective tasks, forms in itself an impressive example of what autocratic power, when combined with high administrative capacity, can achieve with means however inadequate, and in circumstances however adverse.

The Surrender Agreement was signed an hour before midnight on Saturday, 31st May. On 10th June, Lord Milner telegraphed an outline scheme for "the restoration of the people to their homes" to Mr Chamberlain, asking for the "general approval" of the Home Government to the proposals it contained; but stating that, as time pressed, he was proceeding in the meantime upon the lines indicated.¹ On 11th June, the Central Board of the Orange River Colony Repatriation Department held its first meeting, and on the 14th the Transvaal Repatriation Department similarly commenced its official existence. On the same day (the 14th) Lord Milner arranged with the Commander-in-Chief for the transfer of the surplus army vehicles and cattle to the Repatriation Departments. Within the next few days the members of the Local Commissions, promised in Article X. of the Terms of Surrender, were appointed to serve in all the districts of the two colonies, and instructions for their guidance were drawn up and issued to each of the Resident Magistrates by the Central Repatriation Boards. Thus by 21st June, the day after the surrender of the Commandos had been completed, and the first day upon which the Civil Administration was free to enter into possession of the vast wilderness which the military authorities were about to abandon, the Local Commissions and the two Central Boards were constituted; and on this day, as we have seen, Lord Milner took the oath of office as Governor of the Transvaal at Pretoria, and then proceeded to

¹ The "general approval," as we have seen, reached Lord Milner on 18th June.

Bloemfontein, where, on the following Monday, 23rd June, the Crown Colony Administration was inaugurated in like manner in the Orange River Colony.

But even so, with the Civil Administration formally inaugurated, and the Repatriation Boards and Local Commissions constituted, something more remained to be done before the immediate agencies for the removal of the burgher population from the refugee camps could be set in motion. The existing mechanism of the Civil Administration—both personal and material—had to be extended rapidly from the towns and districts under occupation to the furthest limits of the uninhabited and devastated country, which formed two-thirds of the total area of the two colonies. That this mechanism was often at first of the roughest possible description goes without saying. For many months in the more remote districts the officials, from the Resident Magistrate of the district to the telegraph clerks, lived and worked in tents or rude sheds of corrugated iron, or in offices improvised out of bare walls roofed in with tarpaulin. And not merely in such districts, but in all localities removed from the immediate neighbourhood of the railway lines, the Government servants of all grades, no less than the burghers, had to depend for many months after the declaration of peace upon the repatriation transport for food and other necessaries of life, and even for the means of communicating with the heads of their respective departments at Pretoria.

To clear the way, then, for the return of the Boer population, it was necessary to carry out simultaneously three distinct operations: to police the country; to extend the framework of Civil Administration; and to bring the natives under control.

The instrument for the execution of the first of these operations was the South African Constabulary.¹ This force, 10,000 strong² at the outset, ceased to be a "combatant

¹ For the creation and constitution of this force, see "Lord Milner's Work in South Africa, 1897-1902," p. 530.

² It was reduced, however, at the end of the year (1902); and thereafter rapidly and continuously until in 1906 it numbered only 3,700. See ii. p. 172.

military force in the field" upon the cessation of hostilities, and on 16th June it was relieved from military duty. In the course of the same month the changes of organisation necessary to enable it to discharge the civil duties for which it was originally intended, and for which it was now immediately required, were carried out "with scarcely a pause to refit, or to adjust accounts of pay, clothing, equipment, etc., or to give the transport a rest and overhaul." In July, writes Major-General Baden-Powell, the Inspector General,

"the various units were despatched with all possible speed to take up their distribution over the whole face of the country for the work of policing it. The organisation of the Force enabled this distribution to be carried out without any difficulty or delay; a troop—a complete self-contained unit of 100 men—being sent to occupy each sub-district of the two colonies, its headquarters acting as support and supply depôt to its several small out-stations, which were then dotted about the surrounding country. In this way a net-work of posts and patrols was established over the Transvaal and Orange River Colony in a very short space of time, and in such a manner as to ensure every farm in the land being visited once a week."¹

So rapidly was this net-work of constabulary posts and patrols spread out, that by the beginning of August the basis of physical force necessary to support the authority of the Civil Government was provided.² In all 28 districts, 61 wards, and 210 stations had been occupied by the Constabulary, and the farthest boundaries of the country, including the line of the Limpopo River with the Portuguese and Tongaland frontiers, were being regularly patrolled in all directions.

The Resident Magistrates and Native Commissioners, with their respective staffs, took up their duties *pari passu* with the arrival of the Constabulary. In the Transvaal many of the Magistrates had not been able to set out for their districts on 21st June, when the first repatriation

¹ "Résumé of Progress and Organisation, etc.," of the S.A.C. for the half-year ended 31st December 1902. Cd. 1551.

² There was, also, of course, the permanent garrison of the regular Army at Pretoria, Potchefstroom, and elsewhere.

circular was issued to them as the *ex-officio* Chairmen of the Local Commissions ; but by the end of the first week in July they were all at their posts. The Native Commissioners—one for each of the five districts into which the Transvaal was divided for the purposes of native administration—reached the headquarters of their respective districts between the last week in June and the second week of July. The Disarmament Ordinance (No. 13, 1902) was passed by the Legislative Council on 7th August, and the Native Taxation Ordinance (No. 20, 1902) on the 22nd; and in the course of the next few months two measures, the disarmament of the native population, and the inauguration of a new system of native taxation, at once more fruitful and less onerous than that established by the Boer Government, were quietly and effectively carried out by the permanent officials of the Native Affairs Department. It is scarcely necessary to remark, however, that the execution of one or both of these measures, if it had been placed in the hands of inexperienced or indiscreet men, might easily have caused a serious disturbance among a native population three times as numerous as the white inhabitants of the colony, and one which was at this moment dangerously excited by the events of the war. As it was, no assistance either from the Constabulary or from the regular Army was required ; 50,488 guns were handed in and the owners compensated according to the scale fixed by the Ordinance, and at the beginning of the new year (1903) Sir Godfrey Lagden, the Commissioner for Native Affairs, was able to report that all fear of a serious native rising in the Transvaal had passed away ; since “although the natives might be formidable at close quarters or in the bush with naked weapons, they were not now formidable beyond the range of assagais.”¹

In the Orange River Colony, where the distances were shorter and the country generally was more easy of access, and where, too, there was no preponderance of native population, the establishment of the Magistrates and the other officials of the Civil Government in their respective posts went forward with even greater rapidity than in the Transvaal. And eight months later (March 1903), in reporting to Lord

¹ Cd. 1551.

Milner on the progress of the repatriation in this colony, Sir H. Goold-Adams was able to attribute "the gratifying absence of any symptom of restlessness" among the burgher population in the outlying districts in no small measure to the fact, that "so short a time was allowed to elapse between the surrender of the Commandos and the establishment of civil rule."¹ Thus, within little more than a month of the declaration of peace, the various parts of the machinery necessary for the execution of the first great task of the Crown Colony Administration—the restoration of the Boers to their homes—had been assembled ; and the machine itself, albeit imperfectly adjusted and insufficiently equipped, was nevertheless ready to start.

¹ Cd. 1551.

CHAPTER III

THE REPATRIATION

“As soon as conditions permit, a Commission, on which the local inhabitants will be represented, will be appointed in each district of the Transvaal and Orange River Colony, under the presidency of a Magistrate or other official, for the purposes of assisting the restoration of the people to their homes, and supplying those who, owing to war losses, are unable to provide themselves with food, shelter, and the necessary amount of seed, stock, implements, etc., indispensable to the resumption of their normal occupation.

“His Majesty’s Government will place at the disposal of these Commissioners a sum of £3,000,000 for the above purposes and will allow all notes issued under Law I. of 1900 of the South African Republic, and all receipts given by officers in the field of the late Republics, or under their orders, to be presented to a Judicial Commission, which will be appointed by the Government, and if such notes and receipts are found by the Commission to have been duly issued in return for valuable considerations, they will be received by the first-named Commissions as evidence of war losses suffered by the persons to whom they were originally given.

“In addition to the above named free grant of £3,000,000, His Majesty’s Government will be prepared to make advances on loan for the same purposes free of interest for two years, and afterwards repayable over a period of years with 3 per cent. interest. No foreigner or rebel will be entitled to the benefit of this clause.” (Article X. of the Terms of Surrender).

THE promptitude with which the necessary expansion of the administrative framework of the two Colonial Governments was effected, enabled the work of the Repatriation Departments to proceed uninterruptedly almost from the very moment when the constitutions conferred by the Crown upon the two new colonies had been brought into legal operation by the formalities of 21st and 23rd June.

From an administrative point of view these Departments were temporary Government organisations established to give effect to the recommendations of the Local Commissions, promised in Article X. of the Terms of Surrender, which were appointed, as we have seen, in all districts of the Transvaal and Orange River Colony within three weeks of the declaration of peace. Differing in methods of detail, the two Departments were yet identical in their main features.

The Transvaal Repatriation Department was constituted in the manner following. The Head of the Department, Captain Hughes, was the Secretary to the Central Board, a body sitting at Pretoria and itself composed of the respective heads of the five branches, or sub-departments, of Transport, Supply, Stock, Accountancy, and Buildings, together with the Secretary.¹ Both the Local Commissions and the Secretary of the Central Board were directly responsible to the Colonial Treasurer, and all sums required by either were drawn from the Treasury; but the Chairmen of the Local Commissions communicated with the Treasurer through the Secretary of the Central Board. As the Treasurer was a member of the Executive Council of the colony, the work of the Repatriation Department was placed by these arrangements under the immediate control and supervision of the Colonial Government. Subordinate to the Central Board were thirty-eight Repatriation Depôts, of which twenty-three were established on the railway lines, and fifteen in districts with which no railway communicated. Each of these depôts was placed in the charge of a Superintendent, whose staff consisted of an Assistant-Superintendent, an Accountant, and a varying number of clerks and storemen. In locating the depôts the Central Board selected places which were (1) the chief town or seat of a Resident Magistrate, or (2) points from which a large population could be served, or (3) points on the railway lines from which supplies and stock could be conveniently forwarded to one or other of the back country depôts.² The depôts themselves were stocked with animals, transport materials, implements, seeds, and foodstuffs; and it was from them that animals and supplies of all kinds were issued to the repatriated burghers upon the order of the Resident Magistrates, as Chairmen of the Local Commissions. It should be mentioned also that in addition to the Central Board a Committee, composed largely of men thoroughly versed in the local conditions of the country, was appointed

¹ The substance of this account is taken from "Reports and Financial Statements of the Repatriation Department of the Transvaal," Pretoria. Government Printing Office, 1906. The main report is signed by Captain A. M. Hughes, the Secretary to the Central Board of the Department.

² A list of the places where depôts were established is given in Cd. 1551, p. 36.

to act as an advisory body to the Colonial Government in respect of the working of the Department.¹

“What was aimed at,” writes Captain Hughes, “was to give (the repatriated ex-burghers) only such assistance as was absolutely necessary to enable them to resume their normal occupation, and to guard against their being in any way pauperised or given articles which were of no service to them.”²

Of the duties assigned respectively to the five branches of the Department, those of the Transport Branch were the most onerous and important. Not only was this branch charged with the duty of conveying the Boer country population from the refugee camps to their homes, but it was called upon to supply transport, and where necessary—as was the case in the outlying districts—stores and supplies for the Government officials. In connection with this duty it must be remembered that at the declaration of peace, as we have before noticed, very nearly all the animals in the country suitable for transport work were in possession of the military authorities; and that, therefore, when the Repatriation Departments took over what was the only available supply of animals and vehicles, the two Colonial Governments naturally looked to these Departments to furnish the transport necessary for the maintenance of the administrative system in districts which the railways failed to reach.

“In short,” writes Captain Hughes, “the transport branch of this (the Transvaal Repatriation) Department was called upon to do every form of Government carting and transport, including the carrying of the mails, until such time as private individuals could obtain the necessary stock and material to enable them to tender for the carrying out of this work.”

And he adds that the work was very heavy, and that although in most instances a claim was made on behalf of the Repatriation Department “against the Department concerned, and the charges for this service were paid for,” yet a very large amount of service of this kind was rendered free of charge.

¹ This Advisory Committee was due to the direct initiation of Lord Milner. For the circumstances in which it was created, *see* forward chap. iv. pp. 71-2.

² “Reports, etc., of the Repatriation Department of the Transvaal.”

In supplying stores to the repatriated Boers every endeavour was made to reduce the price to the lowest possible figure. Customs duties were remitted by the Administration upon repatriation stores up to the end of 1902; and the railways of the two colonies carried them on specially favourable terms. This latter concession, however, proved to be of doubtful value to the Department; since in granting these reduced rates the railway authorities divested themselves of any liability for losses *ex rail*, and owing to the congested state of the traffic at this time such losses were of frequent occurrence. The sum at which the stores were actually sold to the country population was made up of (1) the price paid by the Supply Office for goods on delivery; (2) the railage from the coast or elsewhere, and (3) 10 per cent. added to cover the loss incurred by the Department through the leakage or damage of goods in transit or at the depôts. In short, the stores were sold at the actual cost price to the Department, such cost price not including charges for office expenses, cartage, and storage. That this sum was far below the "market" price at which such goods could have been obtained, especially in the more remote districts, goes without saying. Indeed, in view of the abnormal economic and industrial conditions which obtained in both the new colonies during the months immediately following the cessation of hostilities, it is doubtful whether private enterprise could have availed to supply goods on any terms at all to the ex-burgher population at this time.

By means of the organisation which we have just passed in review the Transvaal Repatriation Department was able (1) to feed the ex-burghers; (2) to convey them to their homes; (3) to supply them with bare necessaries when they had reached their homes; and (4) to provide them with the funds necessary for the repair of their buildings and the re-stocking of their farms.

A large proportion of the services thus comprised were wholly gratuitous. Free rations were issued to all burghers for one month after the declaration of peace; to school children up to 31st December 1903; and to old and indigent persons as required. Widows were provided with rations for three months, with a cow and a calf, fowls, building

materials, seed for ten acres of land, and, where necessary, their ground was ploughed for them. In the case of widows who had no land of their own, relatives or friends were called upon to provide ground upon which they could be established; and, where desirable, the gift of rations, stock, etc., was commuted into a grant of £65 in cash. Also, 833 head of cattle and 1,119 horses, donkeys, and mules were issued gratuitously, and as an act of grace, to certain burghers to replace animals which had died within a short time of being purchased from the Department. The conveyance of the burghers, with their goods and belongings, from the refugee camps to their homes was performed without any charge; and even when the repatriated population was charged for the supplies provided, or the services rendered, by the Department, the payments were fixed on a scale which was not intended to cover either its trading losses or working expenses. In both the Transvaal and the Orange River Colony the cost of administration in the widest sense formed no element in the price at which the goods or stock were supplied, services rendered, or loans issued, by the Repatriation Departments. As, therefore, in the Transvaal the burgher population contributed only a small fraction—one-eighth or one-tenth—to the revenue, the greater part of the cost of the administration of the Repatriation Department was as much a free gift to the country, or mainly Dutch, population, from the industrial, or mainly British, population of the colony, as was the £3,000,000 granted under the Vereeniging Agreement a free gift from the people of the United Kingdom. In fact, out of the £6,645,472, 11s. 7d. spent on repatriation in the Transvaal, the whole of the irrecoverable expenditure (£3,533,301, 8s. 2d.) and part of the (nominally) recoverable expenditure (£3,104,797, 0s. 2d.), were gratuitous assistance to the Boer population. And, as will appear when we come to discuss the financial aspect of the Repatriation as a whole, the gratuitous element was almost as conspicuous in the assistance rendered in the Orange River Colony.

While, however, the whole of the operations of the two Repatriation Departments partook largely of the nature of a gratuitous assistance, it had been wisely decided by the Administration that the Boers, being possessed both as a

community and as individuals of certain assets which, though not realisable at the moment, would become realisable as the work of settlement proceeded, should be required to pledge these assets, and thus contribute in proportion to their means to the cost of their restoration to their former homes and avocations. To have taken any other course would have been to pauperise and needlessly degrade a naturally self-reliant and self-supporting community. These assets consisted in the main of the £3,000,000 grant, the compensation claims of the "protected" burghers, receipts for stock or goods supplied or surrendered to the military authorities during the war, and the large proportion of the cultivable area of both colonies which was the private property of the Boer landowners.

Rations, agricultural and other implements, building materials, seeds, etc., were supplied in accordance with scales ¹

¹ The "Burgher Ration Scale per head weekly" was fixed by a circular letter of 24th September 1902, issued from the office of the Director of Supplies, as follows:—

"Adults—

Flour, Boer meal, biscuit or mealies	7 lb.
Preserved meat or Machonochie's rations	5 "
Sugar	1 "
Coffee	1 "
Milk	1 tin
Salt	$\frac{1}{4}$ lb.
Soap	$\frac{1}{8}$ "

Children—5 to 12 years of age—

Flour or Boer meal	5 lb.
Preserved meat or Machonochie's rations	3 "
Sugar	1 "
Coffee	$\frac{1}{2}$ "
Salt	$\frac{1}{4}$ "
Milk	1 tin
Butter	$\frac{1}{4}$ lb.
Soap	$\frac{1}{2}$ "

Children—Under 5 years of age—

Flour or Boer meal	13 lb.
Preserved meat or Machonochie's rations	1 $\frac{1}{2}$ "
Sugar	$\frac{3}{4}$ "
Salt	$\frac{1}{8}$ "
Milk	3 tins
Butter	$\frac{1}{4}$ lb.
Soap	$\frac{1}{4}$ "

"The meal ration will be withheld in the case of children under two years of age.

By Order,

W. P. G. MYLREA, *Captain.*
Director of Supplies, Transvaal
Repatriation Department."

Cd. 1551, p. 37 (where further particulars of the same kind are given).

fixed by the Central Board, and the value of each issue was charged against the recipient's share of the £3,000,000 grant. In the case of every burgher returned to his farm, says Captain Hughes, "a plough with gear, a team of animals, a few simple carpenter's and other tools and a harrow were provided, then seeds for about six morgen (12 acres) of ground and rations for four months." Animals and waggons supplied were charged against a promissory note of the recipient. The note was required to be endorsed by a landowner, matured in two years, and bore no interest. Cash loans up to £400 in value were granted on the recommendation of the Local Commissions; and in the case of substantial farmers who required to restock their holdings, sums in excess of £400 were advanced on the security of a first mortgage on the property. The former class of loans were advanced on the security of the recipient, and subject to a proviso that any sum awarded to the debtor as "Compensation for war losses" should be applied to the reduction or liquidation of the loan, were repayable in seven years, during only the last five of which interest at the rate of 3 per cent. per annum was charged. In order to meet the necessities of poor burghers who were unable to find a landowner to endorse their promissory notes, the Department supplied animals on the hire-purchase system. In this case, and, under Ordinance 19 of 1902, in the case of rations, animals, etc., charged against the recipients' shares in the £3,000,000 grant, the Government retained the ownership in the supplies issued by the Department so long as the accounts remained unliquidated.

Some assistance, Captain Hughes adds, was also given by the Department to British subjects who had acquired land by private purchase, and settled on it. Such persons were allowed to purchase up to £400 value of stock for cash, and up to £200, by promissory notes endorsed by one landowner or two other approved securities.

The organisation of the Orange River Colony Repatriation Department differed from that of the Transvaal in so far as the Local Commissions were allowed, in each case, to determine the particular methods by which effect was to be given, in the several districts, to the general instructions

of the Central Board at Bloemfontein. The greater freedom of initiative thus granted to the Local Commissions in the Orange River Colony was due in the main to the lesser extent, smaller population, and more settled conditions of this colony—circumstances which made the repatriation here a less onerous and complex administrative task than it was in the Transvaal. But the character and terms of the assistance rendered were in other respects identical in both colonies.

The ex-burgher population of this colony was divided by Colonel H. MacLaughlin, the Secretary to the Central Board, for repatriation purposes into three classes: National Scouts and those burghers who had actively assisted the new Government either in arms or as scouts; landowners; and bywoners, or indigent persons.¹ In dealing with each of these classes a separate system of assistance was adopted. Ex-burghers of the first class were assisted through the agency of a special organisation termed "The O. R. C. Volunteer Department"; and each man of this class, "who through war losses was unable to help himself, received up to £50 in cash on loan." This sum was given to the representative of the Volunteer Department, by whom it was "expended to the best advantage—in cash or kind; and a personal bond, given by the applicant, was accepted in full satisfaction of the expenditure, the details of which concerned the Volunteer Repatriation Department only."²

In dealing with burghers of the second class, owners of 1,000 morgen (2,000 acres) or upwards of unmortgaged land were held to be outside the scope of Article X. of the Terms of Surrender; since persons possessed of the means of borrowing money from any bank at the ordinary local rate of interest (6 per cent.) could not be regarded as "unable to provide themselves with food, shelter, and the necessary amount of seed, stock, implements, etc., indispensable to the resumption of their normal occupation." But owners of 1,000 morgen or upwards, whose properties were mortgaged to an extent rendering further borrowing

¹ Memorandum enclosed in the Report on Repatriation in the Orange River Colony of the Lieutenant-Governor (Sir H. Goold-Adams), dated 7th March 1903. In Cd. 1551.

² *Ibid.*

on the ordinary terms incompatible with the successful working of their farms, and owners of less than 1,000 morgen were allowed to borrow under the terms of Article X. on first or second mortgage. The loans thus granted by the Repatriation Department were of an average value of between £300 and £400, and did not, except in special cases, exceed £500. As a precaution against the employment of these advances in the satisfaction of personal liabilities incurred before the war, and the consequent diversion of the Repatriation funds from their proper object, the loans were made as to two-thirds of the amount in kind, and as to one-third in cash; and in certain cases where the possible foreclosure of an earlier mortgage would have deprived the landowner of the benefit of the repatriation loan, or endangered the security of repatriation loans advanced on second or third mortgages, the Department itself took over, or retired, such existing mortgages at the original rate of interest, or at a rate not exceeding 6 per cent., in addition to granting the new loan.

The question of how to assist the third class, the bywoners,¹ or landless Boers, formed in both colonies one of the most difficult of the repatriation problems. Here, in the Orange River Colony, the treatment adopted was based upon a prompt recognition of the fact that "the only solution to this question would be found in inducing landowners to take back on their farms as many bywoners as possible and so repatriate them into the same condition as that in which they existed previous to the war."² In their own impoverishment, however, the Boer landowners refused to take them back except on condition of the bywoner receiving such assistance from the Department as would make him a source of profit, instead of a burden, to the owner of the land on which he squatted. In these circumstances the requirements of the landowners were met; and the Department supplied the bywoners with rations and seeds, and made arrangements for ploughing their lands. The methods by which this assistance was rendered were left to the discretion of the Local

¹ The word *bywoners* means tenants at will, or "squatters by permission," on another man's land.

² Cd. 1551.

Commissions, and varied in accordance with the circumstances of the respective applicants. In some cases the ploughing was done by the repatriation teams, in others the bywoners were supplied with oxen on loan for a specified period; and similarly, while in some cases the seeds were given outright, in others a stipulation was made that a corresponding amount of seed should be returned to the Department, if required, when the crops had been harvested.

As we have already remarked, the terms upon which the repatriation assistance in general was granted in the Orange River Colony did not differ in principle from those of the Transvaal Department. On this head Sir H. Goold-Adams writes¹:—

“Although Article X. had indicated a proportion of the assistance being by way of free grant, it was decided that all advances and issues should in the first instance be treated as loans. To have encumbered the Local Commissions with the duty of deciding then and there who was or was not entitled to a free grant might have materially delayed the more important work of getting the people back on to their farms before the end of the current ploughing season. Nor were there at this period any sufficient data to show even the approximate amount that any individual might expect in respect of compensation for war losses.”

In these circumstances the ex-burghers who were unable to furnish a valid or marketable security for the cash or supplies provided by the Department, were required to sign “acknowledgments of indebtedness” which in each case covered the assistance received. These documents, in Sir H. Goold-Adams’s words, were

“in no sense legal instruments; they were neither stamped nor registered, and had little in common with the ordinary promissory note; they may best be compared to an ordinary tradesman’s account, which may, or may not, become a bad debt.”

Before tracing the subsequent development and final closing down of the two Departments, it will be convenient

¹ On 7th March 1903. Cd. 1551.

to refer to the special difficulties which were encountered in both colonies at the very outset of the work of repatriation and during the course of the singularly abnormal agricultural year of 1903. When the Departments commenced their task in the month of June 1902, their first and elementary requirement was a transport service capable of conveying human beings, stock, and stores from the refugee camps and railway stations over the great denuded areas in both colonies, which, as we know, were devoid of all means of communication except such as were afforded by the primitive roads that here and there crossed the veld. At first sight it would appear that the material for this necessary equipment was ready at hand. Did not the surplus animals and vehicles of the Army Transport Service, taken over by the Administration for this very purpose, and under conditions which, as we have before noticed, left it no alternative but to accept the terms of sale, however rigorous, exacted by the military authorities, provide all that was wanted? Certainly without this material the actual repatriation could not have begun, as it did, almost from the hour that the last fighting burghers laid down their arms. But the work of converting these discarded animals and vehicles into a machinery of transport sufficient to meet the onerous conditions of the repatriation service proved to be no easy business. In point of fact four circumstances combined to render the task one of exceptional and unexpected difficulty: the bad condition of the animals and vehicles handed over by the military, the commencement of the repatriation in mid-winter, the repugnance shown by the natives employed by the military to accept the terms offered by the Civil Government, and the legacy of horse and cattle diseases which the army animals left behind them.

As to the first of these circumstances, the accounts of the Orange River Colony Repatriation Department showed a loss of £90,000 written off up to 31st December 1902 for deaths of army live stock; and it was anticipated by Colonel MacLaughlin at the date of his first report (3rd March 1903) that a further loss of £115,964 would be incurred, as the difference between the prices paid to the military authorities and the prices realised by the Department on re-issue to

the burghers, in respect of this live stock. In the final accounts of the Transvaal Department the loss from deaths of animals is shown as £641,316, 11s. 10d., and among the causes to which this heavy loss is attributed the chief is the "poor or diseased condition of the army animals." In the early records of the repatriation complaints are made from all quarters on this head.

"More than 50 per cent. of the ox transport purchased from the Army," writes Mr Duncan, the Colonial Treasurer of the Transvaal, on 5th January 1903, "was unfit to move, and had practically to be nursed through the (South African) winter."¹

And Colonel MacLaughlin, the Secretary to the Central Board of the Orange River Colony Department, says on 3rd March 1903 :—

"I feel bound to call attention to the quality of the transport taken over from the military. The oxen and mules were naturally the worst they had with the exception of class *D* oxen (which were useless for transport purposes), and those they wished to part with at the commencement of their reduction of transport. The oxen were in poor condition, and, in many cases, old. The mules old, suffering in many cases very badly from skin diseases, and saturated with glanders; the wagons in bad repair . . . a very considerable portion of our mule transport was useless for months."²

The books of the Department show that Colonel MacLaughlin's complaint was not exaggerated. Out of 11,400 horses taken over from the military authorities at an average price of £21, 1374 died of "poverty" or glanders—the majority before they were issued to the burghers. The mules were in a worse condition; and out of 5896 taken over at an average price of £27, 1638 died in the like circumstances. The state of the transport vehicles was scarcely more satisfactory. The carts and waggons handed over had been used up in the war, and it was necessary to repair them before they could be employed in the repatriation service; and even then the maintenance of these used-up

¹ Cd. 1551.

² "Memorandum, etc." (as before cited).

vehicles, when required and issued for service, was costly and laborious. In these circumstances, and especially in view of the difficulty of providing food for stock of all kinds, it may be asked why steam-driven transport was not used. The answer is, of course, that the general absence of roads, and the bad condition of such roads as did exist, made steam-traction, as was proved by the experiments of the military authorities during the war, practically useless for the purposes of the Repatriation Departments.

The second circumstance—the fact that the repatriation began in the middle of the South African winter, or, what is more to the point, in the middle of the dry and almost rainless season of the high plateaux west of the Drakenberg range—was one that considerably enhanced the original difficulty of preparing serviceable transport out of the deficient materials purchased from the Army. At this season, when the grass remained brown and sapless until the first rains came in September, or October, as the case might be, the whole of the live stock had to be provided with forage: and as no supplies, other than the small amount procured from the surplus Army stores, could be obtained in the country, every kind of food required by the healthy, as well as the unhealthy animals, had to be imported, and, when imported, carried for long distances by road to the various depôts and stock camps. Obviously under these conditions the tending and nursing of impoverished and diseased live stock was a matter which threw a considerable and additional burden upon both the finances and the available labour supply of the transport branches of the two Departments. The position thus created is well summarised by Lord Milner :—

“I need not repeat that we began working with the country absolutely denuded of everything. Moreover, we began in the dead of winter. The large number of animals, mainly required, in the first instance, for transport, which we took over from the military, were, for the most part, in the most wretched condition. Hundreds of them died before they had done any work at all; many thousands were useless for several months, and were only gradually resuscitated by the greatest care and at considerable expense. It being winter, there was no grass, and for some time forage had to be provided for the whole number. In bringing up supplies

from the coast we were hampered by the tremendous strain on the railway, due to the necessity of taking down an Army of between 100,000 and 200,000 men, and bringing up thousands of returning refugees."¹

The difficulty experienced by the Repatriation Departments in obtaining labour was an instance of the manner in which the Civil Administration suffered in lesser, as in greater, matters, from the abnormal economic conditions brought about by the military *régime*. It was not merely on the gold mines of the Rand that there was a shortage of native labour, or that it was found no easy matter to fix a scale of wages which, without injuring the permanent industrial interests of the country, would yet serve to attract the Bantu tribesmen in sufficient numbers. As the result of the high wages received from the military authorities, many natives among those who were in the habit of seeking periodically employment under European masters were in possession of funds that made it unnecessary for them to leave their kraals; while others who would have been willing to work for wages on the scale paid by the Army refused to accept the more economically just remuneration offered by the civil authorities. In this matter the Orange River Colony, owing to the smallness of the native population resident within its boundaries, was in a worse position than the Transvaal. Not only so, but the "poorest bywoners and their sons" from the refugee camps for the most part absolutely refused to serve as "leaders" and "drivers"² for the repatriation waggons, while a few who accepted this employment "neglected their animals, wasted time on the road," demanded increased pay, and proved generally unsatisfactory. Ultimately a supply of native drivers and "vorloopers" was obtained from the Native Refugee Camp Department.³ And in this connection the reluctance to

¹ Cd. 1551 (as above cited).

² The native "leader" walks ahead of the first pair of oxen; the "driver" controls the whole team by his enormous whip, which he wields with extraordinary skill and judgment.

³ "The Aftermath of War; An Account of the Repatriation of the Boers and Natives in the Orange River Colony, 1902-4," by G. B. Beak. Mr Beak was an official of this Department, and after the conversion of the Repatriation Department into the "Government Relief Department" in 1903, he became Assistant-Director of this latter.

leave the refugee camps displayed by the bywoners especially, and by the poorer burghers in a lesser degree, may be noticed. In some cases, says Mr Beak, the Boers actually refused to leave the refugee camps for their homes in the respective districts; and, among other evidence on this head, he cites the report of the Resident Magistrate at Fauresmith as containing the statement that "great difficulty was experienced in emptying the Heilbron camp." This reluctance was partly to be attributed to the fact that in the Orange River Colony the repatriation ration was "not nearly so elaborate" as that of the refugee camps, "nor could it bear comparison with that served out by the sister organisation in the Transvaal."¹ But it is scarcely necessary to point out how completely the experience of the repatriation officials in respect of this circumstance confirms the view previously expressed,² that the charge of inhumanity brought against the system of refugee (or concentration) camps was entirely inconsistent with the facts. At the same time, in drawing attention to this circumstance it is only fair to the Boers, as a people, to add that the spirit of dependence manifested in this reluctance to quit the ease and comfort of the refugee camps was confined to the more helpless members of the burgher population and received no encouragement from their leading men. On this point Lord Milner's generous and definite testimony may be taken as conclusive. The Boers, he writes on 14th March 1903,

"recognised almost to a man that we were doing all we possibly could to assist them, and, while, no doubt, there was a certain lethargy at first on the part of the poorest and landless class, who showed considerable reluctance to quit the concentration camps, the better-to-do farmers were all of them most earnest in stimulating the others to work both by precept and example, and have shown the greatest anxiety to counteract any inertia on the part of the Boer population generally. In scores of interviews which I have had with leading Boer farmers all over the country, whether members of Repatriation Boards or others, I have almost invariably found them anxious to urge the necessity of

¹ "The Aftermath of War; An Account of the Repatriation of the Boers and Natives in the Orange River Colony, 1902-4," p. 143.

² "Lord Milner's Work in South Africa, 1897-1902," pp. 460 *et seq.*

doing nothing to encourage a spirit of dependence on the Government, and of limiting our assistance to the poorer men to what was really essential to enable them to make a fresh start.”¹

To complete the recital of the embarrassments caused by the bad condition of the army animals, it remains to notice the subsequent outbreak of horse and cattle diseases among the repatriation stock in general, and throughout the two colonies, due primarily to the debility of the animals that formed the original source of supply for restocking the agricultural areas denuded in the war. The Orange River Colony, owing to the comparatively more advanced development of its country districts and to its better climatic conditions, suffered somewhat less in this respect than the Transvaal; although, as we have seen from the accounts of the Repatriation Department, the immediate losses from the deaths of live stock were extremely heavy. But in the Transvaal the position thus created in the (South African) summer of 1902-3 was one of great seriousness. The rains were late, writes Captain Hughes, and one of the severest droughts on record in South Africa followed. The loss of animals was great, and the difficulties experienced in moving them were “increased by a hundredfold.” When the rains came, Rhodesian Red-water appeared among the cattle of the Department, and this was followed by an outbreak of lung-sickness. As the veterinary assistance at the disposal of the Transvaal Government was very limited, by an arrangement with the Cape Government Mr Hutcheons, the principal veterinary official of the latter colony, visited the Transvaal in the early months of 1903, and reported upon the situation. At this time, in addition to the outbreak of cattle disease, the repatriation mules and horses had been attacked by glanders, mange, and other diseases contracted during the campaign. To meet the crisis a special Veterinary Branch of the Department was established; but it was only when measures for the isolation, and, where necessary, the destruction, of infected animals had been instituted and strictly

¹ Cd. 1551.

enforced, that it was found possible to keep the diseases in check.¹

The recital of these gravely disadvantageous circumstances makes the work actually accomplished by the Repatriation Transport the more remarkable. As evidence of its general efficiency, it is sufficient to remember that by the beginning of March 1903—that is to say, within a period of little more than eight months—the entire burgher population had been restored to their homes. It has been noticed how, throughout the process of repatriation, the concentration, or burgher refugee, camps served both as receiving-houses and centres of distribution for the otherwise homeless population of the new colonies. The pen of an eye-witness provides a vivid picture of the manner in which the Repatriation Transport carried out the initial stage of its duties, the removal of the ex-burghers from the camps to their homes.

“During hostilities these camps had provided a home for those who, through the exigencies of war, had been rendered homeless. On the conclusion of peace they became a temporary resting-place for the last to surrender, and the returning prisoners of war. But these tranquil backwaters to the surging torrent of war, these harbours of refuge and havens of peace from all the horrors and sorrows of conflict, now suddenly became hives of activity. Day by day, and all day long, for many weeks clouds of dust were seen to rise as the long spans of oxen and mules, dragging waggon after waggon, laden with food, tents, and a strange assortment of domestic articles, crawled snakelike out of the canvas town on to the illimitable veldt, wending their way to some distant farmstead. The loading has not been so easy a task as might be supposed. The conductor knows that his waggons are not of the best, and his animals none of the strongest. He cannot contemplate with equanimity a breakdown on the open veldt. The camp superintendent, ever mindful of the welfare of his protégés, insists upon the absolute necessity of taking the whole of the first equipment—the first month’s rations, bedding, and a tent against the restoration of the homestead. But the old ‘vrouw’ has a host of broken furniture, in addition to the food-stuffs she has managed to save from

¹ “Reports, etc., of the Repatriation Department of the Transvaal.”

liberal camp rations. Her man has his curios, collected or manufactured during his imprisonment over-sea. The children are loath to leave behind their books and toys, for which they have acquired a taste in the camp school. There have been hot debates as to essentials and non-essentials.

"But eventually, by hook or by crook, and by dint of much rearranging, room has been found for all. The stodgy, expressionless, sallow-complexioned, but withal hospitable and kindly women crawl, not without difficulty and danger of upsetting, to the top of the motley pile, and at length a start is made. The crack of the long whip and the familiar shouts of the native driver, as he urges forward his cattle, ring out clearly in the sunlit air.

"It is not with unmixed feelings that the women quit the camp which they had originally so dreaded and later abused. . . .

"The trouble and anxiety which the uncertain future may have in store are, however, for the moment forgotten. The women-folk and children, joyous at the prospect of return, prattle gaily; the Boer draws his pipe and ponders silently 'on the mysteries of Providence and the odd chances of life.' In happy ignorance of the desert to be traversed, and the ruin waiting them at their journey's end, their first feeling is one of relief at being free from the restraints attendant on war, and the discipline inseparable from camp life."¹

One further episode in the work of the Repatriation Transport deserves to be related in some detail; since it not only affords a notable example of the spirit of practical benevolence in which the Administration approached the task of restoration, but constitutes in itself a conspicuous achievement on the part of this branch of the repatriation services in the two colonies. The episode in question is the ploughing and sowing of the lands of those landowners, or bywoners, who for any reason were unable by themselves to get their meales in the ground in time for the season of 1902-3. To understand the circumstances in which this additional and unexpected assistance was rendered to the Boers, we must go back to the month of September 1902. At this time the progress achieved during the two months

¹ Mr Beak in "The Aftermath of War," pp. 140, 141.

immediately following the commencement of the repatriation had somewhat lightened the excessive pressure put upon all branches of the Civil Administration by the declaration of peace.

“In the course of September,” Lord Milner wrote in his Repatriation Despatch, “matters began to improve considerably. Although the strain on the railways continued, and still continues, to be very great, they began, from that time forward, gradually to reduce the enormous accumulation of stuff at the ports struggling to come up, and at present there is no reasonable ground of complaint with regard to supplies. But, while our first great difficulty was being got over, we were confronted with another. With the close of winter, and the return of a large portion of the country population to their homes, there arose a general clamour, ever increasing in intensity, for ploughs and for animals to draw them. The position was critical, for the mealie crop, upon which the majority of the people would have to depend in the ensuing year, if they were not to continue to be supported by the Government, must needs be sown in the next two or three months. The time varies in different districts, but generally speaking there is not much hope for mealies which are not sown before the end of December. Now, we had imported ploughs in large numbers (I need not go into details as to the many other agricultural implements similarly procured), and these were gradually coming up. But the animals were a greater difficulty. The Repatriation Boards had virtually acquired all the animals which the military had been able to spare (except horses which, owing to the sickness, are useless for ploughing in many parts of the new colonies), and they had also brought up whatever mules, trek oxen, and donkeys they could obtain in other parts of South Africa. But the demand for animals for transport purposes in connection with repatriation, that is to say, in order to keep the depôts stocked for feeding the people, was so enormous that there were at first nothing like enough left over for ploughing. Every effort was made to distribute available animals, but for some time the supply for ploughing purposes was extremely short. Gradually, as a number of the military animals recovered, and the demand for transport animals fell off, it was possible, thanks to the immense energy and resourcefulness of the officers in charge of the stock, to distribute a greater number among the farmers.

But even then we should not have succeeded (at any rate in the Transvaal, where the difficulties, owing to the enormous distances and shocking roads, are greatest) in getting enough land ploughed to yield a crop sufficient to support the rural population, had it not been for the system of perambulating teams sent round the country by the Government to plough successively on a number of farms fast enough to keep the people going for one season."¹

The particulars of the ploughing scheme as originally organised in the Transvaal are to be found in Captain Hughes' *interim* Repatriation Report² of 5th January, 1903. Contingents of from five to ten teams of ploughs, each placed under the charge of a conductor, were sent round the various districts. These contingents, or "ploughing sections," as he calls them in his final Report,³ were not allowed to plough more than five acres for any one householder; and the names of the farms where land was to be ploughed, and the respective areas to be ploughed on each farm, were shown upon lists, drawn up by the Local Commissions in the various districts, with which the conductors were furnished. The charge made nominally (for credit was always allowed) was 5s. per acre for old ground, and 7s. 6d. for land not previously broken up. Early in November 1902 the scheme was in operation in the south-eastern districts of the colony; and a memorandum embodying its main features was sent round by Captain Hughes on the 6th of this month to the chairmen of the various Local Commissions, who were instructed to apply the scheme in their respective districts, if they thought fit to do so.

Among other details set out in this memorandum we find these paragraphs:—

"Two waggons accompany each contingent to carry rations, the ploughs, and a quantity of seed mealies. These mealies are for those farmers who have been unable to obtain any seed, so that the operations may not be hindered. The waggons are drawn by the animals used for ploughing.

"In the case of farms where the families have not yet

¹ Under date 14th March 1903. Cd. 1551.

² Cd. 1551.

³ Issued in 1906.

been repatriated, or which belong to prisoners of war who have not yet returned, it is proposed to plough up a certain acreage and sow it with seed mealies, the neighbouring families paying or guaranteeing the cost. This will do good both from an economical point of view, and also from the effect it will produce upon the occupier of the land when he returns.

“I hope to have the whole 28 contingents at work by 10th November.”

It is obvious from the passage referring to the work of the ploughing teams contained in the final Report of 1906, that the details of this original scheme were subsequently modified in various particulars, as circumstances required. And Captain Hughes states in his early Report (5th January 1903), covering this memorandum, that, although up to the 15th of December 1902 the number of acres ploughed under the scheme amounted to 11,132, the work had “been much retarded by the severe drought, which continued until about the middle of December, and in some districts was such as to prevent any ploughing being done.” He proceeds to add that since that date general rain had fallen throughout the Transvaal, and that an additional 5,000 acres had been ploughed by the perambulating teams. And he then expresses the hope that in view of these favourable rains, it is “within the range of possibility that before the 31st March 1903, 75 per cent. or possibly more of the people at present receiving rations will be in a position to support themselves.” This cautious expectation, however, was not destined to be realised; since, as will appear in the sequel, the South African Jupiter was in a mood that threatened to wreck the most skilful efforts of the Administration, and did in fact directly undo in certain particulars, and in both colonies, the work done by the Repatriation Departments.

The effect produced upon the Boers by this timely and practical assistance was most salutary. With regard to this aspect of the repatriation work in both colonies Lord Milner wrote:—

“By hook or by crook we had succeeded by the end of 1902 in enabling the people to sow a fairly large mealie

crop, besides a considerable amount of forage, potatoes, and other vegetables. The change in the attitude of the farming population, about that time, was very noticeable. The extreme depression which characterised them two or three months earlier had almost completely passed away, and they were looking forward to the future with much more hopefulness."¹

And Mr Beak's account of the good effect produced in the Orange River Colony is equally emphatic. He quotes from a report from the Ladybrand district the sentence, "Nothing gave the Boers so much satisfaction as the loan of these oxen for ploughing." And he himself writes:—

"This ploughing of their lands appealed to the Boers to a greater extent than perhaps any other measure undertaken by the Department for their welfare. At no time did popular feeling towards the new Government approach more nearly to gratitude; at no time did that gratitude appear more genuine. 'We now see,' it was said, 'that the British really mean to help us.'"²

It may be added that measures for the repatriation of the ex-burgher population in the portion of the Transvaal ceded to Natal at the conclusion of the war, similar in character to those adopted in the new colonies, were carried out without difficulty by the Natal Government. The territory thus annexed to Natal included the districts of Vryheid and Utrecht and part of the district of Wakkerstroom; and a sum of £100,000 was paid by the Administration of the new colonies to the Natal Government, as being the proportion of the £3,000,000 free grant to which the ex-burgher population in these districts was entitled. In addition to the proportion of the free grant, military compensation was paid on the same basis as in the new colonies, and the "protected burghers" within these ceded districts received £66,660 out of the total sum available for the compensation of this class of the ex-burgher population as a whole.

¹ Cd. 1551.

² "The Aftermath of War."

CHAPTER IV

LORD MILNER ON TREK

IN the Report furnished to the Secretary of State, on 14th March 1903, the results achieved by the Repatriation Departments up to the date of writing were thus summarised by Lord Milner :—

“ In the eight and a half months that we have been at work, we have restored about 200,000 of the old burgher population in the two colonies to their homes, including all the inhabitants in the concentration camps in the Transvaal, the Orange River Colony, the Cape Colony and Natal, and the prisoners of war. At the date (5th January) of the enclosed Report on Repatriation in the Transvaal, there were still several thousand persons in the Transvaal camps. To-day there is not one left, and the camps have all ceased to exist. In the Orange River Colony there are now less than 100 souls, all of them widows and children without support, or helpless infirm people, at Brandfort camp, which is the only camp remaining, and these will probably be provided for in a few weeks.”¹

And of his personal share in the working of the mechanism of repatriation, he wrote :—

“ It will be seen [from the reports enclosed] that while this work of repatriation has proceeded, in the main, on similar lines in both the new colonies, there has been a considerable, and necessary, diversity of administrative details owing to the great diversity of local conditions. My principle has been, while exercising a general supervision over the whole field, both from my office and by personal inspection (I have travelled nearly 2,000 miles in the two colonies to see the actual progress of work on the spot) to leave a

¹ Cd. 1551.

great latitude to the two Colonial Governments, and they, in their turn, have wisely accorded a large discretion to their Local Commissions."

The "personal inspection" of the actual work of repatriation, to which Lord Milner here refers, did not begin until the arrival of Sir Arthur Lawley, as Lieutenant-Governor of the Transvaal, had relieved him of part of the administrative business of this colony. Lord Milner had requested the appointment of Sir Arthur—then Governor of Western Australia, and formerly Administrator of Matabeleland—to this office at the end of April 1902, when the collapse of the Boer resistance had become imminent. More than one consideration had made this step seem necessary. As Governor of the two new colonies, he was bound to consider the interests of each impartially; a Lieutenant-Governor of the Transvaal was required, therefore, to balance the influence of the already existing Lieutenant-Governor of the Orange River Colony in the administration of affairs in which the separate interests of the two colonies were sometimes in conflict. Moreover, being High Commissioner for South Africa as well as Governor of the new colonies, he needed time and freedom to occupy himself both with matters of common concern to South Africa as a whole, and with questions special to Rhodesia, Basutoland, the Bechuanaland Protectorate, and Swaziland—territories for the good government of which the High Commissioner was responsible to the Secretary of State. An even more urgent consideration was Lord Milner's conviction that it would be beyond the power of any one man, however capable and devoted, to give proper attention to the details of the Transvaal administration, and at the same time deal adequately with the large measures by which the entire political and economic fabric of the late Republics was to be reconstructed.

Sir Arthur Lawley came to Pretoria to take up his appointment at the end of August 1902.¹ He had not

¹ At the same time arrangements were made for the continuance of Mr H. F. (now Sir Harry) Wilson as Colonial Secretary at Bloemfontein, and for the appointment of Mr Davidson, in succession to Mr Fiddes, to the Colonial Secretaryship at Pretoria.

arrived a day too soon, for the strain of continuous and harassing labour was beginning to affect Lord Milner's health.

On Monday, 1st September, and again on Tuesday he was at work on the long and exhaustive despatch upon the financial necessities and revenue resources of the new colonies, which was to provide the Cabinet with the information necessary to enable it to arrive at decisions in respect of the Development Loan and the war contribution.¹ In the afternoon of the latter day he returned from the High Commissioner's office to find that Sir Arthur Lawley had arrived at Sunnyside. The Lieutenant-Governor had come to stay for a few nights to "talk things over." On Thursday Lord Milner wrote in his diary:—

"At home all day and busy, tho' not with the best results. Weariness and disgust beginning to tell."

On Friday he was again at work "morning and afternoon on the despatch." On Sunday he was "getting on with (his) long financial despatch." And on Monday (the 8th) the entry runs:—

"A day of fearful rush. I worked before breakfast. G—— (the typist and shorthand-writer) came up immediately after, and he and I pushed on as hard as ever we could to get my long financial despatch finished for the mail. The mail train was delayed for half an hour, and by a great effort I managed just to catch it with the despatch, finished in a hurry and rather ragged. . . .² After dinner work again, until I was too tired to go on. To bed late."

On Tuesday the Executive Council met at the High Commissioner's office at Johannesburg, and Sir Arthur Lawley took part for the first time in the proceedings of this body, over which it was his duty to preside, as Lieutenant-Governor, in the absence of Lord Milner. On Wednesday, Lord Milner wrote, "I had a day of really fiendish drive,³ clearing up for my trek." This "trek," which began on

¹ Most of this despatch is to be found in Cd. 1552.

² It was received by the Secretary of State on 29th September.

³ The despatch on Railway Construction, supplementary to the Financial Position Despatch, was finished on this day. It reached London on 4th October, and is given in Cd. 1552.

the next day (11th September), was the first of the longer expeditions undertaken by the High Commissioner with the object of supervising personally the work of the repatriation. The vivid notes of these tours which are found in his diary bring us closer to the actual scene than the more precise and complete records contained in the official reports. On this occasion Lord Milner visited the south-western districts of the Transvaal; and the details which follow are given at some length, as affording a typical account of these repatriation "treks" as a whole.

The party, which left by special train for Krugersdorp at 11 o'clock, consisted of Lord Milner and his staff (Major Lambton, the Military Secretary, with Captain Henley, Lord Brooke, and Mr Hugh Wyndham), and General Baden-Powell and Captain Kearsley. They were provided with four waggons and a cape-cart, and accompanied by four servants and the usual complement of natives. The railway was abandoned at Krugersdorp, and at half-past one the party were in the saddle and on the way towards the police post at Steinkoppies—a distance of 17 miles—which was reached at 3 o'clock. On the way Lord Milner saw and spoke to some burghers returning to their farms, and overtook a prospector trying to locate his beacons. At four, after a halt for rest and food at Steinkoppies, the "trek" was resumed.

"When we had ridden about an hour and a half," Lord Milner writes, "a very severe thunderstorm, with heavy rain and some hail, overtook us, and we were drenched to the skin. After this progress was slow, owing to the drowned state of the roads and the darkness. We halted for the night at Wagonpadsdrift (15 miles from Steinkoppies). Too late to pitch camp properly, so it was a case of roughing it somewhat."

During the night the storm continued, but on the next day, although the sky was overcast, no rain fell. The narrative continues:—

"*Friday, 12th September.* Up about 5.30, breakfast before 7 and off again by 7.30. Halted about 9 at a place called Oliphant's Nek, where I had a talk with a Boer of

British extraction, who told me something of the people's troubles, about lack of ploughing oxen, etc., etc. We got to Oliphant's Nek before 10. Visited police force there, and called on an old British farmer, a descendant of George IV. He has a good farm. Rode on to Rustenburg (total distance from Wagonpadsdrift about 22 miles) by 12 o'clock. Just outside Rustenburg we were met by the Native Commissioner, the R.M., and the officer in charge of the Repatriation Depôt here. The latter is occupying a large, comfortable farmhouse, and he took us all in except B. P. and Kearsley. Large lunch party including . . . After lunch rode on to town and saw the Repatriation Commission, including the former Landdrost, and ——. Saw also an old Dutchman called ——. Back about 5 and made notes till dinner time."

On Saturday, the 13th, Lord Milner, having "slept like a top for nearly 9 hours, a record for [him]," went round the farm belonging to the Repatriation Depôt in the morning, and afterwards wrote letters (to Sir Arthur Lawley among others) until lunch-time.

The letter thus written to Sir Arthur Lawley claims our attention, as showing not only the sort of observations which Lord Milner made, but the manner in which these observations were applied in his work of supervising and perfecting the machinery of repatriation. It runs:—

"*Krugersdorp*.—Repatriation, as far as getting people on to their farms, going pretty well. For compensation purposes, I think the Commission will need strengthening. . . . I may say that so far the South African Constabulary all round, seem to me our strongest point.

"*At Steinkoppies*, a Police Post, there was a big Notice Board in the main road, with Police notices; good notion this, and the Notices contained many things useful to the people, such as the Arms Ordinance, the Cattle Diseases Prevention Ordinance. But they were in English only. I think this just a case where we ought to use both English and Dutch. As you know, I am as keen as possible about making the use of English universal and its position as the official language quite clear. But I want also to use Dutch where it is clearly a great convenience to people, and in purely agricultural districts there are still many who can read nothing else. I want to help them to understand what we are doing and what we wish them to do; also to break down,

as far as possible, the aloofness of the people from the Government, and the feeling that it is distant, strange, unsympathetic.

"After leaving the Krugersdorp district, I began to hear numerous wails about the difficulty of people in getting animals to plough with. This is, of course, vital; as time is getting on, and if they can't get the land ready for at least a mealie crop, we shall have to ration them for months ahead.

"*At Oliphantshoek*, south of the Magaliesberg and about 6 miles before you get to Oliphant's Nek, I had a long talk with a man called —, a burgher of British extraction, who has been on Commando, but now, I think, means to be friendly. He was busy getting a roof over his head (almost all the farms hereabouts are, more or less, in ruins) and he was very eloquent on the subject of oxen for ploughing, also seed (especially mealie seed). All round, he said, the farmers had difficulty in ploughing and were bombarding the Rustenburg Commission for animals.

"The Government allowance, which we heard was 8 oxen per farm (of course this often means as much as three or four families) was sufficient, if they could only get them.

"All along this part, I mean from Thorndale to Oliphant's Nek, I saw a lot of Government cattle. They seem to be picking up a living—grass just beginning to grow—and no doubt are being kept here for some good purpose; but if we can let the people have some of them soon, it will be business.

"On getting to Rustenburg I enquired particularly on this subject of cattle for ploughing. —, the Resident Magistrate, who has only just arrived (having been ill for some weeks) . . . confirmed all I had heard as to the need of the people in this particular. He said he had just received from Pretoria 80 (he could have disposed of 800) oxen, which had been at once snapped up, and that the difficulty about traction-animals—for ploughing—was the great want. Note that in this country horses and mules are not safe, because of the sickness.

"I foresee that there is going to be the greatest trouble with the Rustenburg district in the matter of transport. There are two great ways of access: (1) the road from Pretoria over Commando Nek, and (2) the road from Krugersdorp over Oliphant's Nek, by which I have come. At present supplies are being sent here *via* Commando Nek with *Traction Engines*. These, as you know, have many

adventures, but, for the present, they no doubt answer more or less well, and relieve the ox-transport on which the strain in other directions is so enormous. But I fear that, when the rains begin, traction engines, which already show a tendency to stick on the heavy ground, will find this road impassable. In that case we shall have to rely on animal traction, whether we use the one road or the other. It has occurred to me that, perhaps, the oxen I saw south of the Berg were being kept for that purpose.

“—, who is in charge of the Repatriation Depôt here, . . . tells me that he has 22 mobile waggons at present, and will need at least 20 more when the engines are laid by. It is the very devil having to dispense with the engines in the summer, unless they can be used to advantage elsewhere. It is worth considering—a mere suggestion, there may be insuperable difficulties—whether the Krugersdorp road, which is excellent over nine-tenths of the way *for a South African road*, might not be patched at the few very bad places sufficiently to enable the engines to use it.

“Another thing *re* Repatriation. I believe it has been already suggested. I think it would be useful to have an inspector at each Repatriation Depôt to go round and see what the people are actually doing with their seed, etc., and what they are really most in need of.

“I met the Repatriation Commission here . . . I feel sure this district will be well worked, and that they will make the best of their material, *if* we can only get it to them. That is the crux.

“Some compensation questions cropped up at the Commission. I think this work, too, will be well done. I told them that, subject to the instructions they have received, or may receive from time to time, the Government wanted to leave them a free hand and rely on their good sense and local knowledge. I mentioned, not as binding on them, but as a good plan, what the Rand Commission are doing about British claims, *viz.*, (1) rejecting all trumpery claims, even if genuine—as for a kit-bag or an umbrella, and (2) rejecting claims, even for substantial amounts, from rich people, where the loss, though in itself considerable, is a *fla-bite to them*.

“The object of compensation is not to recoup everybody—an impossibility—but to help those whose losses have been heavy, *in proportion to their resources*, to make a fresh start.

“This is a long screed, and hurriedly written. I shall send another budget from Zeerust.”

The "trek" was resumed at 2 o'clock, when an intelligence agent joined the party.

"We rode over Magato's Nek, over the battlefield of Moedwil (Sept. 30, 1901) and to Koster's river, where we bivouacked for the night. Henley and Brooke, who left Rustenburg with the transport several hours before us, had pitched our camp, so we were very comfortable this night. We found a lot of returning Boers occupying a large tin house near our camping ground, and had a long talk to them. After dinner a game of Bridge and early to bed. We had ridden about 20 miles.

"The sky had been overcast most of the afternoon, but it cleared in the evening, and we had a lovely night.

"*Sunday, 14th September.*—Up early. Camp was struck before 7, so as to give the transport a start. Breakfasted in the open air. Had some more talk with the Boers we saw last night and some others, and started about 8. — of the S. A. C. left us here, and — took us on. He is in command of the next ward, stretching to Groot Marico. By 11.30 we reached the site of Col. Hoare's camp at Elands River, where the gallant defence of the Bushmen occurred in July 1900. A number of graves mark the spot, and there were also the skeletons of many hundreds of animals still to be seen. On the next rise was a police post, where we lunched. This is the headquarters of —'s troop. We had ridden 17 miles. The transport started off again at 1, we riders at 2.30. It was a hot afternoon, so we moved slowly. Seven miles further on we came to a police post and a store kept by a man called —, with whom I had some talk. We reached Wonderfontein on the Groot Marico river, which is the boundary of the Rustenburg and Marico districts, at 6.30. Crossing the Groot Marico, just before our halting-place, we found one of our waggons, containing the tents, badly stuck in the drift. It was only extricated by a party under Brooke's command after some hours. Hence we were late at dinner, and only one tent was pitched. Fortunately the night was very fine. We had ridden 38 miles in all.

"*Monday, 15th September.*—Up before 7. There are quite a number of S. A. C. officers at Wonderfontein. We started at 8.30 for Zeerust. The road was for the most part through a well-watered, fertile, and pretty country. We stopped for half an hour at a farm belonging to some brothers called —, who are said to be very bitter. On my way I had some talk with Captain —. Major — met us a little way out of

Zeerust, which we reached at 1.30. Distance 24 miles. We had travelled slowly as the day was hot.

"At Zeerust I was met by — the R. M., and a man called —, who is a trader here, and at whose house I am putting up with Lambton, the others being in the hotel. After lunch there was a meeting of inhabitants in the Court House, whom I briefly addressed. Afterwards I had some talk with the leading men, —, —, formerly Field-Cornet, who is a member of the Repatriation Commission, —, the English parson, and —, the Dutch parson. Back to my office for tea. . . ."

On Tuesday (16th) Lord Milner began the day with the despatch of a telegram to the Secretary of State in reply to an enquiry as to the advisability of allowing the Boer "delegates"—*i.e.*, the Boers who had gone to Europe to obtain political assistance in 1900—to return to the new colonies.¹ He then inspected the school and the Repatriation office and store. This done, the party rode through a "beautiful and fertile country" for eighteen miles to Otto's Hoep, which was the headquarters of a troop of police, where the night was spent.

"*Wednesday, 17th September.*—After inspecting the police we proceeded to ride to Lichtenburg. The country is totally different from that which we have been traversing hitherto. It is a flat upland, very stony, with little grass and only a few stunted trees. Near Malmani Oog, about six miles out, we came upon a large very poor-looking family, squatting in a tumble down farm and complaining of want of everything. I had a long talk to the man, and tried to explain to him what to do. He seemed very helpless. We halted at midday, having ridden 18 miles, at a place called Uitgevonde, where there is a police post, for lunch. Here I found a man and his wife, with their few belongings, living in a tent. They came from Klerksdorp camp and wanted to go to Zeerust, but had been dumped down on the road with a tent and a month's rations, and could not get on. I promised to try and relieve them from their fix. . . ."

¹ This matter was, of course, left in Lord Milner's hands. On 7th November (1902) Mr Schalk Burger wrote to ask if he would advise Mr Chamberlain to allow Messrs Fischer, Wolmerans, and Wessels to return. They would, he promised, "work willingly under the new Government." These three were allowed to return—early in 1903—but not Mr Reitz or Dr Leyds.

Lichtenburg (31 miles ride from Otto's Hoep), where Lord Milner was received by the Resident Magistrate, was reached at 5 o'clock. After tea he saw some of the Dutchmen— —, son of the General, Commandant —, and one or two others. The night was spent at the hotel, and on the following morning (Thursday, the 18th) at the Resident Magistrate's office, he received visits from — and —, Field Cornet —, and others. He then met the members of the Repatriation Commission, and conferred with them until lunch time. After lunch he saw more visitors, and then went with the Resident Magistrate and Major Lambton to see the Repatriation Store and Transport Depôt, in the latter of which there were some 300 to 400 trek oxen being nursed into condition for transport work.

On Friday, 19th September, Lord Milner left Lichtenburg at 8, and rode for about thirty miles through a flat but more fertile-looking country to Kafir-Kraal, where the party out-spanned for lunch.

"At Kafir-Kraal," he wrote, "I had a long talk, in broken Dutch, to a man called —, just back from St Helena, who had a very big farm at that place. As usual there was a large family of all degrees of relationship. After a long rest we rode on to Hartebeestfontein, upwards of 16 miles, stopping on the way at another big farm, belonging to the brothers —, to one of whom I spoke. Here the people were beginning to resettle amid the ruins. All this country has been fearfully harried. We reached Hartebeestfontein after dark. The place is a total wreck. Brooke, who had gone ahead with the heavy luggage during the night, had pitched a very comfortable camp for us. We had dinner, and went to bed early, after a long and hard day. We must have ridden nearly 50 miles.

"*Saturday, 20th September.*—Up very early. Before leaving Hartebeestfontein I had a long talk to two brothers called —, and heard all their grievances. We rode off about 8 for Klerksdorp, stopping on the road to talk to a Lichtenburg Boer called —, who was returning with a very fine waggon and team—the best I have seen—from selling oranges at Klerksdorp. He was very sulky at first, but I presently got him into a better temper."

Outside Klerksdorp the party was met by Colonel

—, and a number of the townspeople, and escorted to the hotel. An address of welcome was then presented to the High Commissioner in the Market Square, and subsequently a number of other addresses were laid before him at the Magistrate's office. To all of these Lord Milner made brief replies. These ceremonies were followed by a luncheon at the hotel, at which he met the principal people of the town and neighbourhood. Then, the Diary continues,

"I went to the Burgher camp and Repatriation Depot. Had a long talk with —, —, and —, members of the Potchefstroom District Commission. Back to my train, very tired, for dinner and bed. G—— had come down with it from Johannesburg, bringing the mail and a lot of papers."

Among this "lot of papers" were the Cape journals containing the reports of the Suspension debate in the Legislative Assembly, which began on 11th September, the day on which Lord Milner had started on trek. On this date Mr Merriman had brought forward a motion condemning the petition for the suspension of the Cape Constitution; and in speaking in support of the motion he made a violent attack upon Lord Milner, whose letter to Sir W. Hely-Hutchinson he characterised as "a blazing indiscretion." While Lord Milner, he said, was shown to be "at the head of a conspiracy to do away with the rights of the people of that colony," Sir Gordon Sprigg would be handed down to posterity as its "saviour."¹ Did the High Commissioner, he asked, expect "to set up a sort of kindergarten of Balliol young men to govern that country?" This part of Mr Merriman's speech was described by Dr (now Sir Thomas) Smartt, who opposed

¹ It is noticeable that Sir Gordon Sprigg in speaking at an anti-suspension meeting held at Cape Town on 2nd June (*i.e.*, on the eve of his visit to England) used the argument, that while the destinies of the colony could be trusted to Lord Milner, and the (then) Unionist Government, the Unionists were likely to be succeeded in office by a Radical Government composed of Sir Henry Campbell-Bannerman, Sir William Harcourt, Mr Leonard Courtney, and others of the same school, and that it would be unwise to place the interests of the Loyalists in the hands of such men. The same argument was afterwards used in 1904 to favour the grant of Responsible, as against Representative, Government in the Transvaal.

the motion, as an "ill-judged, savage, malignant, and ill-mannered attack"; while on the following morning the *Cape Times* and *Argus* published long and effective articles in defence of Lord Milner's action and attitude on the Suspension question.

How Lord Milner himself regarded the matter at this time will be seen from the following words which occur in a letter written a few weeks later (24th October) to a correspondent in England.

"A great chance was lost when the Cape Parliament was allowed to re-assemble in its present form, and much mischief has resulted. At the same time, I am more than doubtful, whether any good could be done by raising the question of Suspension again at the present moment. Those who advocated it, when they did, have been completely justified, and there is no saying what we may see, and what action may be necessary hereafter, in the Cape Colony. But, for the moment, I am satisfied that the only thing to be done is for the Loyalists to fight as hard as they can, however much they are handicapped. If they could only get a good leader¹ and hang together, I believe a great deal might be done, though the Cape will always remain the Achilles' Heel of the British possessions in South Africa.

"Meanwhile, we must do all we can to push on the industrial and agricultural development of the Transvaal. This is becoming more and more the main string of our policy."

On the day following (Sunday, the 21st), the High Commissioner's train left Krugersdorp at six in the morning, and reached Potchefstroom, the old capital of the "emigrant farmers" north of the Vaal, at half-past seven. Here Lord Milner saw Colonel —, who was in command of the troops, and Major —, the head of the Military Compensation Board for this and the neighbouring districts. After these interviews he visited the site of the proposed model farm, and saw the settlers who had squatted on a part of it; and then on his return to the town he had a long talk with the Potchefstroom members of the District Repatria-

¹ Dr (now Sir Starr) Jameson had not come forward at this time; both in opposition and in office he subsequently displayed qualities of statesmanship which were of the greatest service to the Cape Colony and to South Africa, as a whole.

tion Board. At twelve the train left the station, and at four the party were back at Johannesburg. The entry in the Diary under this date concludes:—

“At dinner we had the Martial Law Commission¹ from England — Lord Alverstone, Mr Justice Bigham, Sir J. Ardagh, Cockerell and Mellor.”

Lord Milner lost no time in utilising the results of his personal observation on the veld. On the 24th, the Wednesday after his return, he had a long conference at Pretoria with Sir Arthur Lawley, Mr Patrick Duncan (Colonial Treasurer), and Captain Hughes (the Secretary to the Central Repatriation Board), at which the operation and methods of the repatriation machinery were fully discussed.

Two days later he embodied in a letter to Sir Arthur Lawley two important proposals on this subject; the establishment of an Advisory Committee to the Central Board and the development and improvement of the already existing system of inspection.

“Since we parted,” he wrote on the 26th, from the High Commissioner’s office, “I have been thinking continuously about Repatriation, and I have two considerations for your suggestion, which if there is anything in them, should be acted on without delay.

“I may say, by way of preface, that I am certain that we shall be exposed to great criticism on this subject, mostly unfair. Still it is desirable to disarm as much criticism as we can.

“The proposals I have to make will, I believe, ensure greater efficiency and also provide some answer to the attacks which will presently be made. My first proposal is to revive, and to give greater dignity and importance to, the Central Commission. (Not the Judicial Commission to examine claims, which is a different affair, but the Commission to control the Relief side of the work of the Local Commissions.) My original idea was to make the Repatriation Board at Pretoria an important body which would command the confidence of the public. In practice it has fallen into disuse—I do not know if it meets now, but in any case the whole of the work is controlled by Hughes under the super-

¹ Appointed to review the sentences passed under Martial Law on rebels and other offenders in the Cape Colony.

vision of Duncan. No praise can be too high for the work which they have both done, and it is for their protection, as much as for anything else, that I should like to see the Central Board constituted and active. What will certainly be said some day by our critics is that Repatriation was one of the greatest, if not absolutely the greatest, work before the new Government, and that it has been left in the hands of an official who, whatever his ability, is of comparatively minor status, and run as a sub-department of the Treasury. This will be mainly clap-trap, but it will be damaging clap-trap. . . . My idea is that it would be a good move for you, popular, calculated to strengthen your position and, at the same time, to conduce to efficiency, if you were yourself to initiate your Governorship by reviving the Repatriation Board and putting yourself at the head of it. I should not make it a big body, but I should be inclined to put at least one leading Boer upon it (he should be a man who has taken the Oath of Allegiance and is *bonâ fide* though not necessarily friendly to the Government) with one or two other men whom you might choose for their practical usefulness. The work would continue to be directed by Hughes, and you could not have a better man, but questions of policy would be decided on a higher authority than his or even Duncan's. . . .

"My second suggestion is that the system of inspection, which is very necessary and of which we were speaking the other day, should be somewhat altered from its original conception, and that instead of having an inspector attached to every Local Commission you should have, say six Inspectors attached to the Central Board, and reporting to it, who should be constantly on the move throughout the country, but who should each embrace several districts. I think this plan would conform more to uniformity of working and enable the districts to help one another. I fancy that the country is already sub-divided in this way for the purposes of controlling the transport, and it might be convenient that the areas of inspection should correspond with what I may call the Transport Areas. This, however, is a point upon which I speak without complete information.

"A great advantage of having a smaller number of Inspectors is that you could get better men and pay them higher salaries.

"I do not say that these ideas are necessarily right. You will, no doubt, consult Duncan, perhaps also Hughes, and form your own judgment, but I am very confident that it would be wise for us to strengthen ourselves betimes, both

to get the work done and to provide against the attacks which will certainly come. . . .

"It is worth considering whether the class of Inspectors whom I contemplate should be in substitution for, or in addition to, Local Inspectors, *id est*, men inspecting on behalf of each Commission. If both are necessary both should be employed. In a matter of this kind it is no use sticking at £5,000 or even £10,000 more or less, just as it is worth while to spend £200,000 more if necessary to get the draught animals, or anything else immediately required, *in time*."

Apart from the perfecting of the repatriation machinery no administrative advances marked the interval between Lord Milner's return to Johannesburg and the date of his next tour of inspection. None the less every moment of his day was fully occupied. There were the customary interviews with representative men of all sorts and conditions—financiers and journalists, miners and mine-owners, farmers, engineers, and the increasingly numerous visitors who had "run over" from England to see how the new South Africa was shaping. There were also, of course, constant conferences with the Lieutenant - Governors and the heads of Departments, and the protracted and almost continuous sittings by which the Executive Council endeavoured to keep pace with the administrative and legislative needs of a colony, as it were, beginning its corporate life all over again.¹

The repatriation of the Boers was the immediately necessary task of the Administration; and for five weeks out of the remaining three months of the year (1902) Lord Milner was "on trek." The week 6th to 13th October was spent in visiting the north-western districts of the Transvaal; between 28th October and 4th November he traversed the central and south-eastern parts of the colony; and on 24th November he started for his last and longest tour of inspection, which covered the whole of the Orange River Colony and

¹ From the necessity of presiding at these sittings, however, Lord Milner, was now to be relieved by Sir Arthur Lawley's presence. At the meeting of the Executive Council which began on 30th September, we find that the Lieutenant-Governor presided, and not as heretofore, the Governor, and in recording this meeting Lord Milner adds—"The last I shall attend."

the extreme south-western districts of the Transvaal, and lasted for just three weeks.¹ Lord Milner returned to Johannesburg late on the evening of 16th December, and from this time up to the New Year he was suffering more or less severely from the effects of sleeping in damp tents on the veld during the storms encountered during the last two days of this tour.

¹ While in the Orange River Colony, Lord Milner was accompanied by Sir Hamilton Goold-Adams and Colonel Pilkington.

CHAPTER V

FURTHER MEASURES OF RECUPERATION AND COMPENSATION FOR WAR LOSSES

WITHIN a week of Lord Milner's return to Johannesburg from his last repatriation tour, Mr Chamberlain arrived at Durban (26th December 1902). The visit of the Secretary of State to South Africa, permitting as it did of frequent and prolonged consultations with Lord Milner, cleared the way for the administrative reconstruction of the new colonies, and coincided, roughly, with the completion of the process of restoring the population of the late Republics to their homes. The consideration of Mr Chamberlain's visit, therefore, will be postponed for the moment, in order that the narrative of the repatriation of the Boers and the resettlement of the British inhabitants may proceed uninterruptedly to its conclusion.

In the two preceding chapters we have seen how the initial difficulties of the repatriation were overcome, and how large was Lord Milner's personal share in the work in its early stages. Had the Administration found nothing more to contend against than the original deficiencies of transport and supplies, in spite of the vastness of the country, and its denuded and devastated condition, the ex-burgher population would have been enabled to provide themselves with the necessaries of life within nine months of the peace of Vereeniging. As it was, however, the work of resettlement in both colonies was complicated and prolonged by two adverse factors, the one social and the other political, for which neither the wastage of the war nor the limited character of the resources at the disposal of the new Colonial Governments were responsible. The social factor was the

necessity for providing some permanent means of subsistence for the bywoner element in the Boer community; the physical, the accidental but singularly disastrous interference of Nature. For the occurrence of the first drought in the latter part of 1902, to which allusion has been made on more than one occasion, was followed by a second drought, severe beyond record in this land of droughts, in the year 1903—the very year in which the repatriated farmers were least capable of putting forth the additional efforts needed to combat and restrain its hostile influence, or of supporting the losses which it inflicted upon their crops and herds. As the result of these two factors, not only had a large part of the work of the Repatriation Departments to be done twice over, but an appreciable proportion of the ex-burgher population had to be supported for another twelve months.

The bywoner problem, which had appeared before the war, had its origin in the excessive sub-division of land under the local Roman - Dutch law of succession combined with the uneconomic character of the Boer system of agriculture. The farms apportioned to individual burghers upon the occupation of the country, being of the recognised size of 3,750 morgen (about 8,000 acres),¹ were sufficient even under the primitive methods of Boer farming to support more than the one family for whose maintenance they were originally intended to provide. For a time, therefore, the acquisition of new land from the natives together with the sub-division of the original farms—especially those where the land was of exceptional fertility—met the demand for new homes created by the natural increase of the Boer population. But concurrently with the development of gold mining on a large scale, and the consequent introduction of a considerable industrial population (1882-92) the time came when a limit was put both to the acquisition of new land and to the sub-division of the old. At the same time the Boer farmer, owing to his inability to adopt new and more profitable methods of cultivation, continued to require a large area of land, roughly 2,000 morgen, for the support of himself and his family; and therefore, except in the rare cases where the inheritor of the farm was an only son, it

¹ 1 morgen = 2,112 acres.

became increasingly necessary upon the death of the head of the family for one or more sons to seek a livelihood in the towns or to become bywoners, or squatters at will, upon the farms of their more fortunate relatives or friends. The former course was, however, rendered difficult by the circumstance that few young Boers had opportunities for learning a trade, while at the same time the growth of a town population, mainly of British or foreign extraction, which used up the local food supplies and required the importation of both food and other necessaries from over-sea, had raised the cost of living to all Europeans except the primitive and almost self-supporting farmers.

The social danger arising out of the increase of the landless and "poor white" class among the burgher population had forced itself upon the attention of the Boer Government, and it was put forward by Mr Merriman as an argument to be used for inducing President Kruger to extend the franchise to the Uitlanders, in the remarkable letter which he addressed to Mr Fischer, of the Free State Executive, upon the eve of the Bloemfontein Conference.

"I most strongly urge you," he wrote on 26th May 1899, "to use your utmost influence to bear on President Kruger to concede some colourable measure of reform, not so much in the interests of outsiders as in those of his own State. Granted that he does nothing. What is the future? His Boers, the backbone of the country, are perishing off the land; hundreds have become impoverished loafers, landless hangers-on of the town population. In his own interests he should recruit his Republic with new blood. . . ."¹

The bywoner problem, therefore, was not a new economic difficulty but an old one, which was, however, intensified and brought to a head by the wastage of the two and a half years of war. In the endeavour to provide permanent employment for the Boers of this class the methods pursued by the respective Governments of the two colonies were not identical. Owing to its better economic conditions the methods adopted in the Orange River Colony were less novel and complete, but more successful than those required in the Transvaal.

¹ Cd. 369.

In the former colony, as we have already had occasion to notice, the Government in dealing with the question relied mainly upon the endeavour to give such assistance to the bywoners as would make it worth while for the Boer landowners to reinstate as many of them as possible in their old positions upon the farms. But during the period that the Boer landowners were themselves being conveyed to their homes and re-established on their farms—that is to say, during the twelve months following the declaration of peace—special measures were taken to provide a means of subsistence for the bywoners and other indigent whites. Early in July 1902, a Relief Works Department was constituted “to offer employment at a fair living wage to all in need of such relief, until such time as their original employers should be in a state to receive them, or until other means should offer for their permanent disposal or settlement.” The works set on foot by the Department consisted principally of dams and other irrigation works on Government farms—a kind of employment which was both productive of material benefit to the colony and at the same time familiar and congenial to the bywoners. And at a later date the construction of a five-mile section of the new Thaba'nchu-Ladybrand railway was undertaken. The wages paid by the Department were at the rate of 4s. 6d. for an eight hours' day for men, with proportionately lesser rates for women and boys; and at the end of January 1903, according to the Report¹ of the Director of Relief Works for the Orange River Colony, there were five camps established, so distributed as to serve the whole area of the colony, in which collectively 1,218 men, 1,471 women and children, 326 children at school, and 31 sick persons (in hospital or otherwise) were accommodated. The total expenditure of the Department, including administrative costs, wages and tools, up to the date of this Report was returned at £27,113, 11s. 8d. And after the Repatriation Department in this colony had been converted into the “Government Relief Department” (1st May 1903), these and similar public works were kept in operation. As, however, persons who were not able to support themselves were not compelled by law to join the

¹ In Cd. 1551.

Relief Works, a considerable number of bywoners and other indigent whites continued to receive rations from the Government up to the time when, on 30th June 1904, the Relief Department was finally closed down. From the nature of these measures, which were frankly temporary and palliative, it is apparent that the better material position of the burgher population in the Orange River Colony, together with the less complex economic conditions of the colony as a whole, prevented the bywoner problem from assuming the same importance here that it did in the Transvaal.

In the Transvaal the question of providing for the landless Boers was a much more serious matter. The measures adopted in this colony for the solution of the bywoner problem had their origin in the special arrangements made for the resettlement of the 1480 National Scouts and other Boers, who had taken service with the British forces, designated collectively the "ex - military burghers." Upon the conclusion of the war leave was obtained from Lord Kitchener for the military organisation and depôts of the National Scouts and other burgher volunteer forces to be maintained as long as might be necessary to enable the men to be provided with a means of livelihood. Thanks to the representations of Major E. H. M Leggett, R.E., who had served as Staff Officer at headquarters for the Scouts and the Orange River Colony Volunteers, in addition to drawing an extra month's pay and retaining a supply of waggons and teams, the scouts were allowed to keep their ponies, and in many cases to secure the much coveted permit right to possess a rifle and ammunition. Other burghers who had rendered miscellaneous services to the British military authorities were permitted to share these benefits; and subsequently the arrangements for the repatriation of the ex-military burghers, as a whole, were placed in the hands of Major Leggett. Among them were many bywoners; and it was to find employment for this section of the ex-military burghers that Land Settlements were originally formed. Later on, bywoners and other indigent Boers who were not ex-military burghers, but for whom no other provision could be made were placed in the same or other settlements, which thus

lost their distinctive "military" character, and became known collectively as the "Burgher Land Settlements."

The Burgher Land Settlements, thus brought into existence, and supervised by Major Leggett under the title of "Director," were constituted through the agency of groups of landowners and others, termed Farmers' Associations, which were established at Standerton, Middelburg and Belfast, North Pretoria, the Vaal River, Potchefstroom, and Klerksdorp. The general plan of the Settlements was this: The Associations acquired land under conditions permitting them to guarantee to the settlers a minimum seven years' tenure of their holdings, and provided them with buildings, and, where necessary, with the use of animals and implements for ploughing; the Government paid to the Associations £1 for every £1 of capital spent by them in the equipment and working of the settlements, the total sum so advanced being repayable in five years and bearing interest at 5 per cent.; and the settlers on their side undertook to render to the Associations a part of the annual crops reaped upon their respective holdings—namely, one-half where the settler, and two-thirds where the Association, provided the ploughing animals and implements. While rendering the due proportion of their crops, the settlers enjoyed the right to pasture a specified number of horned and other animals on their own account, and were entitled, under certain conditions, to share in the profits of the respective Associations.

The following account of the measures thus adopted for the solution of the bywoner problem in the Transvaal was given by Lord Milner to Mr Chamberlain:—

"Even before the war," he wrote,¹ "the wealthier farmers were becoming very intolerant of the increase in the number of these poor relatives, who were more a burden to them than a help, and since the peace many of them have shown a very marked reluctance to take back their former quota of bywoners.

"As a matter of fact there was much reason for this. The status of the bywoner was good neither for the bywoner himself, nor the landowner, nor the country. It may, therefore, be a blessing in disguise, that the embarrassment of

¹ In the Repatriation Despatch of 14th March 1903, in Cd. 1551.

many landowners, consequent upon the war, has brought the bywoner problem to a head and forced the new Government to take the matter up, though the particular moment of its having to do so, when its hands were so full of other matters, was perhaps not a convenient one. The question arose in the first instance over the repatriation of certain National Scouts or other 'ex-military burghers,' as for convenience we may describe the whole class of those, who, in the later stages of the war, had rendered assistance of whatever kind to the British Forces. As you are aware, the military staff and organisation of the National Scouts and other Burgher Volunteer Forces was, by the Commander-in-Chief's orders, kept up at the close of the war so far as was necessary to look after the members of those forces until they had been re-started in civil life. The assistance given by the Civil Government was on the same scale and governed by the same principle as the assistance given to all other ex-burghers who stood in need of it, but among themselves the 'ex-military burghers' had this organisation of their own to look after their interests and make the help given by the Civil Government go as far as it could. The organisation, which was in charge of Major Leggett, provided for a number of the 'ex-military burghers' in various employments, such as the South African Constabulary, the Railway Workshops, Public Works, the Post Office Department, and also assisted a number of them to return to the land. In their settlement on the land, however, those of them who belonged to the bywoner class met with even greater difficulty than the bulk of the bywoners, the general reluctance of the landowners to take back the bywoners being, in some cases, aggravated by political differences. And even where they were taken back, the ex-military bywoners found themselves unpleasantly situated and exposed to social ostracism. To meet this difficulty, a plan was devised to collect 'ex-military burghers' of the poorer class upon a certain number of farms capable of closer cultivation, which were either owned or hired by wealthier men in political sympathy with them, or at least not bearing them any grudge. This plan had two advantages. It protected the 'ex-military burghers' socially by bringing a number of men of the same sympathies together. And it was also sound economically, for it helped to turn men of the bywoner class from comparatively useless hangers-on on large pastoral farms, where most of their time was wasted in doing nothing, into peasant farmers on land suitable for agriculture where, given some security of

tenure, they only needed industry and perseverance to greatly improve their economic position and at the same time benefit the country. For it is part of the new scheme that the bywoners, where thus grouped on agricultural farms, should not be mere squatters at will and 'poor relations,' but should come under a definite contract to the landowner, receiving a fixed proportion of the produce of the land which they severally cultivated, and being secure in their occupation of it for a number of years.

"This system, however, was no sooner started for the benefit of the 'ex-military burghers' of the bywoner class than its obvious advantages led to its extension to a great number of men of the same class who were not 'ex-military burghers,' including not a few of those who had fought to the last. Applications poured in from bywoners of every shade of political sympathy, and Major Leggett and his fellow-workers wisely decided to make no distinctions, but to extend the system of these burgher settlements so far as they were able to procure suitable land and owners or capitalists willing to promote the scheme, and to embrace bywoners of the 'wild' Boer class as well as 'ex-military burghers' and men who had surrendered and remained neutral, provided they were willing to drop past animosities and live peaceably together. The result has so far been, alike from the social and economic point of view, remarkably successful. Several thousand landless men, who would otherwise have drifted into the towns, are at this moment working hard as agriculturalists under conditions of security they have never yet enjoyed and with good prospect not only of maintaining themselves, but of gradually acquiring a small capital. Men who have been divided by the most bitter animosities and who, not long ago, were fighting against one another, are living peaceably side by side and show every sign of forgetting the past in their common interest in their present occupation, and in the prospect of an economic independence which they have never before enjoyed. Moreover they are for the first time learning to farm on improved principles. The Boers of the bywoner class are, like all their countrymen, marvellously handy, and quick to pick up improved methods. They are without equals in the management of every sort of animal. But the bulk of them have hitherto never come across any but the most primitive agricultural methods or instruments, and excellent as they have always been in handling animals, they have had very little notion of improving the breed of

stock In these Burgher Settlements, where the land is owned or has been leased by people with a large command of capital, able to import good stock, to employ machinery to carry out a proper system of irrigation and, generally speaking, to farm well, the tenants will rapidly pick up a better system of cultivation. And if, as is to be hoped, they ultimately become small owners, either of their present holdings, or of some part of the vast Government estate at present unsurveyed or inaccessible, they will be in a position to turn the land to account as they never were before. At the biggest of the Burgher Settlements, that at Potchefstroom, a number of Italian peasants, and some British farmers also, are mixed with the Boers, and the latter are showing great interest in what was unfamiliar to them in the methods of their new fellows. A settlement of this kind, if it proves successful, is likely to become a practical school of agriculture. The accidental necessities of one section of the bywoner population has thus led to the development of a system which is calculated to be of great benefit to them all."

These measures for the solution of the bywoner problem were not by any means ill-designed or ill-executed; yet in the event comparatively few of the Boer or British¹ settlers thus established on small holdings succeeded in making a permanent livelihood by agriculture for themselves and their families. In reviewing the work of the Land Departments of the Crown Colony Administration it will be necessary to return to the subject of these Burgher Land Settlements; but it may be said at once that the root-cause of failure was the incapacity of the holdings, due to a conjunction of conditions adverse to agriculture, to provide both a livelihood for the settlers and a commercial return on the capital invested by the Associations. In other words, the settlers could afford to pay little or nothing by way of rent, while the Associations, having paid high prices for the land, could not afford to forego any appreciable portion of the rent (or its equivalent), if they were to secure a return over and above the sum sufficient to pay the interest on their borrowed capital. In these circumstances it is not surprising

¹ These are distinct from the "British Agricultural Settlers" (who had farms, not small holdings).

that the Associations generally failed, and the Government, having foreclosed as mortgagees, were compelled either to close down the settlements, or maintain them out of the public funds. Nevertheless, as will appear in the sequel, some of the original settlements have survived; other similar settlements have been started since the grant of responsible Government, and the Burgher Land Settlements, as a whole, fulfilled the immediate purpose for which they were established—namely, to provide a means of livelihood for the bywoners and other indigent Boers during the abnormal period of the repatriation, which at any rate would prevent this unfortunate class from becoming either more numerous or more demoralised.

The second of the two special evils by which the normal difficulties of the repatriation were intensified was the unprecedented drought which occurred in the year 1903. The adverse effects of this physical evil were felt not only in the main work of the repatriation, the reinstatement of the Boer landowners who formed the bulk of the ex-burgher population, but also in the allied undertakings of providing for the bywoners and placing British agricultural settlers on the land.

As we have seen, thanks to the energy of the Repatriation service, and especially to the perambulating ploughing teams, a "fairly large" mealie crop—the crop upon which the country population of the new colonies mainly depended for subsistence—together with "a considerable amount of forage, potatoes, and other vegetables," was sown by the repatriated burghers by the end of the year 1902. The cultivation and sowing of the land, however, had been impeded by the lateness of the rains which are due in the South African spring months (September to November). But this initial disadvantage was as nothing compared with what was to follow. Although no reliable records of meteorological observations have been kept in the new colonies until recent years, sufficient data are in existence to enable us to realise the exceptional character of the drought which prevailed, varying, indeed, in degree in the different districts, from the beginning of the year 1903 to the opening weeks of 1904. From hearsay and other

evidence we know of the occurrence of droughts in South Africa in 1821, 1841, 1862, and 1883. Observations taken at Bloemfontein over the period 1879-1901 show an average annual rainfall of 23.86 inches, with a maximum of 34.57 and a minimum of 16.05 inches. This latter was the record of the drought year 1883. Taking the first nine months of the year only, the minimum rainfall recorded was 11.82 inches in 1886. The figures for the corresponding period of 1903 are 8.90 inches; and in the opinion of Mr Beak the drought of this year in the Orange River Colony surpassed the "great drought" of 1862, and, indeed, that of any former year of which any remembrance is preserved.¹ In the Transvaal the actual drought was less extreme, but its effect upon the country population was more immediately disastrous owing to the greater extent, and less advanced condition, of the rural areas in this colony. And, moreover, in the northern colony the long period of rainless weather caused the prevalence of locusts, which in many districts devoured even the scanty crops that had escaped destruction from the drought.

The circumstance that the worst drought on record should have occurred in the one year in which the inhabitants of the new colonies were least able to support such a visitation, and at a time when both the Government and the people were straining every nerve to repair the ravages and waste of the long war, is in itself sufficiently remarkable. But the irony of events was emphasised by the fact that the preceding seasons, during which agriculture was almost entirely arrested by the war, were all good, and the last, that of 1901-2, extremely good.

"The first and most pressing problem—that of providing from the land the absolute necessities of life for the people during the ensuing year—seemed to have been more or less solved. Ill-fortune, however, has pursued us even in this respect. During the war the seasons as a whole were good; last year extremely good. But this year, as bad luck would have it, there is over large tracts of both colonies, though not absolutely everywhere, a very exceptional drought. After

¹ "Aftermath of War," pp. 168-9; to which I am indebted for the statistics given in the text.

all the strenuous efforts, alike of Government and people to get seed into the ground, there is, I fear, a great probability, amounting in some districts to an absolute certainty, that the crops will not ripen. At the present moment the number of people being supplied with food by the Government is comparatively small. But we have to face the contingency of seeing that number increase to a considerable extent though not, of course, to anything like the figures of last winter, during the next six months. For this reason the Governments of both the Transvaal and the Orange River Colony are keeping a very large number of transport animals and vehicles in hand. The expense is heavy, but we have no option, as, in the absence of such provision, the people in many districts might be exposed to actual famine during 1903. This must, of course, at all hazards be guarded against, and it has been guarded against.”¹

Thus Lord Milner wrote to Mr Chamberlain on 14th March 1903. His apprehensions, and the precautions to which they gave rise, were only too completely justified by the event. The mealie crop, sown under such difficulties in 1902, was “an almost complete failure.” The wheat crop sown in April 1903, proved in many places “a total failure,” and elsewhere a scanty yield, when, in September, the time came for harvesting it. The cost and labour required for the upkeep of the Repatriation Stock and Transport animals were largely augmented; since the grass of the veld, the natural and convenient sustenance of such animals, was diminished in quantity, and deteriorated in quality, while at the same time the inability of the repatriated farmers to take over fresh stock in view of the deficiency of pasture compelled the Departments to retain and support a large number of animals, which, but for the drought, would have been distributed many months before.

To sum up: the original provision of seeds and stock calculated to make good the wastage of the war, had to be followed by a fresh provision of seeds and stock to replace the wastage of the drought; much of the work of repatriation and resettlement had to be done twice over; and the country population had to be fed by Government, not only for the nine months anticipated—*i.e.*, to the end

¹ Cd. 1551.

of March 1903—but for twelve or thirteen months in addition—*i.e.*, to the end of May 1904.

“That a bad season,” wrote the Administrator of Relief in the Bloemfontein district in September 1903, “should be followed by what promises to be one of the severest droughts which this country has ever experienced is a disaster that is likely to frustrate all the past efforts of the Government in repatriating farmers.”

The Caledon river, for the first time in the memory of man, ran dry; and the wheat crop failed in Basutoland as elsewhere. In the Orange River Colony even the natives required relief; all who lived by the cultivation of the land, bywoners, natives, and landowners, claimed, and obtained, the assistance of the new Government.¹ Consequently, through no fault either on the part of the Administration or on that of the ex-burgher population, but simply through the act of God, the machinery of repatriation had to be maintained, although the scope of its operations was gradually reduced, for more than twice the period which would otherwise have sufficed.

On 1st May 1903, the Repatriation Department of the Orange River Colony became the “Government Relief Department,” and the Orange River Colony Repatriation Department in this form was closed down on 30th June 1904. But while it was found that in the lesser colony the people had become practically self-supporting by the end of May 1904—just two years after the surrender of Vereeniging—in the Transvaal the work of relief was continued for some months longer. It was, however, possible to bring the general issue of rations to a close by the end of March 1904, and from this date rations were supplied only to “aged and decrepid persons,” and this limited issue was in turn largely reduced by the end of July 1904. It remained, however, besides providing for the few indigent persons that still required assistance, to dispose of the surplus stores and stock; and the subsidiary branches of the Department employed in this work were not closed down until 31st October. Even then the services of the

¹ “Aftermath of War,” pp. 190-2.

few highly trained officials in the Accountancy Branch were retained for the preparation of the final balance sheet, and the books of the Department were at last closed on 31st March 1906. In the meantime—*i.e.*, in 1903—the Colonial Office had sent out an auditor to examine the Repatriation accounts in both colonies. This task occupied three years, and the defects which it disclosed will be discussed subsequently.

The results of the work accomplished by the Transvaal Repatriation Department during the two years and four months of its active existence are thus presented by Captain Hughes, the Secretary to the Central Board :—

“It is not to be supposed that as a result of the Department’s labours, the country population were restored to the condition in which they had been before the war. To have effected this in the time and with the difficulties which confronted the Department would have been impossible, even if it had been attempted; what has been done, however, is that a great part of the country population of the Transvaal have been enabled to tide over the period immediately succeeding the war, when they had no means of supporting themselves, and have been placed in such a position as to enable them to resume their normal occupations. They are to-day in the position of being able to maintain themselves independently of Government assistance. That there is still poverty in the country, and a very great deal of it, is not denied, but absolute destitution, except in a few cases, is unknown. The assistance given by the Government, through this Department, has been such as to give the people the necessary wherewithal to begin again, without impairing their spirit of independence or tending to demoralisation.”¹

The funds available for the repatriation of the ex-burgher population of the two new colonies were the £3,000,000 free grant and £5,000,000 allocated to this purpose out of the Development Loan, to the issue of which the Home Government had agreed in principle when the repatriation commenced, although the actual amount to be borrowed, and the terms of issue, were not definitely arranged until Mr Chamberlain’s visit to South Africa in 1902-3.

¹ “Reports and Financial Statements, etc.,” Pretoria, 1906.

With the exception of the initial and subsequent "free" issues of rations, seeds, implements, etc., the cost of the stock, stores, seeds, etc., otherwise supplied by the two Repatriation Departments to the ex-burghers was regarded as an advance to be paid for in the first instance out of the proportion of the free grant to which the individual ex-burgher might prove to be entitled under Article X. of the Terms of Surrender, so far as the amount awarded in each case would suffice. The £3,000,000 free grant was, therefore, spent in providing the repatriated Boers at once with the elementary necessities which they required. Of the £5,000,000 taken from the Development Loan, £3,000,000 was assigned to provide funds for the loans promised under the Terms of Surrender, and £2,000,000 was allocated to cover the administration expenses of the two Repatriation Departments.

In the event much more than this sum of £8,000,000 was spent upon the repatriation. Independently of the £3,000,000 free grant, a total sum of over £9,000,000 was drawn from the Transvaal Treasury for the repatriation expenditure in both colonies, and thus the £5,000,000 originally allocated was exceeded in the first instance by over £4,000,000. A considerable proportion of this excess (approximately £2,500,000) was, however, subsequently recovered.

As the administration of the Development Loan, when raised in 1903, was vested in the Inter-Colonial Council (established in June 1903), the two Repatriation Departments upon closing down handed over their assets, in the shape of recoverable debts, to this body. The Repatriation Recoveries Department accordingly transferred to the Inter-Colonial Council, as at 31st March 1906, assets of the total (nominal) value of £4,151,252, 6s., of which £554,126, 12s. 8d. was paid in cash (being the loans, etc., then repaid *less* expenses of administration), and £3,597,125, 13s. 4d. was the balance of the recoverable debts due to the two Departments (£3,104,797, os. 2d. to that of the Transvaal, and £492,328, 13s. 2d. to that of the Orange River Colony).

In the statement of the Public Debt of the several

colonies at 30th May 1910, issued upon the establishment of the Union, the expenditure finally assigned to repatriation in the two new colonies was £6,584,513, 17s. 1d., of which £5,305,100, 14s. was apportioned to the Transvaal, and £1,279,413, 3s. 1d. to the Orange River Colony.

Closely allied to this strictly repatriation expenditure was the amount expended on compensation for war losses. The sums available under this head were the £2,000,000 voted by the British Parliament in November 1902, as compensation for the war losses incurred by British subjects and foreigners in the two new colonies, and the £4,500,000 paid by the War Office to defray the liabilities incurred by the military authorities during the war on account of (1) stock and goods purchased or commandeered, and (2) the war losses of "protected burghers."

Of this repatriation expenditure, amounting collectively to £16,084,513, 17s. 1d., £6,584,513, 17s. 1d. was borne by the Colonial Governments, and £9,500,000 was charged to the British Exchequer. Of this latter total only the £2,000,000 grant, and the nearly £2,000,000 available for the "protected burghers" out of the War Office payment, were compensation for war losses in the strict sense of the term. As, however, the claims upon all the three funds charged to the British Exchequer—*i.e.*, the £3,000,000 free grant, the £2,000,000 voted by Parliament in November 1902, and the £4,500,000 paid by the War Office—were ultimately assessed by a single body, the Central Judicial Commission, sitting at Pretoria, the distribution of the gratuitous relief and the satisfaction of outstanding military liabilities came to be identified with the payment of compensation for war losses both in the minds of the recipients of the gratuitous funds, and from an administrative point of view. The three funds are, accordingly, dealt with under the title of "Compensation" in the Blue-book (Cd. 3028) published in August 1906, upon which the detailed statements of the distribution of these funds, given in the Appendix to this chapter, are based.

The Central Judicial Commission, the body before which all claims upon these three funds were ultimately brought for adjudication, was appointed on 23rd October 1902, and

issued its final report on 28th February 1906.¹ The total number of the claims investigated was 63,079, and the total sum awarded and distributed was £9,500,000. The South African Deportation Commission held its first meeting on 30th April 1901, and its last on 13th November of the same year. The claims dealt with were 227 in number.²

All sums allowed for claims under these three funds were paid out at the principal centre of each district in the two new colonies, and the claimants were able to cash the cheques at the local banks. A much shorter period than the three and a half years actually consumed in the investigation and assessment of the compensation claims would have sufficed for this purpose, had not the normal difficulties of the Commission been increased by the illiteracy of the Boers and by the number of dishonest claims which were put forward. As examples of these latter the following cases, taken from the pages of the Report of the Central Judicial Commission, may be placed in evidence.

“One claimant asked compensation for war losses. On investigation it was found, and claimant under examination on oath admitted, ‘I started the war with nothing, and I lost nothing.’” . . . “One spinster claimed compensation for ‘loss of honour,’ because the man with whom she was cohabiting had during the war been deported by the military authorities.” . . . “Another claimant asked that he be paid compensation for war losses for clothes worn and food consumed while he was on commando.” . . . “Another claimant asked that he be paid compensation for certain fowls which appear to have been killed and eaten. He also asked that a sum of £45 be paid to him for the value of the eggs which the fowls might have laid, had they not been destroyed. He also asked that, in addition to the value of the fowls and the

¹ Presented to Lord Selborne by Major T. M. M’Inerney, chairman of the Central Judicial Commission. Cd. 3028.

² Mr Beak compares the action of Great Britain in respect of promptitude in dealing with the compensation for war losses with that of the United States and France. Under Article XII. of the Treaty of 8th May 1871, between Great Britain and the United States, certain claims arising out of the war of 1865 were examined by a Commission. This body met on 26th September 1871, and held its last meeting on 25th September 1873. The claims brought before it were 497 in number, and the sum awarded was £390,000. “In France, after the war of 1870-71, the first act dealing with compensation was passed in 1871. The last payments were made in 1879.” (“The Aftermath of War,” p. 255).

value of the eggs which those fowls might have laid had they not been turned into an article of diet, he be paid the sum of £509 for 'moral indemnification' for the loss of the fowls."

It remains to consider the spirit in which this unprecedented liberality on the part of the British Government was received by the mass of the ex-burgher population. Unfortunately there can be only one opinion upon this point. All payments from these three funds were regarded alike as a partial and tardy satisfaction of a debt due legally to the individual recipient; and thus regarded, they evoked not gratitude, but disappointment and irritation. No more reliable witness on these matters could be found than Mr Beak, whose exceptional knowledge of repatriation work has been noticed before. The Boers, he writes, entertained the idea that the £3,000,000 grant was

"to be paid in compensation for war losses, that the moneys expended on repatriation and relief were not compensation, and that the £3,000,000 still remained untouched. All classes in the community entertained the erroneous belief that they were entitled to compensation and indemnification which would place them in as flourishing, or even more flourishing a position than they occupied before the war."¹

The delay, largely due to many Boers being unable to read or write, was confounded with niggardliness of intention. It was commonly said that "the funds devoted to compensation were being pocketed by the Claims Commissioners. . . ." And "the system of allowing protected burghers to obtain prompt relief by giving them at once 50 per cent. of their assessed claims was generally regarded as a swindle."

When the repatriation was accomplished the methods and expenditure of the two Departments were subjected to a searching official examination, and to some criticism on the part of the general public both in South Africa and in England. As already noticed, the Colonial Office sent out an auditor so soon as the virtual completion of the work of restoration permitted the accounts of the Departments to be

¹ "Aftermath of War," p. 259.

made up. This officer, in addition to the District Inspectors of accounts already in the employment of the Departments, engaged a separate staff which was established in independent offices at Bloemfontein and Pretoria. But even so, it was found to be impossible to give effect to the complicated instructions of the Colonial Office. In order to bring the enquiry within the limits of practical attainment, the auditors employed were directed to ascertain that (1) all transactions were properly vouched, and (2) charges for administration were according to the authorised establishment; (3) stocks and stores purchased were properly disposed of and accounted for; and (4) the scheme of Repatriation was properly carried out as defined in the Terms of Surrender, and any subsequent instructions issued to the Departments.

The audit, thus limited, proved, however, to be so laborious that it lasted from 1904 to 1907, occupying a longer period than the Repatriation itself, and adding appreciably to the heavy expenditure already incurred on repatriation account by the Administration.¹

The defects of administration, which, in the opinion of the auditor, were revealed by the examination of the accounts of the two Repatriation Departments, may be grouped under the four heads of (1) bad accountancy, (2) uneconomic buying of supplies, (3) excessive surplus of stores, etc., upon closing down, and (4) criticisms of particular transactions.

A brief consideration of these complaints will enable the reader to decide for himself whether such defects as a whole could have been avoided in the exceptional circumstances of the time and place, without incurring the far more serious losses which would have resulted from delay. The original allocation of £5,000,000 was exceeded in the event by £1,584,513, 17s. 1d. But the plain fact is that nobody knew, or could know, how much the repatriation would cost, and the amount of this appropriation was, therefore, purely hypothetical. What was known and recognised was the fact that the population of the two colonies must be restored to their homes at all costs and at the earliest possible moment; since any gain from administrative economies effected at the price

¹ "Aftermath of War," pp. 213-4.

of a delay in the resumption of their industries by the people, would have been negligible in comparison with the loss of national wealth and revenue which such delay would inevitably have entailed.

The instructions on the subject of accountancy issued on 21st June 1902, to the chairmen of the Local Repatriation Commissions in both colonies contained the following directions :—

“ All expenditure in connection with the Commission is to be drawn from the Treasury (*i.e.*, of the Transvaal) by a requisition signed by the Chairman. A special banking account is to be opened by him for the purposes of the Commission. A cash book is to be kept showing payments made for the purposes of the Commission. A return is to be rendered to the Treasury at the end of every month on Form No.1 (Audit) showing the expenditure on salaries and other charges incurred by the Commission. The original receipts are to be attached. A transcript of the cash book must also be attached.”¹

The instructions issued to the Superintendents of the depôts were equally precise, and the account books, printed forms, etc., with which they were supplied, were those agreed upon as between the financial authorities of the two Colonial Governments and the Repatriation Departments.

Nothing could have been better calculated to secure correct accountancy than these instructions, and the provision made for putting them into effect. None the less the circumstances in which the repatriation was carried on in its early stages made correct accountancy impossible—impossible, that is to say, without sacrificing the supreme object of the Departments, which was not merely to restore the ex-burgher population to their homes, but to do this so promptly that the rural industries might be set going again as nearly as possible *pari passu* with those of the towns.

The moment peace was assured the Repatriation Departments, the nuclei of which had been formed by Lord Milner, were required to be expanded rapidly to their full comple-

¹ “ Instructions for the guidance of Local Commissioners,” Cd. 1551.

ment of officials, and the whole departmental machinery had to be set in motion immediately. Plainly it was no easy matter to provide men who were competent in point of technical knowledge and education, while at the same time possessing the moral and physical qualities necessary to enable them both to play successfully the part of Government officials, and to endure the rude conditions of life to which they would be subjected. Where it would have been easy to obtain a hundred suitable applicants in England, and under English conditions, it was difficult to secure one in the Transvaal and Orange River Colony under the then existing conditions of those colonies.

“As soon as depôts were opened,” writes Captain Hughes, “they were at once required to issue stores under the severest pressure so as to avert absolute want among the people, and in the extreme urgency of organising and equipping the depôts with their staffs, a certain number of men were placed in the positions of accountants who were not qualified to carry out their duties; these weak appointments were remedied as opportunities offered.”¹

And it was in view of this deficiency of *personnel* that a staff of inspecting accountants was formed.

Mr Beak gives us a vivid picture of the circumstances in which the Local Commissioners, as well as the depôts, commenced their work in the Orange River Colony, and he renders the connection between these circumstances and the faulty accountancy perfectly intelligible. It was impossible, he says of this colony, to find twenty-two competent accountants at a moment's notice, and the difficulty was increased by the fact that, when the repatriation commenced, the Irregular Corps, comprising the best civil material for such work, had not yet been disbanded.

“The district repatriation officers, especially the secretaries and accountants, had, like the Resident Magistrates, to be taken almost entirely on trust. Forms had to be evolved to suit the exigencies of the Department, and these had to be printed and sent out to the districts. Postal communication between the districts and the head office was infrequent

¹ “Reports, etc.”

and irregular, owing to the great distances which had to be covered, and to the scarcity of transport and inhabitants, and it was sometimes weeks before the local accountant, when appointed, found himself in possession of the requisites necessary to carry out his work.

“Meanwhile the Resident Magistrates had got out to their districts, and the local Boards had been formed. The position at the time, then, was this: The Central Board was engaged in ascertaining the requirements of each district; in purchasing stock, seed, building material, farm implements, food-stuffs; in confirming loans made by the Local Commissions; and in deciding the questions of principle which from time to time arose. The Local Commissioners were employed in returning families to their farms; in transporting supplies, which were being received from the military and from the head office, to the district depôts; in issuing rations; in granting advances of stock, stores, and cash, to individuals; and in generally supervising the control and management of large mobs of draught animals which had been taken over from the military, and which demanded a considerable amount of attention on account of their wretched and diseased condition. In addition to repatriation work, the Chairman of the Board, whose duty it was to supervise the accounts, had his own magisterial duties to perform, and could not always be on the spot owing to his absence on other duties, such as inquests, periodical courts, etc. The Commissioners had their own private business to attend to. Consequently to a great extent in many districts the details of the accounts were left in the hands of the secretary, who was also the accountant, assisted in the first instance only by an issuer and head conductor, for it was not until most of the mischief had been done that the Central Board granted the extra clerical assistance which was so essential. The majority of the accountants were untried and unproven men, who in most cases had to pick up the details of the work as best they could. Several of the Magistrates, and many of the accountants were still further handicapped by ignorance of the locality and the inhabitants.”¹

The almost complete absence of the “plant” of a civilised community in the rural districts of the Transvaal, and the greater distances which separated these districts

¹ “Aftermath of War,” pp. 215-6.

from the towns and the railways, made the conditions under which the repatriation officials worked in this colony even more harassing and onerous than those described by Mr Beak as prevailing in the Orange River Colony.

There is, however, one criticism bearing upon this question of accountancy which merits attention, because it touches a vital point in the discussion—namely, whether the Administration and the heads of the Repatriation Departments did, or did not, make the best use of the material at their disposal.

“A considerable saving would probably have been effected,” the Auditor-General of the Transvaal writes, “had a more extensive use been made of the Burgher Camps Department. The machinery was in full working order at the time peace was declared; the officials were accustomed to the receipt and issue of stores and the proper accounting thereof, and also experienced in dealing with burghers and their families.”¹

Now this is a criticism which, if it were well founded, would reveal a serious error of judgment upon the part of the Administration. But a reference to the preceding narrative will show that the complaint is not only unfounded, but that it is one which could scarcely have been made by a person familiar with the actual circumstances in which the repatriation was commenced and carried on. During the first two or three months after the surrender of Vereeniging the system of the burgher camps formed an integral and vitally important adjunct to the repatriation machinery. It was in these camps that the ex-burgher population were received, sorted out, transferred when necessary to other camps, equipped with necessaries, and finally handed over to the Repatriation Transport to convey to their homes. During the months in question, and when the strain upon the repatriation service was greatest, there was little or no diminution in the burgher camp population; since the removal of part of the original inhabitants of the camps proceeded *pari passu* with the arrival of the successive

¹ “Report on the Accounts of the Transvaal Repatriation Department,” dated 5th May 1906.

shipments of the 25,000 over-sea prisoners of war.¹ But while the ordinary work of the officials in the camps was not lessened, a great deal of additional work in the shape of the identification of burghers, the preparation of correct lists of the detachments sent to the various repatriation districts, the equipment and despatch of the outgoing parties, and the reception of the in-coming prisoners of war, was thrown upon them. Plainly, then, in these months of June, July, and August 1902, any reduction or weakening of the *personnel* of the Burgher Camps Department would have been highly impolitic, even if it had been possible. But it was in June that the accountants and subordinate officials of the Repatriation Departments were appointed, and it was during these first three months that competent accountants, storemen, and other officials were especially required to man the Local Commissions and the depôts. By the time that the population of the burgher camps began to be reduced appreciably, and the staff of that Department began to be available for other employment, the most difficult part of the work of the Repatriation Departments was accomplished. So far as the deficient accountancy goes, the mischief was done.

In short, when the *personnel* of the Burgher Camps Department was wanted by the Repatriation Departments, it was still more wanted by its own Department; when it was available, the Repatriation Departments had got the hastily improvised local staffs into fairly good working order. Obviously the Repatriation authorities could not, with any show of justice, then discharge their own officials—the very men to whose efforts, strenuous and successful as a whole, it was due that the population of the burgher camps had been so quickly reduced, and the *personnel* of that Department thereby set free for other employment. What they did do was to draw upon the Burgher Camps Department for the men required to fill the vacancy created by the discharge of the obviously incompetent officials whom they must in any case have dismissed. To have done more than this would have been to seethe the kid, not indeed in its mother's milk, but in its own.

¹ See chap. ii. p. 26.

The charges under the head of "uneconomic buying of supplies," brought against the Departments, resolve themselves into the allegation that the system of public tender ought to have been adopted, and that for all supplies purchased from merchants the Departments should have taken delivery at the depôts, and not at the ports.

"An immense saving might have resulted," writes the Transvaal Auditor-General, "if contracts for purchases had provided for delivery at the depôts where the stores were required, then only the actual certified deliveries need have been paid for, and heavy charges for Port Agents' staffs, etc., would have been avoided."¹

Here again is a complaint which could only have been put forward in ignorance or forgetfulness of the actual conditions under which the repatriation commenced. The system of purchase by public tender is one, the adoption of which would have been both proper and feasible had these conditions been normal. At the time the repatriation commenced, and for many months afterwards, the conditions of the new colonies and of South Africa in general were extremely abnormal. The merchants had no stocks in the country from which to draw. Had the merchants tendered to provide the Departments with supplies, they could only have undertaken to obtain them from over-sea sources and to deliver them at the ports; for what prospect would they have had of getting their consignments up from the coast by rail at a time when, owing to the requirements of the military authorities, the Civil Government itself had the utmost difficulty in securing the forwarding of the supplies needed for the support of the civil population already existing in the new colonies?—when, indeed, it was unable to get the repatriation stores, waiting at the coast, placed upon the trucks which had been assigned to it by agreement with the military authorities, until the Departments had appointed separate agents of their own to prevent this Government truckage from being absorbed by the military traffic. Again, what prospect had private firms of obtaining transport to carry their consignments

¹ In the "Reports, etc.," previously cited in the text.

from the railway to the up-country depôts, when all the available transport in the new colonies was in the hands of the military authorities or the Repatriation Departments? In the Orange River Colony, which, from its greater proximity to the coast and its better roads, was more favourably circumstanced in the matter of transport than the Transvaal, the system of public tender was at first attempted. Here, says Mr Beak, "at the commencement the Department called for tenders, and advertised both in the Orange River Colony press and in that of the adjoining colonies."¹ There was no response. In both colonies the railways were congested by the traffic incidental to the return of the Army, business was disorganised, ordinary methods of commerce were suspended. So far from the private merchants being able to do better than the Government, they sought the good offices of the Repatriation Departments to enable them to fulfil their existing engagements for the supply of the retail dealers in the towns.

The one circumstance that made the immediate commencement of the repatriation possible, was the fact that the nuclei of the repatriation services in both colonies had been created before peace was in sight. Even so the work could not have gone forward as it did, without a break from the very day that the last commando laid down its arms, except for the existence on the spot of the surplus army stores and transport. These, as we know, the Administration took over on the rigorous terms upon which the army authorities insisted. After all the army supplies of good quality had been secured, orders for further supplies were given to firms at the coast. It was in order to secure the safe and rapid transit of these over-sea supplies that the port agents were appointed—a measure which was amply justified by the results obtained. Under normal conditions the system of purchase by public tender, with delivery at the several depôts by a specified time would have been adopted, and such a system would no doubt have relieved the Departments of a great deal of their most responsible and arduous work. But to have relied upon the ordinary methods of purchase and delivery under the abnormal con-

¹ "Aftermath of War," p. 217.

ditions that actually prevailed, would have been futile. The Departments had to buy not upon any system, but when, where, and how the circumstances of the moment afforded them a reasonable prospect of seeing their orders executed. Afterwards, when the railways had ceased to be congested, and the business conditions of the two colonies had become more normal, it might have been possible for private merchants to contract to deliver supplies at the repatriation depôts on and off the railways. But by this time the Repatriation Transport Service was completely organised and in full working order; and the Departments would have gained nothing by paying private firms to perform a service which they were capable of performing more expeditiously and more economically for themselves.

The Repatriation Departments were severely criticised on account of the excessive surplus of stores held by them upon their closing down. "Huge stocks," writes the Accountant-General of the Transvaal, "remained on hand . . . indicating that the requirements had been greatly over-estimated." But the Departments claim that the large surpluses were due not to any want of care or skill in buying supplies, but to the shifting conditions and changing needs of the repatriated population on whose behalf they were made. The greatest care, says Captain Hughes,¹ the Secretary of the Transvaal Department, as to quality, price, and quantities was exercised; but the quantities of the various supplies ordered were very difficult to estimate owing to the fluctuating numbers and circumstances of those of the ex-burghers who required relief. And Mr Beak, in replying to the same criticism on behalf of the Orange River Colony Department, points directly to the main cause of this fluctuation—the great drought of 1903.

"So far as anything is known of the certainties, or rather uncertainties, of the South African climate, 1904, instead of being a favourable season, should have been the climax of the drought. The purchaser of supplies was still haunted by the cries for food which had characterised the early days of repatriation, and he determined to err on the safe side."²

¹ "Reports, etc."

² "Aftermath of War," p. 222.

In short, after the experience of the first fifteen months of the repatriation, there were two courses before the Administration. The first was to keep the stores down to the limit which would suffice if a normal season followed in 1904, and thereby run the risk of being unable to support the country population in the event of the season proving to be abnormal. The second was to provide supplies sufficient to meet the utmost demands that might be made upon the Repatriation Departments in any event, and thereby run the risk of incurring a considerable financial loss. The second course was, in the circumstances, obviously the right one; and it was this course that the Administration adopted.

So soon, however, as it was known that the surplus stores would not be required, they were disposed of to the best advantage. Under the scheme of liquidation formulated for the Transvaal Repatriation Department, the surplus stores at the several depôts were sold after the end of March 1904. It was at first proposed to sell the whole of the surplus supplies to a single firm. Except, however, in the case of the Pretoria surpluses (which were large) this course proved impracticable; and the stores were consequently sold by public auctions held throughout the Transvaal. The surplus stock remaining at the depôts was in the first instance handed over to the Transport Branch of the Repatriation Department. It was then offered for sale, together with the transport animals and vehicles, at auction sales; and finally the repatriated animals and gear which remained unsold were taken over by the Transvaal Agricultural Department on 31st October 1904, when, as we have seen, the Repatriation Department, with the exception of the Accountancy Branch, was closed down.

The low prices realised by these surplus supplies, which materially increased the total loss on trading account incurred by the Repatriation Departments of both colonies, are in part to be attributed to the fact that the military authorities were at the same time disposing of large quantities of army stores and supplies. The circumstance which, as already noticed, was due primarily to the unaccommodating attitude assumed by the military authorities upon the declaration of peace, was most disastrous. Not only did

the financial interests both of the War Office and the local Governments suffer through the competition between their respective agents, but the trade of the new colonies was adversely affected. Private firms, which by this time (1904) had brought into the country large imports of provisions and other supplies, complained that they were subjected to heavy losses through being undersold by the vast quantities of tinned food, forage, and other articles with which the market was glutted by the military and repatriation sales.

With regard to the "criticisms of particular transactions," it must be remembered that while the Repatriation Departments endeavoured to purchase only such stock, implements, seeds, and supplies as they believed to be suited to the needs and conditions of the ex-burgher population, they had no power to compel the farmers to take over the purchases thus made on their behalf. Not only, therefore, might a change of agricultural conditions, such as the prevalence of drought or the outbreak of a cattle disease, render purchases suitable at the time of ordering, unsuitable, either in character or amount, at the time when they were actually offered to the farmers, but it not infrequently happened that some fortuitous accident, or some apparently unreasonable prejudice in the minds of the Boers, caused both stock and supplies to be thrown on the hands of the Departments. The item of 7,000 merino rams imported by the Orange River Colony Department, but rejected by the Boers merely because they had lost condition on the voyage to South Africa, is an example of the kind. In this case, there appears to have been no error of judgment on the part of the Department, as the rams were suitable in themselves to replenish the flocks of the colony, and were badly needed by the farmers. But on arrival the animals were found to have lost condition on the voyage, and on this account the Boers refused to have anything to do with them. The Department, as the legal purchaser, had to bear the loss. And there were many more such cases of losses which become perfectly intelligible when once the exceptional conditions under which they were made are realised, and when, in particular, it is remembered that the Departments, the legal purchasers, had no power

to prevent the farmers, for whom the animals were bought, from refusing to take the stock, however eccentric and unreasonable the grounds of their refusal might be.¹

Attention is drawn in the Report of the Accountant-General of the Transvaal to two other instances: the purchase of £10,000 worth of seed potatoes in New Zealand, which being found on arrival to have become almost valueless in the course of the long voyage, were sold for what they would fetch at the port, since they were not worth the cost of forwarding by rail to the Transvaal; and a large consignment of harrows, purchased for £45,000, which became a dead loss to the Department, because the Boers declared that they were unsuitable, and refused to use them.

In respect of such transactions it was not contended by the Departments that neither errors of judgment nor miscalculations had been made. They claimed, however, that having regard to the difficult circumstances in which the purchases were made, the errors and miscalculations for which the officials could be held directly responsible did not exceed, either in number or character, the limit which should be held permissible, or rather unavoidable, when a rapidly created and temporary Government organisation is called upon to carry out transactions of such magnitude and complexity with a despatch dictated by urgent political and economic necessity.

It remains to notice that upon the establishment of Responsible Government in the Transvaal a Committee was appointed in 1907 by General Botha's ministry to examine the complaints of over-charges for stock and supplies, which had been put forward by the burghers against the Repatriation Department of this colony. The Committee, which consisted of Messrs Loveday, Schalk Burger, and Lindsay, owed its origin more to a desire on the part of the Boer leaders to justify their persistent and jealous criticism of the Crown Colony Administration,²

¹ "Aftermath of War," p. 221.

² For the attitude of the Boer leaders during the Crown Administration, see forward chap. viii. pp. 157 *et seq.*, and especially chap. xvii. ("The Boers and the New Government").

and the specific pledges to reduce repatriation charges given to their supporters in the political campaign which preceded the general election of February 1907, than to any genuine belief in the reality of the alleged injustice. Its Report, published in 1908, found that for rations, seeds, building materials, agricultural and other implements, the ploughing of land, horses, sheep, harness and vehicles, the charges were fair and reasonable; but that the prices for oxen, donkeys, and mules were excessive, and it recommended, therefore, that a discount of 25 per cent. should be allowed on cash payments in respect of the purchases of these animals. Both the finding and the recommendation are based upon two untenable assumptions: (1) that the military authorities should have sold the animals in question not merely at, but below, the market value on the ground that they sold in bulk; and (2) that the Civil Administration could have compelled the military authorities to accept payment on this basis by postponing the removal of the ex-burghers from the camps to their homes. Moreover, assuming for the moment that at the cost of some months' delay, involving direct and indirect monetary losses many times as great as the highest value of the gain to be secured, the required reduction could have been obtained, and that therefore the prices charged in respect of these oxen, donkeys and mules were "excessive," by parity of reasoning the Committee should have recommended that additional payments should have been made by the burghers in respect of the far more numerous cases in which, as we have seen, the Department sold at a loss, and in respect of the conveyance of animals and goods to the farms—a service for which, though not technically gratuitous, no charge was made, and the performance of which materially increased the net cost to the Department of the animals and goods supplied.

On the strength of this Report certain sums were written off the burghers' debts to the Repatriation Department more than once under Responsible Government. The reductions, however, were made generally in respect of animals which were shown to have died shortly after they had been purchased; and the action of General Botha's ministry in

regard to this matter cannot be said to have exceeded the limits of the political "dole."

To revert to the narrative, the Orange River Colony Department was closed down on 30th June 1904, and that of the Transvaal on 31st October in the same year. Before these dates the surplus stores and transport had been sold to the best advantage in accordance with the scheme of liquidation adopted in both colonies. It remained, however, to make provision for, first, the collection of the debts due to the Departments arising out of loans, interest on loans, and other recoverable repatriation expenditure; and, second, the administration of the compensation funds, which had been carried out hitherto by the Repatriation Departments. The first of these duties was handed over to the respective Treasurers of the two Colonial Governments (by whom the cash and assets then accruing were eventually transferred, on 31st March 1906, to the Treasurer of the Inter-Colonial Council), and the second to the Central Judicial Commission before which the compensation claims were brought for adjudication.

The reinstatement of the population of the late Boer republics in their homes and industries, thus accomplished at the cost of over £16,000,000, was a measure without precedent in the annals of history. As a political transaction it must always rank among the greatest achievements of European statesmanship; and the manner of its execution was as meritorious to the officials of the new colonies as was the transaction itself creditable to the British nation.

CHAPTER VI

THE TRANSVAAL AND DELAGOA BAY

WE have seen by what methods, and at what expenditure of effort and treasure, the Boers were restored to their farms, supplied with stock, and enabled to rebuild their homesteads and resume the cultivation of the land. But the accomplishment of this task was not allowed to prevent, or retard, the execution of any of the measures deemed by Lord Milner to be necessary for the reinstatement of the urban population, or the resumption and development of their industries. Among these latter the gold industry was beyond comparison predominant, whether we regard the number of the persons to whom it gave employment, directly or indirectly, or the amount of its contribution to the revenue of the Transvaal, and to the railway revenues of the Orange River Colony, the Cape, and Natal. Yet no sooner was peace declared than signs were revealed that this industry, and the numerous and enterprising community to which it had given birth, were threatened with an economic disaster of the first magnitude in the shape of an unparalleled deficiency of native African labour.

Lord Milner, upon whom rested the main burden of responsibility for the peace and well-being of the new South Africa, had served in Egypt as under-Secretary for Finance in the Khedive's Government. In reviewing his experiences in these two countries, he was accustomed to say that South Africa was singularly "unfortunate" as compared with Egypt. The remark was amply justified. Animal diseases, insect plagues, and drought beset the work of repatriation; but these were as nothing compared with the shortage of native labour throughout South Africa, which in

the new colonies from the first impeded, and subsequently actually arrested, the development of the gold mines and the construction of public works, and thereby threatened to disorganise the entire fabric of the reconstruction. A deficiency of unskilled labour was no new thing in the industrial history of South Africa; but there was no experience in the past to lead him to anticipate that the resumption and expansion of industries, and the rapid construction of railways and other public works, which followed the declaration of peace, would be accompanied by an appreciable shrinkage in the number of the native labourers hitherto available for the service of the European communities. As it was, to an increased demand was added a decreased supply; and the two combined to produce in the new colonies a scarcity of labour which was as unprecedented in the economic sphere as was the drought of 1903-4 in the physical.

In the course of the first six months of the year 1903 the labour question will assume an importance in comparison with which all other matters will sink into comparative insignificance. For the moment, however, it will suffice to recall two facts: (1) without an abundant and economic supply of unskilled labour, gold could not be extracted profitably from the ore of the Witwatersrand; and (2) the prosperity of the gold industry was essential to the prosperity, and therefore to the financial capacity, first of the Transvaal, and then, in a scarcely less degree, of all British South Africa, with the single exception of Rhodesia. In these circumstances the grave difficulty in obtaining an adequate number of African labourers for the gold mines, which was experienced directly after the peace, was a matter which naturally engaged the anxious attention of the Transvaal Government. Nor is it surprising that the first action taken by Lord Milner, apart from the measures immediately concerned with the Repatriation and the establishment of the Civil Government, was one which aimed at augmenting the labour supply of the gold industry, and diminishing the cost of the food and materials imported from over-sea for the European population of the Rand, by winning the confidence and goodwill of the Portuguese authorities at Delagoa Bay.

Lord Milner's official visit to the Governor-General of Mozambique occupied the three days, 11th to 13th August 1902.¹

Apart from the general advantages of a good understanding with the authorities of a neighbouring power, there were two respects in which the active co-operation of the Mozambique Government was of direct importance to the Transvaal. In the first place something like two-thirds of the native South African labour employed in the Witwatersrand mines was imported from Mozambique; and in the second, Delagoa Bay was the natural port of the Transvaal, and, as such, the development of its railway and shipping accommodation was a necessary factor in the industrial reconstruction of the two new colonies. The difficulty then, as afterwards, was to offer such a share of the Rand traffic as, while it would be sufficient to induce the Mozambique authorities to co-operate in both these respects, would yet not be great enough to injure the two British coast colonies by withdrawing from their ports and railways the lucrative through traffic upon which the financial stability of both the Cape and Natal Governments so largely depended.²

When, therefore, in the November of the last year (1901) the exigencies of the military situation had at length permitted the British refugees to return to the Rand in considerable numbers, and it had become necessary to secure the co-operation of the Portuguese authorities without delay, the needs of the moment had been satisfied by the arrangement of a working agreement, known as the *Modus Vivendi*, which was made between the High Commissioner for South Africa and the Governor-General of Mozambique on 18th December 1901. The immediate

¹ The province of Mozambique is the official designation of what is known more generally as Portuguese East Africa. Lord Milner left Johannesburg by train for Delagoa Bay on the evening of the 10th. On the preceding day (9th August) the postponed coronation of King Edward VII. took place at Westminster, and he had taken the salute, as the King's representative, at the Coronation parade held at 10 A.M. in the Market Square of Johannesburg.

² It should be remembered that if the advice tendered by the late Sir Bartle Frere had been followed, Delagoa Bay would have been purchased by Great Britain (after the MacMahon award), and all the difficulties arising out of the conflict between the British ports and Delagoa Bay would have been avoided. See "Lord Milner's Work in South Africa, 1897-1902," p. 29.

purpose of this instrument was, as stated in the preamble, to re-establish the *status quo ante bellum* as between the two Governments of the Transvaal and the Province of Mozambique. In particular the facilities for the recruiting of native labour and for access to the port of Delagoa Bay, enjoyed by the Government of the late Republic, were to continue to be granted to the new Government of the Transvaal, so long as the tariffs and classifications of goods in force upon the various South African railways before the war, under which a substantial proportion of the Rand over-sea trade had passed through Delagoa Bay, should remain unaltered. The produce and manufactures of each country were to be admitted free by the Government of the other as heretofore; and in these, and in other respects, it was agreed that the changes brought about by the war should not interrupt the industrial relationships of the two countries.

The temporary agreement thus negotiated by Lord Milner was destined to play a considerable part in what may be termed the Inter-Colonial politics of South Africa. With certain slight modifications, made in 1904, it governed the commercial and industrial relations of Mozambique with British South Africa for nearly eight years—that is to say, until it was ultimately superseded by the Ten Years' Agreement made in 1909 between the Transvaal and Mozambique Governments, but made with the assent of the other South African self-governing colonies, and intended to be adopted by the Union of South Africa, then in the throes of its birth. An account of its more important provisions has been given, therefore, in an appendix to this chapter. There is, however, another circumstance which invests the document with interest. As an agreement for the importation of foreign labour, it does not differ in its essential provisions from the agreement between the British and Chinese Governments of 1904, under which a supplementary supply of unskilled labour was obtained from China, subject to the terms and conditions of the Transvaal Labour Importation Ordinance. In recording the political agitation to which the employment of coolie labour in the Transvaal gave rise, we shall have occasion to refer to this aspect of the *Modus Vivendi* in greater detail.

On the present occasion the immediate objects sought to be obtained by personal consultation with the Governor-General were the more effective working of the native labour provisions of the *Modus Vivendi*, and the improvement of the port of Delagoa Bay; but apart from these matters Lord Milner desired especially to remove that suspicion of sinister designs on the part of the British Government, which had been hitherto so deeply rooted in the mind of the Portuguese authorities both in Mozambique and Lisbon. In his intercourse with the Governor-General he, therefore, adopted himself, and invited his host to adopt, a tone of absolute frankness. The disappointing results of the *Modus Vivendi* in respect of the influx of native labour from Mozambique, he pointed out, were in part to be attributed to an inclination to place obstacles in the way of the recruiting agents of the Rand Native Labour Association on the part of the local Portuguese officials. For this attitude there was no excuse, since the new Transvaal Government was resolutely determined to improve the general conditions under which the African native worked on the gold mines, and in particular to ensure a strict observance of all the provisions of the *Modus Vivendi* governing the employment of natives from Mozambique.

The same spirit marked the discussion of other matters. In reply to a complaint of the Governor-General that the facilities for civil traffic between Lorenzo Marques and the Transvaal, which were promised in the *Modus Vivendi*, had not been supplied, Lord Milner pointed out that the Civil authorities in the Transvaal had suffered in the same way; but that as the demand upon the railways made by the military authorities decreased, more rolling stock would be available, and promised that as soon as possible additional trucks should be apportioned to the Delagoa Bay line.

On the general question of the conflict of interests between the British ports and Delagoa Bay, Lord Milner was able to make it plain that any unreasonable jealousy of the development of Delagoa Bay could not command his sympathy, since he regarded the development of Delagoa Bay as almost as much in the interest of the Transvaal as it was in that of Mozambique.

And in discussing the general principles upon which questions arising out of the improvement of the railway and harbour accommodation of Delagoa Bay should be approached he urged that, while politically there should be no interference on either side—a position not inconsistent, however with the maintenance of the most friendly relations—commercially, the Province of Mozambique and the Transvaal should be regarded as partners, and as such should cooperate completely in the development of their common interests. In pursuance of this policy, Lord Milner expressed the hope that the Province of Mozambique would send a representative to the forthcoming Customs Union Conference, since, from a business point of view, the Chemins de Fer de Lorenzo Marques and the joint railways of the new colonies were one system, of which the port of Delagoa Bay was a branch. And in this connection he mentioned that negotiations were in progress with the coastal colonies for the reduction of the 3 per cent. transit duty,¹ charged by them upon traffic carried over their lines to the new colonies. Would the Government of Mozambique take a similar step? he asked. The reply was the welcome assurance that, if the Cape and Natal reduced the duty to 1 per cent., a similar reduction would be made in the Mozambique transit duty.

Three months later (20th to the 22nd November), Lord Milner received a return visit from the Governor-General. The occasion was marked by an unusual display of ceremony, and everything possible was done to show deference to the official guest personally, and to prove that there were good and sufficient reasons why the British Government should wish to promote the commercial development of Mozambique, and yet have no intention, or desire, to impair the sovereignty of Portugal in its East African possessions. The High Commissioner, accordingly, drove in state to meet the Governor-General at the Park Station with a guard of honour furnished by the Argyle and Sutherland regiment; and an official dinner was given in the evening. On the day

¹ In the case of the coast colonies this charge was made nominally to defray the cost of collecting, and accounting for, the duties levied at the ports upon goods destined for the inland colonies—*i.e.*, the Transvaal and the Orange River Colony.

following the Governor-General was taken over the Robinson mine, and subsequently a number of deputations, representing the Rand industries chiefly concerned in the development of Delagoa Bay and the maintenance of the supply of native labour drawn from the Province of Mozambique, were introduced to him. At the same time the long conversations, which again took place between him and Lord Milner, helped materially to confirm the good understanding between the two Governments which was destined eventually to make Portuguese East Africa virtually a part of the commercial system of British South Africa.

Not only was advantage taken of the presence of the Governor-General at Johannesburg to enable him to assure himself by personal observation both of the excellence of the arrangements made for the accommodation of the Mozambique natives during their period of employment in the mines, and of the magnitude of the industrial and trading interests which were directly concerned in the provision of increased railway and harbour facilities at Delagoa Bay, but one particular offer on the part of the Rand capitalists to assist in the development of the port was recommended to him by Lord Milner as being deserving of his approval and co-operation. This was the proposal to construct a railway from the Swaziland coal fields to a point on Delagoa Bay, the necessary funds for which the firm of Eckstein, with the support of certain other financial houses, was ready to provide forthwith. The consent and co-operation of the Portuguese authorities was a necessary preliminary to the undertaking, since the greater part of the line—*i.e.*, the section running from Umbelosi Poort to the Bay—would be in Portuguese territory. Lord Milner himself was prepared to give his approval and cordial, though unofficial, support to the project, on the ground that this line, if constructed, besides accomplishing its immediate purpose of rendering the development of the Swaziland coal beds possible, would at the same time constitute the first section of a second and more direct line connecting Delagoa Bay with the Rand. The Governor-General was furnished, therefore, upon his arrival at Johannesburg with full information upon both the objects sought to be accomplished

by the promoters of the line, and the methods by which the Mozambique Government might co-operate with them to the advantage alike of Delagoa Bay and the Transvaal.

In order to understand the significance of this proposal and the favour with which it was viewed by Lord Milner, it is necessary to make a brief reference to the circumstances in which the original and existing railway communication between the Transvaal and Delagoa Bay was established, and to the political considerations which had led the Imperial Government to regard with disfavour the employment of any capital other than Portuguese or British in the further development of this port.

By an agreement made with Portugal in 1875, pending the decision of the MacMahon arbitration,¹ Great Britain obtained the right of pre-emption of the southern shore of Delagoa Bay. Sixteen years later under Clause VII. of the Treaty of June 1891 (by which instrument the frontiers separating the British and Portuguese possessions in Africa south of the Zambesi were permanently settled²), the British Government obtained a preferential right to purchase any part, or the whole, of the Portuguese possessions within the scope of the Treaty in the event of the Portuguese Government desiring to dispose of them, in whole or in part. At the same time a corresponding right in respect of the British possessions in Africa south of the Zambesi was given to the Portuguese Government; since, in (the late) Lord Salisbury's opinion, thus to give a reciprocal character to the clause would, without altering its actual effect, spare the patriotic sentiment of the Portuguese nation from any unnecessary wound. Meanwhile the development of the Witwatersrand gold fields and the consequent rise in wealth and population of the South African Republic were bringing about a revolution in the fortunes of

¹ England disputed the right of the Portuguese Government to claim the southern portion of the Bay and the land thence to the Swazi and Tongaland borders. The claims of the two Governments were submitted to the arbitration of Marshall MacMahon, then President of the French Republic, who decided in favour of the Portuguese contention.

² The delimitation of the vague Portuguese inland frontiers was rendered necessary by the occupation of a large portion of South-Central Africa by the British South Africa Company, and the consequent foundation of the Colony of Rhodesia.

the Province of Mozambique, which compelled the British Government to use its "preferential rights" under the Treaty as a means of protecting itself against the attempts made by the Boers, in virtual alliance with Germany and Holland, to obtain political control of Delagoa Bay by purchasing commercial "concessions" from the Portuguese Government. While the ultimate object of these attempts was the establishment of a German Protectorate over Delagoa Bay, the immediate industrial prize, for which both Germany and the Boers intrigued, was the Lorenzo Marques Railway—*i.e.*, the comparatively short line which was to connect the port of Delagoa Bay with the railway from Johannesburg and Pretoria, then about to be constructed by the Netherlands South Africa Company.

The history of the Lorenzo Marques Railway is eventful and significant. A concession to construct a railway from Lorenzo Marques to the Transvaal frontier was granted by Royal Decree to Mr MacMurdo, an American, on 14th December 1883. MacMurdo himself failed to get the capital needed for the undertaking, but a British company, technically a shareholder in the original company, came to his assistance, and after various delays the line was constructed. On 25th June 1889, however, the Portuguese Government seized the railway in circumstances which made their action of doubtful legality.¹ In the following year the matter was referred to arbitration, the British Government claiming £1,138,500 on behalf of the British company, and the United States £760,000 on behalf of MacMurdo's widow.² In the meantime (on 14th September 1889) the Portuguese Government had come to a tariff arrangement with the Boer Government, in consequence of which they completed the 9 kilometres of the Lorenzo Marques line, while the Netherlands South Africa Company began active work upon the Transvaal railway. In this manner the entire Pretoria-Delagoa Bay

¹ Since the line was surveyed the frontier between Mozambique and the Transvaal had been freshly delimited, with the result that it was placed 9 kilometres beyond the point reached by MacMurdo's line. The Portuguese Government granted an extension of time, but the allowance was quite insufficient for the purpose. On MacMurdo's failure to construct the additional 9 kilometres within the time allowed, they exercised the right—reserved in the Concession—to take possession of the incomplete railway.

² MacMurdo himself died in May 1889.

line was finished by the end of 1894, and formally opened for traffic in July 1895.

The claims of the British company and MacMurdo's widow were brought before three Swiss jurists, appointed by the President of the Swiss Republic; and after prolonged delays the Berne Award, given in 1900, found that Portugal was justified in seizing the railway, but condemned her to pay the sum of 15,314,000 francs by way of compensation to the concessionaires. This amount was at once raised by loan from the Portuguese Tobacco Company, and paid over by the Portuguese Government.

Up to the date of the Anglo-Portuguese Convention (1891), the only practical results which these efforts on the part of Germany had secured was the formation of the Netherlands South Africa Railway Company. This company had its origin in a concession, giving the sole right to construct and work railways in the South African Republic (the rights of the Government itself only excepted), which was granted in 1884; but it was not constituted in an effective form until three years later. It was nominally a Dutch company, domiciled at Amsterdam, but the greater portion of its funds had been obtained from German sources. The Boer Government was believed to hold more than half of its shares, and in 1896 the estimated value of its share capital and loans was little short of £7,000,000. To what extent the Netherlands company was intended to be—and in fact was—in time of war the instrument of the Boer Government may be seen from Article XXII. of the Concession.

“When there is danger of war, in the actual time of war, or in case of internal disorders, the Government, in the interest of the defence or of public order, may have the control of the railway and of everything required for the use of the same, and suspend the ordinary traffic thereon, wholly or partially, and order all such measures as appear to it to be necessary, with reservation of compensation to the concessionary.”

The establishment of this company was a considerable achievement, but from the date of the seizure of the Lorenzo

Marques Railway by the Portuguese Government up to the time of the Jameson Raid the efforts of Germany to obtain a footing at Delagoa Bay became more persistent and more determined. The German and Transvaal offers to purchase the Lorenzo Marques Railway in particular, and all manner of commercial and territorial concessions in general, from the Portuguese Government, provoked counter offers from Rhodes personally, and from the Government of the Cape Colony, of which he was then Prime Minister. In 1891 Rhodes made proposals for the cession of Delagoa Bay to the Cape; in the early months of the following year Lord Rothschild was making advances in concert with the Cape Government for the purchase of the entire possessions of Portugal in Africa, south of the Zambesi; and in April of the same year (1892) Mr Rochfort Maguire went to Lisbon on a confidential mission to make advances to the Portuguese Government for the lease of the Province of Mozambique to the Cape Colony. These and similar offers continued to be made from various quarters up to the end of 1894, when, in view of the almost menacing persistence with which the Transvaal and Germany were pressing their proposals, Lord Kimberley informed the Portuguese Government that under Article VII. of the Treaty of 1891, it was not open to Portugal "to part with rights which would in any way diminish the value of the preferential claim" therein granted to Great Britain in respect of the Portuguese territories in Africa, south of the Zambesi. And in the following year, when Dr Leyds was negotiating, with German and Dutch support, for the lease of the Lorenzo Marques Railway to the Transvaal Government, Lord Salisbury caused the Portuguese Government to be warned on 17th September, that they must not lease the line to the Transvaal without first offering it to Great Britain; and that the South African Republic was precluded under Article IV. of the London Convention (1884) from dealing with Portugal or any other foreign power, except through the British Government. Upon this there followed the attempt of Germany to land marines at Delagoa Bay at the time of the Raid—an attempt which was frustrated only by the prompt and energetic representations made by the

British Government at Lisbon, and by the equipment and despatch to its unknown destination of the Special Service Squadron. None the less secret offers for the purchase of the Lorenzo Marques Railway and for other "concessions" continued to be made both by the Boer Government and by Germany up to the outbreak of the war. And this, in spite of the fact that a secret agreement was concluded between Great Britain and Germany in August 1898, under which the partition of the Portuguese possessions on the east coast of Africa was arranged, as between the two powers, in the event of Portugal desiring to sell them.

To return to November 1902: although the annexation of the Transvaal and the consequent possession of the Netherlands Railway had materially improved the British position at Delagoa Bay, it is not surprising that with this record before them, the Imperial authorities should have been undesirous of seeing "foreign" capital employed by the Portuguese for the improvement of that port, or for the development of the resources of the Mozambique Province.¹

But apart from the political question, the recognised need for a new and direct line from Delagoa Bay to the Rand, *via* Swaziland, afforded a valid reason for Lord Milner's readiness to support the proposed line from the Swazi coal fields to the Bay. For it must be remembered that in the construction of the existing line from Pretoria to Delagoa Bay the considerations by which the route was determined were political and not economic. Apart from the fact that the Rand traffic was taken round by Pretoria, the route taken by the line from Pretoria to Delagoa Bay (*i.e.*, through Komati Poort), was longer and less economic in working than the original more direct route through Swaziland, which was surveyed in 1879, at the time of the first annexation, and the superiority of which in these respects was fully recognised.²

¹ Beyond the district of Delagoa Bay the Mozambique and Portuguese Nyasaland Companies were in operation; both of these, however, are Portuguese companies, virtually controlled by British shareholders.

² The route of the then proposed and direct Pretoria-Swaziland-Delagoa Bay line, as surveyed by Farrell, ran from the Bay to Umvelosi Poort, where it entered Swaziland, followed the valley of the Umvelosi to a point some miles

But when some years later the Republican Government arranged for the construction of the line—built, as we have noticed, by a Dutch company with German capital—there were excellent political reasons for avoiding Swaziland, which was then under the joint protectorate of the South African Republic and Great Britain, and on this and other grounds the existing longer and less economically desirable route was chosen.

The Swaziland coal line, which Messrs Eckstein were prepared to build, would, therefore, have provided the first section of the direct line between the Rand and Delagoa Bay; and this line, as we have noticed, was one of the recognised economic needs of the industrial centre of the Transvaal. Lord Milner had advised the promoters of the line to obtain, first, the general approval of the Portuguese Government at Lisbon, and then afterwards to go into the details of the proposal with the Mozambique Government. In pursuance of this advice Mr “Karri” Davies¹ had been already despatched on a confidential mission to Lisbon. In the negotiations which followed Mr Davies had the approval of Mr Chamberlain and the active assistance of Sir Martin Gosselin, the British Minister. The most ample assurances were given that the rights and interests of the Mozambique Government would be scrupulously safeguarded. Besides offering a right of expropriation, the promoters even suggested that the Portuguese Government should employ the Company to build the line, giving them a lease for a term of years sufficient to reimburse them for the capital outlay, and that in this way the Government would never at any time part with the ownership of the line. But in spite of the liberality of the terms offered, the Portuguese authorities assumed so hesitating and suspicious an attitude

above the junction of the Black and White Umvelosi, crossed the ridge dividing the Umvelosi from the Usutu, and thence followed the Usutu Valley on to the high veld, where it ran westwards, along the ridge dividing the valley of the Vaal from that of the Oliphants, to Pretoria.

¹ Mr W. D. Davies was one of the two reformers who refused to obtain their release from Pretoria gaol by signing the “petition of appeal” to President Kruger. They did so, on the ground that the Imperial Government was pledged to secure their safety; and they were ultimately released by President Kruger as an act of grace. Mr Davies served with distinction in the war, attaining the rank of Major in the Imperial Light Horse and the D.S.O.

that Mr Davies at length withdrew from the negotiations, leaving Lisbon in the middle of February in the following year with his mission unaccomplished.

But although this promising opportunity of securing the immediate construction by private enterprise of the Portuguese section of the direct Delagoa - Johannesburg line was thus lost through the needless suspicions or incapacity of the Portuguese Ministers, the undertaking was too important to be abandoned; and the first Transvaal section of the line (Springs-Ermelo) was, as we shall have occasion to notice, one of the earliest items in the programme of new construction adopted by the Railway Administration of the new colonies.

In the meantime, much good had been done by the personal intercourse between Lord Milner and the Governor-General. While the Portuguese authorities in Europe were destined unfortunately to maintain their previous attitude of unjustifiable suspicion for some years longer, Lord Milner's proposition that the commercial interests of Portuguese East Africa would be best served by the complete co-operation of the Mozambique Government with that of the Transvaal began from this time forward to be accepted with increasing confidence by the Mozambique officials. The underlying assurance of this identity of interest with the Transvaal was never wholly lost sight of in the bitter controversies which subsequently arose, when further endeavours were made to apportion on a permanent basis the carrying trade of the Transvaal between Delagoa Bay and the British ports.

CHAPTER VII

THE SITUATION IN THE NEW COLONIES AT THE TIME OF MR CHAMBERLAIN'S ARRIVAL IN SOUTH AFRICA

DURING his repatriation tours of inspection Lord Milner had traversed two-thirds of the Transvaal and half of the Orange River Colony. He returned to Johannesburg from the last and most lengthy of these expeditions on 18th December; and the cold, which he contracted during the storms of drenching rain encountered in the South-West Transvaal, proved to be exceptionally severe. The entries in the Diary, however, show how little this indisposition was allowed to interfere with the despatch of the arrears of administrative business which had accumulated during his absence. On Christmas Day, indeed, he was too ill to work; but the entry for the 26th, the day on which Mr Chamberlain landed at Durban, begins:—

“Cold still heavy. . . . G—— came and we finished together a Memorandum I am sending to Chamberlain.”

And on the 27th his neck was well in the collar.

“The two days' holiday, during which I was unfortunately very seedy the whole time, is over, and I had a very hard day's work.”

On the 30th, the cold was “still heavy”; nevertheless this and the following day were fully occupied in making the final arrangements for the reception of Mr Chamberlain, a matter in which he was assisted by the two Lieutenant-Governors, Sir Arthur Lawley and Sir H. Goold-Adams, both of whom were staying at Sunnyside.

The intention of the Secretary of State for the Colonies to visit South Africa became known to Lord Milner at

the end of September 1902. A few weeks later, the proposal, when publicly announced, met with universal approval both in England and in the over-sea dominions. There is reason to believe that the South African visit was originally formulated in Mr Chamberlain's mind as part of a larger scheme under which he was to pay similar visits, subject to the exigencies of his official and parliamentary duties, to all the over-sea self-governing communities of the Empire.¹ But in the case of South Africa the immediate realisation of the proposal was all-important.

In the first place there were a number of questions directly arising out of the political changes brought about by the war still outstanding, which could be decided both more efficiently and more speedily by personal consultation with Lord Milner than by the exchange of despatches and cables. From an administrative point of view Mr Chamberlain's presence in the new colonies at this critical period promised to effect—as in fact it did effect—an immense saving of time and energy, when to save time and energy was of the highest importance. Moreover, Mr Chamberlain, as the minister directly responsible to Parliament for the administration of the new colonies, and for the management of South African affairs in general, naturally desired to see for himself what was going on in this country, and to learn by personal intercourse the character and feelings of the various sections of its inhabitants.

In the next place the state of Mr Chamberlain's health was such that he required some relaxation from the long continued strain of his official and Parliamentary duties. His recent accident² had been much more serious than was generally realised. While it was believed that no permanent bad effects would result from the shock and the great loss of blood caused by the injuries which he sustained, yet his capacity for work had been temporarily impaired. In these circumstances his medical advisers and his family both urged him to give himself some respite from his official work, and such a respite was promised by the visit to South

¹ This proposal has since been realised partially by the visit lately paid by Sir Charles Lucas, as Head of the Dominions Department of the Colonial Office, to New Zealand and Australia.

² Mr Chamberlain was violently thrown out of a runaway hansom in Whitehall.

Africa, as its scope and purposes were originally planned in Mr Chamberlain's mind.¹

To facilitate the despatch of urgent administrative business between himself and Lord Milner, and to gain direct personal knowledge of the country making the largest and most anxious demands upon his official attention, were the two objects which Mr Chamberlain proposed to accomplish. But while both of these objects were attained, he was drawn by circumstances to play a more ample *rôle* than any that he had anticipated. From the moment that he stood before his first South African audience at Durban, he became in all his public utterances a "missionary in the cause of the Empire."² To the over-sea British he preached the duty of sharing the cost as well as the advantages of the Imperial system; to the Dutch and British of South Africa he presented the ideal of racial reconciliation as their settled and inevitable destiny; to the Island British he gave the thought that the colonies must no longer be regarded as a mere embellishment of the British Crown, but as a vital part of one and the same body politic, and as such no whit less capable than themselves of bearing a due share of those Imperial responsibilities which had hitherto seemed to be the sole concern of the Motherland.

How far the assumption of such a *rôle* as this differed from his original conception of the part which he was to play in the eyes of the public, may be seen from the fact that he had indicated for the guidance of those who were engaged in making the various local arrangements connected with his visit, that it was his desire to avoid platform speaking as much as possible. Indeed, it would appear that at this time the only opportunity of appealing directly to the public mind of South Africa that he contemplated, was such as would be furnished by a farewell gathering, when, upon the eve of his return to England, he thought that he might

¹ It is a matter of history that in the event Mr Chamberlain gave his strength so generously to the performance of his task that a directly opposite effect was produced.

² "I observe that one of the Radical newspapers at Home has declared that I am an uncommercial traveller. I don't know exactly what they mean, but I am sure they mean something disagreeable. I should prefer myself to say I am here as a missionary in the cause of the Empire."—Mr Chamberlain at Elandsfontein, 8th January 1903.

usefully place on record the practical conclusions derived from the personal observations and experiences of his visit.

Both the financial position of the new colonies and the measures necessary to provide them with the elementary equipment of civilised states had been placed before Mr Chamberlain and the Cabinet in the two despatches, which, as we have noticed, Lord Milner made such special efforts to complete at the earliest possible moment. Of these the first (sent off on 8th September, and received on 28th September) contained a detailed examination of the reveral resources of the Transvaal, and an explanation of the circumstances which made the immediate issue of the Development Loan a matter of primary necessity; while the second (sent off a week later) consisted of specific proposals for the construction of new railway lines, and for the improvement of the existing railway system as a whole. And to this information must be added the "memorandum," forwarded by Lord Milner, as we have seen, to Mr Chamberlain in Natal, in which the Secretary of State was furnished with an account of the general position of affairs in the new colonies at the time of his arrival in South Africa, and a statement of the administrative questions upon which the decision of the Home Government was immediately required, if the work of resettlement, then proceeding, was to be continued without interruption or delay.

If any one were in doubt as to the value of the services rendered by Lord Milner to the new colonies and to the Empire into which they had now been incorporated, no better method of removing all incertitude upon the point could be found than a study of these two despatches, followed by a comparison of their contents with the actual course of the events which have transpired in the Transvaal and Orange River Colony since they were written. The cardinal necessity in the situation, as Lord Milner saw it, was the immediate provision of funds sufficient to ensure that the economic and industrial development of the two colonies, and especially of the Transvaal, should go forward rapidly and uninterruptedly. In his opinion there was no single agency calculated to secure either the political well-being or the material prosperity of the inhabitants, Dutch

and British, which did not depend for its efficacy upon the prompt and generous satisfaction of this elementary need. Closely associated with the issue of the Guaranteed or Development Loan, the necessity for which had been long accepted in principle by the Home Government, was the question of fixing the amount of the contribution to the cost of the war to be made by the new colonies—a contribution upon which the English public confidently relied for the material reduction of the £150,000,000 otherwise to be added permanently to the National Debt.

Now Lord Milner's conclusions upon both these questions were perfectly clear, and they were stated with fulness and precision both in the advice which he gave to the Cabinet through the Secretary of State, and in his personal communications with Mr Chamberlain. They rested upon two simple and almost self-evident propositions:—

- (1) That the expansion of revenue necessary to provide for a war contribution as well as for the growing needs of the two colonies could only be obtained by a liberal expenditure upon the development of the country.
- (2) That this expansion of revenue must be derived from an increase in the sources of revenue—the growth of population, industries and business, improved methods of transport, and more productive agriculture, and not from a higher rate of taxation.

From these two propositions it followed that while the Development Loan must be issued at once, and be of the amount required to satisfy the immediate needs of the two colonies, the amount of the war contribution should be left undecided until such time as the necessary expansion of revenue had actually taken place. This was the course which Lord Milner would have preferred: but, if public opinion in England demanded that the amount of the war contribution should be fixed without further delay, he advised the Cabinet that the payment of the contribution should not begin until a future date—that is to say, a date at which the required expansion of the revenue might reasonably be expected to have taken place—and should then take the form of a sliding scale of annual payments

increasing proportionately with, and conditional upon, the increase of the revenue.

“To sum it all up in a sentence,” he wrote, “it seems to me by far the wisest course for Great Britain to take in this matter is the generous one of declaring plainly, and at once, that she is not going to impose any fresh ‘tribute tax’ on the Transvaal, and that, even as regards existing taxation, the claim for a contribution to War Debt will be postponed to the needs of the Transvaal itself both as regards good government and the expenditure necessary for development. If that were laid down as axiomatic, the cloud of uncertainty which at present hangs over the future of the colony, and is the most potent cause of possible estrangement between the colony and the Mother Country, would be removed. And this position having been established, I believe that reasonable opinion here would support any arrangement that would insure that in the case—the very probable case—of the Transvaal entering, not, indeed, immediately, but before many years have passed, upon an era of great prosperity, the burden of the British War Debt should be lightened out of the overflowing exchequer of the colony.”¹

The amount of the loan, which Lord Milner deemed necessary for the immediate requirements of the country, was £30,000,000 for the Transvaal, and £8,000,000 (subsequently reduced to £5,000,000) for the Orange River Colony. Of the £30,000,000 to be borrowed by the Transvaal, two-thirds would be absorbed in the payment of the liabilities incurred automatically in the change of Government, and one-third was to be applied to capital expenditure more or less of the nature of development. Under the first head came the purchase of the Netherlands and other privately owned railways taken over by the British military authorities upon the occupation of the country (£15,000,000), the conversion of the South African Republic Debt (£2,500,000), the deficit of the Civil Administration for the year 1901-2 (£1,500,000), and the Transvaal share of the war compensation due from the new colonies to the Cape and Natal Governments (£1,000,000). Of the remaining £10,000,000 one-half was required in the current financial year (1902-3) to

¹ Cd. 1552 (the despatch was [partially] published in April 1903).

meet the expenses—in part already incurred—of the repatriation, the settlement of British immigrants upon the land, and of the construction of new railways, and other immediately necessary public works; while a similar amount would be wanted to cover a further expenditure upon the same objects during the two or three years following.

The £8,000,000 required by the Orange River Colony (in the event reduced to £5,000,000) was to be applied to the expenses of repatriation and land settlement, the payment of the war compensation due from this colony to the Cape and Natal, and to the construction of new railway lines.

The guarantee of the Imperial Government would ensure that the loan would be obtained at 3 per cent.; and adding 1 per cent. for sinking fund—a point of sound finance upon which Lord Milner insisted—the annual interest payable by the new colonies would be at the rate of 4 per cent., and the annual sum required for the service of the loan would be £1,400,000 *plus* a few thousands for administrative expenses. Of this sum £1,200,000 would be chargeable to the Transvaal and £200,000 to the Orange River Colony.

The revenue of the Transvaal for the year 1902-3 was estimated at £4,600,000 against an expenditure of £3,700,000, and thus showed a surplus of £900,000. In the following year (1903-4), Lord Milner believed it might be anticipated safely that while the ordinary administrative expenditure (including the greater part of the cost of the South African Constabulary) would amount to £4,000,000, the revenue would rise to £5,400,000, thus affording a balance of £1,400,000 available for the service of the loan and development purposes. The revenue of the Orange River Colony was roughly one-fifth of that of the Transvaal; but its expenditure was proportionately less, and the sum of £1,000,000 required to meet the ordinary administrative expenses (including its share of the maintenance of the South African Constabulary) and to pay interest on its proportion of the loan, could be raised without imposing any undue strain upon the resources of the colony.

But while the new colonies could pay interest on the Guaranteed Loan and provide for its gradual extinguishment

in thirty years, neither now, nor for the next few years, would their revenues be sufficient to meet the demands of a war contribution as well. In the case of the Transvaal, from which, of course, five-sixths of the total revenue would come, Lord Milner was careful to state with precision the reasons which led him to this conclusion. The information thus laid before the Cabinet may be studied in detail in the despatch (Cd. 1552). Its substance was this.

The Transvaal was not merely a wealthy country, but one possessed of great undeveloped resources. None the less the sources of revenue which were at present available for the new Government (being with few exceptions identical with those enjoyed by the old Government) consisted in the main of direct and indirect taxes which were already fixed at the highest rate compatible with industrial prosperity. And, moreover, these taxes, now as then, fell almost exclusively upon the 100,000 or so persons, out of a total white population of 300,000, who were the British inhabitants of the colony. And in particular, so far from its being expedient, or even possible, to raise the rate of the existing taxes upon the necessaries of life, or the materials required by the gold and other industries, it was urgently desirable alike on political and economic grounds that such taxes should be lowered at the earliest moment.¹

¹ Lord Milner's statement of the revenue and expenditure of the Transvaal Government (as estimated at the time of writing—*i.e.*, September 1902) was as follows:—

“The revenue for 1902-3 . . . will, as already stated, certainly reach the figure of £4,600,000, and probably be more. For 1903-4 it may, I believe, safely be put at:—

1. Customs	£1,500,000
2. Mining Revenue —	
(a) Licenses	£300,000
(b) Profits Tax	600,000
	900,000
3. Stamp duties and transfer duty	450,000
4. Railways	1,350,000
5. Taxes on Trades and Professions	250,000
6. Posts and Telegraphs	300,000
7. Native Taxes and Pass Revenue	400,000
8. Stand licenses and rent	100,000
9. Miscellaneous	150,000
Total	<u>£5,400,000</u>

“The increase is apparently large, but, though all this time beforehand I should not like to speak too positively about items, I am satisfied . . . that we

The second and supplementary despatch, on the vital question of railway development, showed in detail the new lines which were either under construction or projected for construction, and for all of which a "large immediate capital outlay" was required. This railway despatch left the High Commissioner's Office on 10th September, and was received in London on 4th October.

In regard to these new lines as a whole, Lord Milner wrote, that even if they

"only just paid their way, it would still be advisable on financial grounds to press forward at once with the construction of every one of them, for the sake of the impetus which they would give to the general productiveness, and, therefore, to the general revenue of the new colonies."

But, on a basis of the present railway rates, they would he was assured by his expert advisers, yield 8 per cent. net profit on the capital expenditure of nearly £5,000,000 required for their construction.

In illustration of the general need for more railways in the Transvaal and Orange River Colony—and generally throughout South Africa—he wrote:—

"The absurdity of the conditions which cause a country like South Africa to import meat and grain from America and Australia has become almost a commonplace. Something

shall certainly get this amount, and are very likely to get more. If we get more, however, it will not be any index as to the future, because it will be due not to normal conditions, nor yet to normal growth, but to the ephemeral expansion of business, which so often follows war, and which is due to the necessity of repairing war waste. . . ."

As against this revenue Lord Milner placed the expenditure of the colony in 1903-4 at £4,000,000, viz. :—

Cost of Civil Administration	.	.	.	£2,750,000
South African Constabulary	.	.	.	1,250,000
				<u>£4,000,000</u>

This expenditure, of course, was exclusive of the service of the Guaranteed Loan, which, as we have seen, would absorb the greater part of the estimated balance of £1,400,000.

is due to defective farming; but more to defective means of transport. The country adjacent to the existing lines of railway, not being closely cultivated, does not produce nearly enough to supply the towns. There are great stretches of country, which even under the present scanty cultivation might go far to furnish the balance; but they are distant from the railway, and other means of transport are too expensive. To take a more glaring instance, mealies, the stock food of the Kafir, can be grown in abundance, and almost without expense, in Basutoland, and the south-eastern parts of the Orange River Colony. Yet because wagon transport is too dear, and too slow, Johannesburg and the Rand rely to a great extent on mealies imported from America and brought up from Durban. Similarly, while fruit can be, and is, grown in profusion in the Rustenburg District, the centres of population in the Transvaal are supplied with it mainly from the coast. Railways traversing these districts will bring up their products, and while leading to a great agricultural development, will incidentally relieve the through lines by taking away the necessity of importing all the staple products of the land from abroad."

Of the eight lines projected, four were in each colony and five of them formed connections between, and three, extensions of, existing railways. All were ripe for immediate undertaking, but the construction of all of them could not be begun at once, since the resources of the Administration were limited in this respect by two factors—the scarcity of labour and "the slowness with which the extremely bulky materials required for railway construction could be brought up from the coast on the (then) inadequate and congested lines." The capital required should, however, be included in the proposed loan, as "further borrowing in the next two or three years would probably have to be on more unfavourable terms."

The remaining paragraphs of the despatch gave details of the physical and industrial characteristics of the districts served by the respective lines, which in conclusion were exhibited in tabular form.

Line.	Length.	Cost.
A. Harrismith to Vereeniging . . .	150 miles	£900,000
B. Bloemfontein to Ficksburg, and Sanna's Post to Wepener . . .	161 miles	880,000 (to complete)
C. Springfontein to Jagersfontein to Kimberley	111 miles	525,000
D. Vierfontein to Klerksdorp . . .	17 miles	120,000
E. Vereeniging to Johannesburg . .	77 miles	350,000 (to complete)
F. Krugersdorp to Rustenburg . . .	55 miles	380,000
G. Springs to Machadodorp	125 miles	750,000
H. Klerksdorp to Fourteen Streams .	140 miles	850,000
Total	836 miles	£4,755,000

It is, however, impossible to understand the nature of the arrangements for the Guaranteed Loan and the war contribution which were made by Mr Chamberlain in the course of the next few weeks, and duly approved by the Home Government, without some knowledge of the modifications which the idea of obtaining a contribution to the expenses of the war from the new colonies had undergone, since it first took form in the mind of the Government and public of England.

The original idea of the war contribution was that arising out of the perfectly legitimate expectation that the Boers, as a conquered people, would be called upon at the close of the war to indemnify the conquering nation for the costs incurred in the successful prosecution of the war. Thus in January 1900, when it was thought that an early and triumphant issue was assured by the despatch of Lord Roberts, with Lord Kitchener as his Chief-of-Staff, to South Africa, the form of war contribution contemplated by the British Government was a charge upon the revenues of the new colonies sufficient to meet (1) the interest and sinking fund of an indemnity loan, and (2) the cost of the

maintenance of the troops required to be stationed there as a permanent garrison. It was suggested, also, that the amount of the war indemnity might be reduced by the British Government's acceptance of the railways in part payment, and that when satisfactory security for the payment of the indemnity had been obtained, self-government might be granted to the two colonies.

The events of the next twelve months, bringing with them the second rebellion in the Cape Colony and the unjustifiable prolongation of the war by the adoption of guerilla methods by the Boer leaders, caused the idea of a war indemnity leviable upon the ex-burghers to give place to that of a "contribution" to the war debt of the Mother Country, since it was seen by this time that any sum to be derived from the revenues of the new British Administration would have to be drawn mainly, if not exclusively, from the British inhabitants of the Transvaal. The reason for this was obvious. By the middle of 1901, when Lord Milner had returned to England for the second time and was able personally to discuss the question with Mr Chamberlain and other members of the Government, it had become evident, first, that the Boers must be wholly incorporated into the system of the Empire; and, second, that before they could be induced to accept this position the systematic denudation of their country, rendered necessary by the guerilla tactics of their leaders, would be so complete as to leave them literally no national assets beyond the bare soil—an asset which must be restored to them upon the establishment of peace, since without it the majority of their people would have no means of subsistence. In these circumstances the matter resolved itself into a question of what amount could be appropriated from the prospective revenues of the new colonies for the relief of the Home tax-payer, without unduly burdening the industrial and almost exclusively non-Boer colonists, upon whose exertions these revenues and the future development of the new colonies as members of the Empire would mainly depend.¹

¹ It should be noticed that at the time when the question of the war contribution was thus discussed, the "Report on the Finances of the Transvaal and Orange River Colony," by Sir David Barbour, dated Bloemfontein, 29th March 1901 (Cd. 628), was available. The main conclusions of this report were: (1)

Lord Milner's own proposal, which he had advocated both officially and privately a year ago, was one founded upon his Egyptian experience. The annual administrative expenses of the Transvaal were to be fixed at a certain figure, and the surplus revenue was to be divided between the Transvaal Government and the British Exchequer in proportions to be agreed upon. The Transvaal share was to be expended upon development works, and the British share to be appropriated to the extinction of the war debt; and the position in which the matter stood at the declaration of peace is shown very clearly in a letter written by Lord Milner on 9th June 1902, to Mr Davidson, the Secretary to the Transvaal Administration, with reference to the finances of the Colony.

"As regards the contribution to War Expenditure," he then wrote, "it has always been my view, and so far His Majesty's Government have not rejected it, that this should not be a fixed sum, but a share of the future surpluses, *plus* the proceeds of the sale of new mining rights. If this principle is adopted, I see my way to complete solvency in the course of 1903-4."

The months, however, which followed the declaration of peace were marked by a demand on the part of the public in England that a substantial portion of the vast sum added to the national debt by the late war should be

That on the assumption that the contribution of the two colonies was to be limited to the amount which they could pay without imposing fresh taxation or starving the Administration, it was impossible to specify any definite sum as that which ought to be paid. (2) The recommendation that the Imperial Government should fix the maximum sum which under any circumstances they would require to be paid; and that such portions of the total so fixed, as it might be found from time to time that the colonies could bear, should be made a charge against them. If in the course of time it was found that the colonies were unable to pay the whole sum, under the conditions as to taxation and cost of administration already specified, the balance should be written off. The portion or portions of the cost of the war which the colonies might at any time be able to bear in the form of debt should be paid out of the proceeds of loans to be raised by the colonies under the guarantee of the Imperial Government. (3) Any sums of money received by the colonies from sales of land owned by the State, or from the sale of mining rights in the Bewaarplaatsen, or in other lands known to be valuable for mining purposes, should be ear-marked and set aside to meet the cost of the war contribution. (4) The Orange River Colony would probably not be in a position to repay any portion of the cost of the war, but if it should be found at any time to be able to do so, there was no reason why it should not be charged with as much of the contribution as its resources would enable it to bear, the balance being charged against the Transvaal.

charged upon the new colonies, and as large an amount as £100,000,000 was mentioned with some show of probability as the sum which the Government would require. It must be remembered in explanation of this extravagant expectation that the material destruction wrought by the British Army in the Transvaal and Orange River Colony was imperfectly understood by the Home tax-payer, while, on the other hand, now that the excitement of the contest was over, he had begun to calculate with dismay the full extent to which the permanent burden of taxation had been increased by nearly three years of unstinted military expenditure.

In the face of this demand the Government hesitated to take any irretraceable step. On the one hand they wished to satisfy the legitimate desire of the British tax-payer for relief; on the other, being better informed as to the economic conditions of the new colonies, they knew that any ill-considered demand might involve the local administrations in grave financial embarrassment, and possibly embitter for all time the feelings of the British colonists towards the Mother Country. What, however, they did not seem to realise was that the prolonged delay in fixing a limit to the liability of the new colonies, thus occasioned, was retarding in an appreciable degree the recovery of the industrial system of the Transvaal from the shock of the war. It was to this that Lord Milner alluded in his despatch to Mr Chamberlain, when he wrote (8th September 1902) that the strength of the feeling in the Transvaal made it necessary "to arrive at a definite conclusion with regard to that great over-shadowing and disturbing factor—the amount of the contribution to be made by the new colonies to the war debt of Great Britain."

The settlement of the financial question, therefore, was urgently required. But there were other directions in which the action of the Secretary of State was only relatively less important. The dilatory and arbitrary methods hitherto pursued by the military authorities in the award and payment of that part of the compensation for war losses for which the War Office was directly liable were causing grave embarrassment to the new Governments in both colonies.

It was not merely that irritation and discontent were created among the many thousands of ex-burghers directly affected, but the progress of the civil authorities in the same pressing matter of compensation was, for the time being, barred, since these latter were unable to proceed with the apportionment of the funds provided by the Imperial Government for the relief of the necessitous people of the two colonies, until they knew who among them were to be recipients of military compensation, and to what extent each several participant would benefit thereby. Here again, as also in the difficult question of the status of Asiatics and coloured persons, the decision of the Government as a whole was necessary before anything could be done; while even in regard to matters such as the status of Swaziland, the composition of the Transvaal Legislative Council, and the reduction of railway rates, in which the Colonial Office was especially concerned, the Administration was unable to take any consistent or effective action until it was in possession of the mind of the Secretary of State.

The need for the prompt disposal of these matters was emphasised by the inherent unpopularity of Crown Colony Government, and by the existence of certain special causes of unrest of which Lord Milner was fully cognisant. To no community in the world could the system of Crown Government have been more obnoxious than it was to the European inhabitants of the late Republics, whether Boer or British. Any form of British administration must necessarily have been hateful to the Boers at this time, as being an alien Government; but the Crown Colony system, with its lofty standard of official purity, its independence of local opinion, and its ultimate reliance upon an Imperial authority seated six thousand miles away, served to intensify the smart of their lost independence. The British population, and especially that influential section of it which lived in the Witwatersrand district, was composed mainly of men to whom, before they had entered the Transvaal, the freedoms of Parliamentary Government were as natural as the clothes they wore. Moreover, this latter community, which for the moment found itself as completely excluded from political rights as it had been

before the war, embraced men who, like the late Sir W. Marriott, had sat in the House of Commons, or who, like the late J. W. Leonard, had been Ministers of the Crown in other British colonies; while among its rank and file were numbered the men of acute intellect and large monetary resources who had made Johannesburg not merely the commercial capital of South Africa, but a factor in the industrial system of the civilised world. That such a community should have chafed at Crown Colony Government is not surprising; and within a month of the peace a "Political Association," of which Mr R. J. Pakeman, editor of the *Transvaal Leader*, Sir William Marriott, Mr James Leonard, and Mr Dale Lace were prominent members, was founded at Johannesburg for the purpose of bringing about the immediate grant of full self-government to the Transvaal. And thus, from the very first, an appreciable section of that very British population upon whose united and unflinching support any British administration, however constituted, might have counted as a matter of course, assumed the rôle of an Opposition, and became the jealous, often bitterly hostile, critics of every act of the new Governments.

In these circumstances, however benevolent in intention or efficient in action, the entire *personnel* and machinery of the Crown Colony Administration were destined, as Lord Milner well knew, to be objects of aversion to both Boers and British; and that this original, and perhaps not unnatural, prejudice should have been largely, if not completely, overcome before the period of Crown Colony Administration came to an end, is a signal proof of the merit of the officials of whom it was composed, and of the remarkable qualities of the man who for the greater part of this period stood at its head.

At the date of Mr Chamberlain's visit, in spite of the admirable progress achieved in the first six months of Civil Government, not only in the repatriation of the Boers, but in every department of the Administration, the political sky was far from being cloudless in the two new colonies. The unpopularity of the Crown Colony Government had not by any means reached the growth to which it subsequently attained; but the feeling was already sufficiently in evidence to make

it highly necessary to remove any just, or even colourable causes of complaint for which the system, as a system, could be blamed. For it must be remembered that this autocratic and unpopular form of administration was certainly the most efficient, and quite possibly the sole, instrument for bringing about, within a measurable period of time, such a complete reconstruction of the economic and political fabric of the late Republics as would bring them into line with the older British colonies, and otherwise satisfy the requirements of British policy in South Africa.

Lord Milner had no illusions on the point. He took for granted that Crown Colony Government must be unpopular; and the most he thought practicable was to maintain the system for the three or four years which would just suffice to build up a permanent administrative fabric. The object to be aimed at, therefore, was not to make Crown Colony Government popular, for that was impossible, but so far to retard the growth of its unpopularity, that, when self-government came, the Ministry would find in both colonies a civil service so efficient and so indispensable, and an administrative machinery so admirably adjusted to the conditions of the country, that public opinion would not tolerate any political action calculated to impair their permanent utility. And to enable this to be done, it was essential that the influence of Lord Milner, and that of the able and distinguished men whom he had associated with himself in the work of administration, should be carefully husbanded; since it was the respect which these men commanded, and especially the confidence placed in Lord Milner by the political and industrial leaders of the British population throughout South Africa, that made the Crown Colony system workable at all.

The Home Government, therefore, was required to exercise both caution and address in dealing with the administrative problems of the new colonies. It must satisfy public opinion at Home, since, after all, it was the British tax-payer upon whom the cost of the war had fallen; but in doing this it must avoid the danger of laying upon the Crown Colony Governments any instructions, which, when put into effect, would bring them into violent collision with

local opinion or sentiment. For the inevitable effect of such collisions would be to impair the influence of Lord Milner and his associates, and to bring the period of Crown Colony Government to a premature ending. It was in view of these considerations that the Unionist Ministry rightly determined to give Lord Milner a "free hand" in the new colonies, although they were aware that in so doing they would run the risk of incurring the displeasure of the electorate of the United Kingdom.

As regards the Boer population the great outstanding cause of discontent was the delay in compensation. It was essentially a case in which *bis dat, qui cito dat*. Yet the Military Compensation Courts were affording a remarkable display of incompetence and tardiness. Owing to the parsimony of the War Office, the number of officers seconded was not sufficient to permit of the work being proceeded with continuously. There were not enough Boards, and the Boards themselves were inadequate, as consisting of inexperienced junior officers who were liable to be constantly changed. An even more serious hindrance to the prompt and efficient discharge of the business of the Boards was the reluctance, or inability, of the War Office authorities to lay down any consistent ruling as to the classes of claims for which they were, or were not, prepared to admit liability. Two months earlier Lord Milner had arrived at an understanding with the local military authorities, to the effect that they should recognise their liability to pay for everything taken and converted to their use, not being the property of the enemy in the field, whether receipts had been given for it or not. Since then, however, the officers with whom this understanding had been reached had been replaced by others, who neither brought definite instructions nor were able to obtain them from the War Office. In the meantime, in the absence of any clear ruling on the point, while the value of all receipts was being paid, claims for property in respect of which no receipts had been given were being examined and reserved. But not only did the various Compensation Boards differ among themselves in the principles they applied in this examination of claims, but it was quite uncertain whether the whole laborious process might not prove in

the end to be merely so much waste of time. In the case of many thousands of the claims of this class, which the Military Compensation Boards had thus examined in the past two years, the War Office had ultimately denied liability, and there was nothing to show that the same course might not be taken in respect of the claims now being examined. These claims were very numerous. At the rate of progress hitherto maintained three or four years must elapse before they would be disposed of; and until they were disposed of—that is to say, until it was known what sum each individual claimant for military compensation would receive—the civil authorities could not proceed to the apportionment of the funds provided by the Imperial Exchequer for the general relief of the necessitous persons in the two colonies. The impossibility of the civil authorities proceeding with their task before the military compensation awards were completed was obvious. An ex-burgher awarded £500 for the use or destruction of his property by the military authorities would not be qualified to participate in the £3,000,000 grant; while, on the other hand, one who had claimed a much larger sum, but in the event had received nothing, provided he was otherwise destitute of resources, would be entitled to a share in the *pro rata* distribution of the fund.

The situation was therefore very serious, since nothing could be calculated to do more injury to the new Governments in the eyes of the Boers than the action of the Military Compensation Courts. That the Administration should be prevented from apportioning the Imperial Relief Funds for three or four years—that is to say, for a period identical with the probable duration of the Crown Colony system, and one within which, therefore, the whole fabric of the reconstruction must be practically completed—was in itself intolerable. Yet this was only a part of the evil which would have been done if the Military Compensation Courts had been allowed to continue their original procedure. Lord Milner's personal observations during his repatriation tours had convinced him that more irritation and discontent was being produced among the Boer population by the compensation question than by all their other misfortunes, whether in the war or the repatriation. It was inevitable

that the awards should cause disappointment and dissatisfaction ; the more reason, therefore, to get the matter settled and done with as promptly as possible, instead of keeping it open, like a festering sore, for year after year. Moreover, the position assumed by the military authorities was derogatory to the national honour. The refusal to give compensation for any injury to property whatsoever, unless there was value received, was inequitable. To refuse to pay for general war damage, such, for example, as the destruction of property within a district which, on military grounds, had to be rendered uninhabitable by the enemy, was indeed justifiable and necessary. But the application of the principle to ex-burghers who had faithfully observed the oath of neutrality, and yet seen their property destroyed by the army which had undertaken to protect it, was questionable. And there were, moreover, a certain number of ex-burghers, who, as rendering actual service to the British forces, had received not merely a general undertaking, but a specific promise of protection. When the property of any of these men had been destroyed by the British forces, even though the destruction had occurred in the course of reducing a whole district, and might, therefore, be regarded as part of the general wastage of war, to refuse compensation would not only seem utterly indefensible, but create a feeling gravely injurious to the new Governments, upon whom, although they were entirely innocent, the odium of thus breaking faith with their own friends would fall.

To meet the situation prompt action was required, and this in two directions. A decision must be given by the Home Government, since none could be obtained from the War Office, as to the classes of claims in respect of which liability was, or was not, to be admitted ; and the capacity of the Compensation Boards must be so far raised as to allow of their business being discharged within a few months instead of a few years. And in regard to this latter requirement Lord Milner recognised that, since the War Office appeared not to have the necessary funds, the Administration would be justified in taking upon itself the cost of the improved Compensation Boards, provided that the composition of the Boards was satisfactory, and the officers

seconded were not to be removed until their work was completed.

A further and distinct element of unrest, which had been introduced during the last few weeks of the year (1902), was aggravating the agitation and discontent caused by the treatment of the compensation question by the military authorities. This was the return of the more embittered prisoners of war, and of those Boers of the professional classes, including the Predikants, who had left the country voluntarily, or been deported, during the course of the war. Owing to Lord Milner's prudent arrangement that the more conciliatory prisoners and refugees should be brought back first, the earliest and most difficult stages of the repatriation had been carried through without disturbance from racial ill-feeling; but now that the more hostile classes were returning the attitude of the repatriated Boers, as a whole, was becoming less satisfactory. Nor was this surprising, when it is remembered that among the ranks of these later arrivals were prisoners of war who for months had refused to take the oath of allegiance; Dutch ministers of religion, deported for persistent, and sometimes treacherous, hostility to the British authorities; ex-officials, returning sore and disappointed from unsuccessful "missions" in Europe; and, in a word, all the refugees of the literary and educated classes, who had shown themselves in the past the most active and convinced supporters of the cause of Afrikaner nationalism. While, then, there was every reason to believe that the Administration would succeed in maintaining good relations with the actual farmers who formed the majority of the Boer population, if they were undisturbed by political agitation, and relieved of any tangible grievances, such as the delay in compensation, it was obvious that the presence among them of even one actively hostile person of the educated classes—Predikant, lawyer, or ex-official—might convert a whole district from acquiescence to discontent.

In the case of the British population the special and removable causes of dissatisfaction all centred around those hitherto undecided questions, in respect of which the arrival of the Secretary of State now promised to set free the hands of the Administration. The question of the *status* of

Asiatics and coloured persons, which included the British Indian problem, as it then stood, threatened to accentuate seriously the inherent unpopularity of the Crown Colony system by driving the Administration into a long-drawn conflict with the anti-Asiatic sentiment of the European community. The prevalent South African prejudice against the admission of Asiatics or "coloured persons" to political or social equality was especially strong in the new colonies; and Boers and British were united in the determination to exclude from the Transvaal all further Asiatic immigrants capable of pursuing any trade or industry that could provide a livelihood for Europeans. To ignore or over-ride this sentiment would furnish the advocates of the immediate grant of self-government with a powerful argument; while, even if the Crown Colony system survived the agitation which such a course would produce, the most that could be done on behalf of the classes concerned would be to postpone the day of reckoning, since the first legislation to be passed by a popularly elected chamber would be measures for regulating the conditions under which Asiatics and coloured people were to live in the colony, and to restrict, or exclude, the entry of any further Asiatic immigrants. Instead of a bald and uncompromising opposition, therefore, it seemed that the interests of the Empire would be better served by a sympathetic appreciation of the point of view of the white population on the part of the Crown Colony Administration, and an endeavour, on the part of the Home Government, to reconcile the requirements of British Imperial policy with the exigencies of the Transvaal.

In point of fact Lord Milner himself had made proposals for a settlement of the question upon these lines six months before. The legislation to which the Home Government was then asked to give its consent, while avoiding the harshness of the treatment of British Indians under the late Republic—a harshness against which the Imperial Government had protested more than once before the war—and securing a reasonable political *status* and a full protection of civil rights for them and other coloured residents, would neither have put the coloured man on an equality with the European nor allowed Europeans to be displaced by the Asiatic immigrants.

The Colonial Office, however, had refused to approve of the legislation thus proposed; and in the absence of fresh legislation the Transvaal Government was left to administer the law of the late Republic in its inefficiency, but not in its harshness. The result was a singularly embarrassing position. On the one hand, Indian immigrants were entering the Transvaal in such numbers as constituted a menace to the economic interests of the Europeans; on the other, the British industrial population was growing restive and severely blaming the Government for its inaction. While, as if to show conclusively that it was the Crown Colony system, and that alone, which was responsible for the deadlock, the Home Government had given its consent within the last few weeks to a stringent measure for the restriction of Asiatic immigration which had been passed by the legislature of the Cape Colony.

In these circumstances a settlement of the question was urgently required. Concessions to local sentiment were rendered difficult by the fact that the Imperial Government had pledged itself by its pre-war action to have justice done to the British Indians of the Transvaal; in other words, to satisfy the requirements of the Indian Government. Although, therefore, it was unlikely that the Secretary of State would be able to meet in full the views which the white population would lay before him, none the less, in Lord Milner's opinion, a settlement of some sort ought to be made. Such a settlement would, no doubt, give rise to considerable dissatisfaction at the time, but the Home Government having given its decision, the question would not become, as it then threatened to become, a chronic source of friction between the Administration itself and the British industrial population.

The question of Swaziland was much less menacing, but the absence of any decision as to the future status of this territory placed the Administration in an awkward, if not humiliating, position. Before the condition of the country—which was rightly described at the time as one of “pacific chaos”—could be seriously improved, it was necessary that the innumerable concessions recklessly granted by the late King Umbandine should be examined, and the actual rights

of the several concessionaires be legally determined. This work, a necessary preliminary to the effective administration and future development of the country, could not be put in train until the Home Government had decided whether the territory was to be administered by the Transvaal Government or by the Colonial Office through the High Commissioner. In the meantime, except that crimes of violence had been suppressed, and order was being maintained among the native population, by a resident Commissioner with a sufficient police force, no progress, administrative or economic, was possible. In short, until an authority capable of setting in motion the machinery of a civilised state was constituted, nothing could be done to safeguard the legitimate rights of the Swazis, or to enable the Europeans who had acquired *bonâ fide* interests in the country to pursue their industrial undertakings; and even the High Commissioner himself was unable to give either advice or information to men who were in every way entitled to receive such assistance from the British authorities.

The delay in determining the constitution of the Transvaal Legislative Council was a minor grievance, which had evoked some not unjustifiable complaints on the part of the British industrial community. In this one case, however, the postponement of the Home Government's decision was accompanied by a compensating gain. While the preparation of the most important of the measures to be enacted by the Council—the Gold Law and the Municipal Government Ordinances—had not as yet been completed by the law officers, the experience of the past six months would enable the Administration to make a more discriminating selection of the persons to be nominated for service upon it as unofficial members. At the same time it was most desirable that the constitution of the Council should be fully determined before the Secretary of State left South Africa; since the measures awaiting enactment were naturally both numerous and urgently needed.

The reduction of the cost of living to Europeans in the towns was an economic question which touched the interests of the British population only less immediately

than the need for an increased supply of African labour. The causes of the abnormal expensiveness of the necessaries of life, and the action of these causes, were too complex to admit of the evil being remedied by a decision of the Home Government. Nor was it certain that a lowering of the railway rates then in force, the specific remedy which the Administration was urged to adopt by the industrial community of the Transvaal, would bring about by itself a reduction of prices to the consumer sufficient to justify the restriction of the Government expenditure upon reproductive works, which would be entailed by the consequent loss of revenue. There was, however, one remedial measure, the efficacy of which was unquestioned—the improvement of the means of internal communication; but its application awaited the settlement of the all-important questions of the Development Loan and war contribution. The importance and relevancy of this measure, as a means of reducing the high cost of living, will be apparent, if certain then existing conditions of the new colonies are borne in mind. The importation of mealies and forage from America, north and south, and the general use of tinned fruits and vegetables, when there were fertile districts in both colonies, where all such produce could be easily raised, were not to be attributed solely to lack of enterprise or incapacity on the part of the Boer farmers. Energy and the most enlightened methods of agriculture would have been powerless to overcome the initial disadvantage presented by the circumstance that, with the exception of farms or market gardens in the immediate neighbourhood of the towns or railways, such produce must be carried on bullock-waggons over the most primitive of roads, for long distances, before the market or the railway could be reached. And at the time in question, and for at least a year afterwards, the normal slowness and costliness of transport by road were aggravated by the portentous scarcity of transport animals, due to the wholesale destruction of farming stock during the long war. The improvement of the roads and the construction of new railways were essential, therefore, to the prosperity of town and country alike, since, in the absence of any

means of cheap and rapid transport, neither the one nor the other could reap the benefit of the food-supplying capacity of even such fertile districts as Rustenburg in the Transvaal, or the Conquered Territory in the Orange River Colony.

The scarcity of native labour was an even more serious obstacle to the prosperity of the British population, and a menace to every form of industrial development. But in this case, although the importation of Chinese coolies had been discussed already, no solution of the problem had commended itself to the public mind, which could be made the basis of a complaint against the Crown Colony system. Moreover, the Administration from the first had employed every means at its disposal to remedy the evil. The conditions under which the native labourers worked on the mines were being improved under direct Government supervision; and, in placing the relations between the Mozambique and Transvaal Governments on an excellent footing, Lord Milner had done everything possible to increase the Portuguese contribution to the labour supply of the Rand.

In other respects the British population of the new colonies had no well-founded grounds of complaint. The Permit system¹ was still in force, but with this exception all the restrictions of martial law had been removed. There was a free and singularly outspoken press. Customs duties on the necessaries of life, once extravagantly high, had been reduced. The existing railway service, while necessarily incapable of satisfying the abnormal requirements of the moment, was being rapidly reorganised and improved. None the less the same influence which was causing unrest among the Boers of the farming class, the

¹ No person was allowed to enter, or reside in, the Transvaal or Orange River Colony at this time, and for some years subsequently, without holding a "permit." While this document could be obtained without delay or inconvenience by all ordinary travellers or immigrants, the necessity of obtaining it enabled the Administration to exclude persons who for any reason were deemed "undesirable." It was by a judicious use of this system that the Administration was enabled in the later months of 1902 to check the inrush of the fresh Indian immigrants, who by thus entering the country desired to obtain "vested interests" in the Transvaal, which would enable them to evade the operation of the delayed, but inevitable, restrictive Asiatic legislation.

return of the more hostile and educated exiles, was stimulating the underlying impatience of the Crown Colony system manifested by the British in the towns. While the Boers of the professional classes naturally exercised most influence in the colonial capitals—Pretoria and Bloemfontein—and in the older country towns, no inconsiderable number of them had gravitated to the Rand. They were careful, indeed, to avoid any display of their own dissatisfaction at the change of Government such as might attract the notice of the authorities or offend the susceptibilities of their British neighbours; but they lost no opportunity of pointing out unobtrusively and in indirect ways that the British themselves had reason to complain that they were less well-off under the Crown Colony system than they had been under the Republican *régime*. Although the co-operation of the British of the Witwatersrand with these natural opponents of all things British had a basis in their common dislike and jealousy of the “imported Englishman,” it affords an example of democratic waywardness that recalls the reflections of the Genevan philosopher.¹ Before the war, scarcely three years ago, this community was complaining bitterly of its subjection to the Boers: the premature withdrawal of the Crown Colony system would leave it once more, in spite of its acquisition of the franchise, at the mercy of a Boer majority. Forgetful of their past servitude and blind to their present danger, the rank and file of the British industrial population were ready to associate themselves, now and throughout the period of Crown Colony Government, with the educated and dissatisfied Boers of the towns in an agitation for the immediate grant of self-government. The more experienced and responsible among them were sensible of the danger of being swamped by the Boer vote, but even men of this class, relying on the belief that in any case the Home Government would not

¹ “Democracy. . . Perpetual vacillation between contraries becomes its only mode of progress, because it represents that childish form of prejudice which falls in love and cools, adores and curses, with the same haste and unreason. A succession of opposing follies gives an impression of change which the people readily identify with improvement, as though Enceladus was more at ease on his left side than on his right, the weight of the volcano remaining the same.”
—*Journal Intime*. Translation by Mrs Humphry Ward.

depart from its declared policy in so vital a matter, were not too nice to win political influence by a show of sympathy with the popular demand.

With a population thus vexed by removable and irremovable causes of discontent and agitated by political cross-currents, and with no certainty of steady and consistent support even from its professed friends, the Administration was surrounded by difficulties which nothing but the highest statesmanship could hope to surmount. The only course open to it, in Lord Milner's judgment, was the bold one of assuming that all would yet be well, and proceeding full speed ahead with the work of industrial development. The improvement of internal communications and the expansion of existing, and the founding of new, industries would clear the way for the increase of the British population, wherein lay the ultimate security for the permanence of British supremacy; would largely remove the grievances of the existing inhabitants, and thus give the Crown Colony system a lease of power sufficient to enable it to carry out the administrative reconstruction of the two colonies.

For the success of this policy two things were necessary—ample funds and the continued presence of Lord Milner. Mr Chamberlain's arrival promised that the first of these primary needs would be provided without further delay; it was also destined to secure the second.

Lord Milner's tenure of office as High Commissioner for South Africa and Governor of the new colonies, as matters stood prior to Mr Chamberlain's departure from England, was to continue until the exigencies of the situation should permit him to retire without injury to the public interests. For the first three weeks after his arrival in the Transvaal Mr Chamberlain was necessarily thrown into close personal intercourse with Lord Milner; and, as the result of the full discussion of this question in all its aspects and bearings, for which an opportunity was thus provided, an arrangement was made by which, in spite of many misgivings and a complete sacrifice of his personal inclinations, the continuance of Lord Milner's services in South Africa was secured. Under this arrangement Lord Milner was to take "long leave" in Europe for a badly

needed holiday this year (1903), so soon as the progress of the resettlement permitted. He was then to return to South Africa and retain his offices for one year from the date of his return, provided that the state of his health allowed him to do so. The fact that he had overcome Lord Milner's disinclination to retain the High Commissionership after the conflict of opinion which had arisen between them on the question of the suspension of the Cape constitution was mentioned with satisfaction by Mr Chamberlain, as we shall notice, in more than one of his later speeches. It is scarcely necessary to add that knowledge of the details of this arrangement was rigorously withheld by both parties from the public, whether in South Africa or in England; and in point of fact Lord Milner's intention to resign the High Commissionership was not allowed to become known definitely until three months of the date (31st March 1905) upon which he actually ceased to hold that office.

CHAPTER VIII

MR CHAMBERLAIN IN THE NEW COLONIES

MR CHAMBERLAIN, who had sailed from England in H.M.'s Ship *Good Hope* by the east coast route, had arrived at Durban on 26th December.¹ In Natal, as elsewhere in South Africa, his presence aroused the greatest enthusiasm among the predominantly British population of the large towns, and a lively curiosity, mingled not seldom with a sincere respect, among the Dutch in the smaller towns and villages. The short speech delivered in response to the civic welcome which awaited him upon landing at Durban—his first speech in South Africa—contained, not unnaturally, a reference to the circumstances and objects of his visit.

“It is, in fact, with the express assent and approval of His Majesty the King,” he said, “and with the goodwill of all my colleagues that I am coming here in the first instance to express, on behalf of the King and the Government and the people of the Motherland, their sympathy with all their kinsmen across the seas, their desire to understand them better, and their hope for a closer and more personal intercourse. It is the object of the Government—expressing in this, as it does, the will of the whole of our people—it is their object to cement the near relations, the better relations, which have subsisted, and which have been so strikingly illustrated, in the course of the recent war. . . . I have a second object, and that is to gain information with regard to the manifold and complicated problems (that wait solution in South Africa). Although the problems with which the Imperial Government has to concern itself do not arise in this colony, you must feel interest in their solutions. They must be a matter to you of constant study

¹ He was accompanied by Mrs Chamberlain and three private secretaries, Lord Monk Bretton, Mr (now Sir) H. W. Just, of the Colonial Office, and one other.

and consideration, and here, I think, therefore, I may probably find independent advice and impartial information to aid me in my task. I do not for a moment minimise the difficulties in my way, and, above all, I would deprecate any notion that by the waving of a magician's wand I could settle in my sole capacity all these difficult questions. Time is wanted, the great healer of all wrongs and the great remover of all bitterness. Time and patience, and above all local goodwill. I believe that goodwill will be amply accorded to me. I take the sentiment of this great meeting as expressing the sentiment at all events of the majority, of the vast majority, of my fellow-countrymen in South Africa. I thank you for your welcome, which has heartened and encouraged me."¹

In his next speech, made at the public luncheon given to him at the same place, the personal note is also prominent.

"There is one observation from my friend, Sir John,² which I should like to notice," he said, "and that was when he spoke of the possibility, which I hope is something more than a possibility, that my visit will have some effect in strengthening the hand of that great public servant, Lord Milner, to whom South Africa already owes so much, and to whose ability, firmness, and honesty of purpose we still look to complete the work which he has undertaken, and whom we expect to be as great in conciliation as he has been in maintaining the rights of the Empire and the colony (of Natal)."

And from this reference to Lord Milner he passed to a vindication of the "Downing Street" which had provided South Africa with Lord Milner, and of which his audience saw rightly in himself the "personal embodiment."

"For, gentlemen, what is Downing Street? Downing Street is the greatest and purest service that the world has ever known. Downing Street makes mistakes, as who does not? We are not all archangels, even in Downing Street. But I am certain that I say no more than justice

¹ I am indebted for the accounts of Mr Chamberlain's speeches given in the text (unless otherwise stated) to the admirable reports of the *Johannesburg Star*, then under the editorship of Mr W. F. Monypenny.

² The late Sir John Robinson, Editor and Proprietor of the *Natal Mercury*, and subsequently first Prime Minister of the colony.

demands, when I say of the office over which I am so proud to preside that it would be impossible for any man to have found abler men and more devoted assistants; and if they have made mistakes, you may, I think, trust me when I say that it is not from indifference or from apathy, but only from the necessary difficulty of realising a subject when you are six thousand miles from the place at which the circumstances arose. . . . And let me say, while there is a great deal in being on the spot, and while there is much knowledge to be gained from local opinion, still it is sometimes possible—and you should recognise it—that we who are at the centre are able to take a broader and a wider view. We have a larger horizon. We deal with Imperial, and not merely local, politics and possibilities; and sometimes, though our policy may be hard to follow, believe me, it may be right, even though it involves certain sacrifices of your opinions.”

One further reference to the circumstances of his visit, which occurs in the first of his two speeches at Maritzburg, may be noticed. After speaking of the desirability of holding frequent conferences between the Home Ministers and the leading statesmen of the self-governing colonies, and then of the suggestion which had been made that the present visit should “form a precedent for many subsequent periodic visits,” Mr Chamberlain continued—

“I should point out to you that there are difficulties, and serious difficulties, in the way. The Minister who is in charge of the Colonial Administration in the United Kingdom is constitutionally responsible to Parliament for every detail of the administration of some thirty or more colonies and dependencies under the Crown, and his absence at critical times might be productive of great inconvenience. Nothing but a serious and exceptional occasion would, therefore, justify such a step as that which I have undertaken; but this is an exceptional occasion. We find ourselves at the termination of the greatest struggle in which the Mother Country has been engaged since the French wars at the beginning of the nineteenth century. . . .”

But in his Natal speeches as a whole Mr Chamberlain forthwith enunciated the two-fold appeal, which, varying somewhat to meet the circumstances of the place and the

occasion, yet remained the essence of his public utterances from the beginning to the end of his visit to South Africa—the reconciliation of the British and Dutch in a common citizenship of the Empire, and the better understanding by both of the privileges and responsibilities which such a citizenship entailed. Thus, after a generous tribute to the “glorious history” of the Dutch, he said at Durban :

“We must show our readiness to welcome our new fellow-subjects to all the privileges of a greater and freer Empire than the world has ever known before. We must give to them equality of all things with ourselves, and we must ask something in return. It is with them now that the easy way lies. We hold out the hand to them, we ask them to take it, and to take it not on the *arrière pensée*, but frankly and in the spirit in which it is offered. Let us try whether out of these two great races we cannot make a nation stronger in its unity than either of its parts would be alone. That is the future of South Africa to which all patriots must aspire, and which is within the bounds of a reasonable aspiration.”

And at Maritzburg (30th December) he combined his appeal for racial reconciliation with an invitation to the Boers to furnish practical evidence of their desire to unite with the British in building up a United South Africa.

“I make allowance for their feelings,” he said, “but I hope the time is not far off when passive will be converted into active loyalty. Till then progress will be hindered and prosperity delayed. With many differences, we are one nation with our late foes. All that is common in the history of the two races is the joint heritage of a united people.”

The passage which followed is interesting as giving an outline of the policy to be pursued in the new colonies. In federation lay safety for the small white population of South Africa, many times outnumbered, as it was, by the natives. But there must be no hurry. A principle must not be accepted until we knew how it was to be applied. Responsible Government in the new colonies must precede federation. This could not be granted immediately. We had a right to ask the Boers for some evidence of their

loyalty as an earnest of their worthiness for the liberty which would follow. It would be a dereliction of duty to put in power any party to undo the work accomplished so painfully in the past. Nor could the new colonies stand alone, as yet, either in providing for their defence or in furnishing the funds required for the development of their resources. When the new colonies were ready to pay the piper, then, but not till then, they might call the tune.

Of the high patriotism required of citizens of the Empire, in his first speech at Maritzburg he said :

“You have proved, and our colonies have proved throughout the world, that the sons of Britain are worthy of their mother, worthy of the history which they have in common with us. The Empire has been united by the war, and we have learned that there is no member of that Empire, however comparatively weak it may be, that will stand alone in any time of difficulty or danger. The wider knowledge that we have gained, the deeper sympathy, the clearer information, the interest which has been evoked by this great struggle in which we have stood shoulder to shoulder—these must not be suffered to pass away with the war. They must continue and be permanent in peace; and while we continue to pursue our several local interests with the same strenuousness as before, I hope that we shall be able to rise above the mere provincial spirit, that we shall rise to that higher conception of an Imperial patriotism which will lead us to bear one another’s burdens, and make us ready and willing to share the claims and responsibilities, as well as the privileges and the glories, of the Empire to which we all belong.”

And in his second speech at the capital he continued the theme. “The Empire,” he said, “is based on the idea of community of sacrifice.” And a moment later he declared that he was “gratified beyond measure” by the decision of the Natal Government to pay out of the colonial revenue the £2,000,000 awarded as compensation for the war losses of individuals within the colony.

On Saturday, 3rd January, Mr Chamberlain left Natal for the Transvaal. At Charlestown, the last station on the Natal side of the border, he was met at 2 o’clock by Lord Milner and Sir Arthur Lawley, with their respective staffs, and the

whole party proceeded in the High Commissioner's train to Elandsfontein. From this point Lord Milner returned to Johannesburg, while the Secretary of State proceeded with Sir Arthur Lawley to Pretoria, where the Residency had been prepared for his reception.

On the following evening Lord Milner left Johannesburg for Pretoria, where he stayed during Mr Chamberlain's visit with Mr Davidson, the Transvaal Colonial Secretary, at the N. Z. A. S. M. House ;¹ as his official quarters, the Residency, had been handed over to the Secretary of State and his party. On the next morning (Monday, 5th January) he paid an early visit on Mr Chamberlain, and the question of military compensation was discussed and settled.

And here an answer may be given to a question which will arise now and subsequently in the mind of the reader : To what extent did Mr Chamberlain contribute personally to the solution of this and the other pressing administrative problems in respect of which the decision of the Home Government was required? The reply is that while he originated nothing, he sometimes said "no" to the proposals placed before him by Lord Milner. The methods of solution adopted, with the one exception of the settlement of the war contribution, were those formulated by Lord Milner. At the same time, even from this narrower point of view Mr Chamberlain's presence brought a very real gain. He obtained the prompt assent of the Cabinet to the solutions proposed, and such of the administrative decisions as were made known were invested with an added weight and dignity by being announced publicly by the Secretary of State in person. And if he added comparatively little to the counsels of the Administration, he performed a service of another kind. By his impressive personality he made the British Government known to the Dutch of the new colonies, and of South Africa at large, as a virile but withal human and eminently responsive power—a power with which no man need be ashamed to be associated, and one with which it was better to be on friendly than unfriendly terms. To the British he showed himself, in his own phrase, a "missionary of Empire" ;

¹ The headquarters of the Netherlands South African Railway Company of the old *régime*.

and to both alike he taught—and not without effect—the difficult lesson of conciliation and mutual respect.

On the same afternoon the Secretary of State appeared as the central figure at a garden party, where addresses of welcome were presented to him from the Town Council, the Chamber of Commerce, and the members of the Hebrew and Asiatic communities. His reply was characterised by a mingling of frankness and caution which showed that he was sensitive to the less friendly atmosphere in which he now found himself. With reference to the expression of a desire that his visit, as being the first occasion on which an Imperial Minister had visited one of the great colonies during his term of office, might be repeated, he said :

“ If you send me away empty-handed, I shall bow to your decision ; but in that case I am afraid the visit is not likely to be promptly repeated.”

And he then confessed that

“ he was sometimes a little appalled by the magnitude of the business with which he had undertaken to deal.”

He added :

“ Still, at the same time I am sanguine that from the spirit all the people have shown, from the kindness that has generally been evinced, that at all events I shall attain greater and better information as to your position, as to your aspirations and wishes ; and probably I may also obtain a clearer idea of the lines on which a satisfactory settlement may be effected.”

Mr Chamberlain remained for an hour after the presentation of the addresses in order to afford opportunities to the numerous guests, among whom were the Boer Generals, to converse or make acquaintance with him and Mrs Chamberlain. The day ended with a dinner at the Residency, to which, being of a private and intimate character, only the High Commissioner, the Lieutenant-Governor, the General-in-Command and Lady Lyttelton, with their respective staffs, and one or two personal friends were invited.

The following evening (Tuesday) was that fixed for the Pretoria banquet to Mr Chamberlain. In view of the

significance which, naturally, would be attached to his first public utterance of importance in the new colonies, it is not surprising that Mr Chamberlain avoided any further public engagements on this day, and passed the morning and afternoon in reflection. Lord Milner, too, apart from a conference with Sir Arthur Lawley on the position of the "hands-uppers" (*i.e.*, the Boers who surrendered during the war and were on that account being subjected to great harshness on the part of the "bitter-enders" and returned prisoners), pursued his administrative business in the comparative quietude of Mr Davidson's quarters. Elsewhere, however, the capital of the new Government, which was also the centre of all that remained of the old Boer *régime*, was alive with movement. Every man with a grievance—repatriated burgher and British settler, Boer leader and British politician—felt that now was the time to air it. For were not the ears of supreme authority, in the person of Mr Chamberlain, within a stone's throw of his door? Moreover Pretoria, as a community, felt somewhat sore because the High Commissioner had chosen Johannesburg, with its more bracing air and greater facilities for the transaction of affairs, as his place of residence.

It had been arranged that on Thursday Mr Chamberlain, should receive an address from the burgher population; and the precise nature of the representations which it was to contain, and the choice of the men who were to present it, were being debated to-day with great vigour of language and some mutual recrimination. At a meeting of prominent Boers, held for these purposes in the afternoon, one burgher declared that "the repatriation was a fiasco." If the £3,000,000 grant were a free gift to the Boer people, why, he asked, were they not allowed to spend it as they liked? Others demanded that the Government Gazette should be printed in Dutch as well as English, that greater railway facilities should be given for the importation of cattle, and that "blue-backs"¹ should be recognised. A contemptuous

¹ The drafts on the late Government, issued by Boer officers in the field in payment of requisitions and supplies, which had been allowed under the Terms of Surrender to be produced as evidence of war losses, but the payment of which at their face value (*i.e.*, as debts binding on the new Government) had been specifically refused.

reference to the "hands-uppers" brought General de la Rey to his feet with the angry reproof that the deputation was to represent "the Afrikander nation, and they must work for the whole nation and not for a section." General Louis Botha and Mr Schalk Burger, the Chairman of the meeting, also endeavoured to restrain the more turbulent spirits. The latter in particular warned more than one speaker that he must be careful of his language. There is, he said,

"no question of justice or injustice. We simply stand by the peace terms, which we expect to be fully carried out. We are here, not to argue, but to strengthen the hands of the new Government. By doing this we shall get much more assistance than by grumbling. If the new Government had been supported by the burghers, repatriation would have been a success."

The dissatisfaction akin to ingratitude which prevailed among the ex-burghers was accompanied by a singular display on the part of some British residents in the capital of the impatience with which they regarded the Crown Colony system. The fact that the establishment of self-government was publicly advocated by the British of the Rand within a few weeks of the peace, has been noticed in the preceding chapter. To the explanations of this remarkable attitude on the part of men of education, and, in some cases, of experience in practical politics, then offered, may be added the circumstance that the machinery of the repatriation and resettlement worked so rapidly and smoothly, to all appearance, that the real difficulties of the Administration, and the pulsating energy by which they were being overcome, were alike hidden from all but the few men who were in a position to survey the whole field of varied and inter-dependent operations that had their centre and inspiration in the mind of one man—the High Commissioner. How, then, could any outside observer know that the slightest relaxation of the unremitting efforts put forth not merely by Lord Milner and the heads of departments, but, with few exceptions, by every subordinate official, would have sufficed to plunge the great majority of the European population of the new colonies into starvation, and the colonies as a whole into industrial impotency?

While, moreover, the Boers were satisfied to reserve their complaints until the presentation of their address to the Secretary of State provided with them the appropriate opportunity, these British malcontents, with questionable good taste, seized the occasion of a social gathering to ventilate their unseasonable proposals.

The Pretoria banquet in Mr Chamberlain's honour—the occasion in question—was held in the Market Hall on the evening of Tuesday, 6th January. Mr Loveday, the Chairman of the Municipal Council, presided, and in addition to Lord Milner, Sir Arthur Lawley, General Sir Neville Lyttelton, Major-General Baden-Powell, Mr Duncan, and the chief official and unofficial English residents of Johannesburg and the capital, the assembly of some five hundred men included General Louis Botha, General De la Rey, General Smuts, and other leading members of the burgher population. The fact that the Boer leaders thus sat at table with their recent enemies, and drank the loyal toasts with every appearance of sincerity, was noted as an incident of special significance on an occasion otherwise charged with promises of good augury for the future reconciliation of the two races.

The health of Lord Milner, which followed the loyal toasts, was proposed by Mr Greenlees, a Pretoria barrister, by whom it was used as an opportunity for delivering what was in effect a long criticism upon the existing system of administration. He would like to see, he said, "Crown Colony Government with a little less Crown and a little more Colony" in it. What was wanted was "a new administration rather than new legislation." Mr Loveday was scarcely less maladroit. In proposing the toast of the evening, Mr Chamberlain's health, he referred with bitterness to the "constant attempts to remove the seat of Government from Pretoria to Johannesburg," and then proceeded to argue at length the case for retaining the former as the capital.

Both Lord Milner and Mr Chamberlain tactfully parried these ill-considered and wholly unexpected appeals to enter upon the dangerous sphere of local rivalries and personal ambitions. The latter, in particular, appealed to the audience to "have patience—to give him a little time to study these difficult questions, to discuss them with men of

all classes on the spot," before they asked him for final decisions. He would, therefore, confine himself that night to "general considerations of principle and policy."

Having thus cleared the ground, Mr Chamberlain laid down in broad outline the considerations by reference to which the Home Government proposed to deal with the questions of self-government, compensation, and the war contribution. The policy of His Majesty's Government, he said, must be

"a policy of union and a policy of conciliation, so far as conciliation leads to union. Now this is a somewhat important qualification. Conciliation we all desire; but it is not conciliation to attempt to meet the views of your opponents if at the same time you alienate your friends. It is of no use to make concessions if they are to be interpreted as a sign of weakness, and if they are merely to be the prelude to further demands. But, subject to this qualification, I say it is the duty and interest of every Briton in this country to do his utmost to secure, not merely an alliance between the two white races that have inhabited the country and will continue for all time to occupy it, but to secure, if possible, a fusion of these races into one African nation."

The declarations which he then made were admirably adapted to allay the spirit of disquietude and suspicion that characterised the attitude of the inhabitants of both nationalities towards the Crown Colony Government.

Of "self-government" he said :

"You have confidence in Lord Milner. So have we. I recognise that any kind of non-representative government in the case of a white race raises all sorts of difficult and delicate problems, and, therefore, on behalf of the Government of His Majesty, I say that we desire as much as any one can that the time should rapidly come when we should be relieved of the great responsibility which we undertook only as a duty, and not at all for our own satisfaction—that the time should come when we should give to these new colonies that self-government which we have already conceded to the other communities of white races, which in their case, at any rate, has been used so much to their advantage."

Of "compensation for war losses" he said :

"It is perfectly evident that even an arbitrary settlement would be better than prolonged delay. . . . This is a matter which has already engaged the attention of Lord Milner and myself, and as the result of our discussion we have agreed on a scheme which will be immediately submitted to the Government at home. I do hope that if this scheme is accepted we may be able to lay down the general principle for the settlement of all those claims, and we may be able most materially to hasten the payment of claims when they are made."

Of the "war contribution" he said :

"I have to discuss this matter during the course of my stay here with the representatives of all classes, including the capitalist class, who no doubt will be the largest contributors. It concerns also the working classes, who, I think, if they at all resemble the same classes in the Mother Country, would almost resent the insinuation that they would wish to shirk their share in such expense. But I will make to-night two declarations. In the first place, and in this I am only repeating what I have already said in the House of Commons in London, it is not the idea or intention of His Majesty's Government in London to do anything which would unduly raise the burden of taxation in this colony, or which would in any way hamper its prompt and reasonable development. Secondly, we want no grudging contribution. We want nothing from you which, if you were a self-governing colony to-day, you would not give as a willing expression of your loyalty and patriotism and of your appreciation of your duty to share the burdens as well as the privileges of Empire. And I say to you once and for all that I would rather go back to England empty-handed—as I am told, indeed, by the organs of the Radical press that I shall go back—I would rather go back empty-handed than bear with me an arrangement which was extorted from an unwilling people."

It will be noticed that in this speech Mr Chamberlain stated with reference to the question of compensation that he and Lord Milner had agreed on a scheme which would be immediately submitted to the Home Government for approval. On the morning after the banquet (Wednesday, 7th)

he accordingly sent a communication by cable to the Home Government, in which he explained in emphatic language the gravity of the position, and set out fully the terms of the proposal upon which he and Lord Milner had agreed. This proposal was in its essence that the War Office should hand over a lump sum of £3,000,000 to the Administration in complete satisfaction of all its outstanding liabilities, and that the Administration itself should henceforward carry out the business of military compensation. The Home Government's consent to this arrangement was obtained in the course of the next fortnight; and Mr Chamberlain was able to announce at Bloemfontein (7th February 1903) that Lord Milner's solution of this embarrassing and complicated question would be put into effect.¹ The importance of the measure from a political point of view is well indicated in a letter written by Lord Milner at the time to a correspondent in England.

“The great point is that we are going to compensate ‘hand-uppers’ who were genuinely and undoubtedly loyal after their surrender for everything we took from them, or for any damage done to their property, receipts or no receipts. I am not sure whether they will get full compensation, but they will get a good lot. . . .” It will show that “we do not forget the difference between our friends and our enemies.”

On the same day Mr Chamberlain was occupied with an examination of certain complaints put forward by the Dutch Reformed Church against the system of Government schools as then established. And later on he discussed with Lord Milner the general attitude of the ex-burgher population and the relations between them and the Administration, in order that he might be put in possession of all the facts necessary to enable him to reply with effect to the points raised in the address which was to be presented on the following morning by the Boer delegates. It should be remembered, also, that during the last three days Mr Chamberlain had personally discussed these subjects with many of the Boer leaders, and had otherwise availed himself of every opportunity of gaining independent information that had arisen.

¹ For this detailed statement of the arrangement, see forward at p. 200.

On the next day (Thursday, 8th January), Mr Chamberlain received the Boer address in the morning, and travelled to Johannesburg in the afternoon, where he found himself in altogether different and more pleasing surroundings. It was, in Lord Milner's words, "a busy and eventful day"; and his brief record of what took place will serve better than anything else to bring before us the actual scenes that made it memorable.

"After breakfast," says the Diary, "first ——, the National Scout, then —— bringing Botha and De la Rey. I went straight to the Raadzaal, where all the Boer delegates were assembled to present a memorial to Mr Chamberlain. Smuts¹ was the spokesman. Mr C. made a most excellent and impressive speech in reply. Back to N.Z.A.S.M. house to lunch, then joined Mr C. and his party in a special train, which left Pretoria at 2.20 and reached Johannesburg at 4.30, after a short stay at Elandsfontein. At Johannesburg there was a large and enthusiastic crowd, and a great assembly at the Wanderers', where Mr C. was presented with an address and made a capital speech. The day which had been very wet in the morning, kindly cleared up for the ceremony."

The meeting of Mr Chamberlain and the Boer delegates at the Raadzaal is so significant an event that the proceedings must be given at some length. The essence of his reply to the address lay in the words:

"The Terms of Vereeniging are the charter of the Boer nation . . . it is a little too early to try now to go behind, or further than, the terms then concluded."

That is to say, while Mr Chamberlain as the representative of the British Government, was prepared to examine, and, if need be, to remedy any complaints based upon actual or alleged breaches of the Vereeniging Agreement, he absolutely refused, for a second time, to re-open any of the questions which had been directly, or by implication, settled once for all by the Boer acceptance of the Terms of Surrender

¹ General J. C. Smuts, Attorney-General in the late Government, a successful military commander in the war, and Colonial Secretary in the first Ministry after the grant of Responsible Government to the Transvaal. General Smuts has subsequently held important offices in the Union Government, and in particular produced the famous Defence Act of 1912.

therein contained. But neither the importance of this speech as a political pronouncement, nor the significance of the proceedings of which it formed part, can be understood, without first calling to mind the movements and actions of the three Boer Generals, Louis Botha, De la Rey, and C. de Wet, during the six months which had passed since the Commandos had laid down their arms, and in particular the remarkable document entitled "An Appeal to the Civilised World" issued by them on 25th September 1902.

It will be remembered¹ that the burgher representatives at Vereeniging, after they had voted the acceptance of the Terms of Surrender, passed a resolution constituting a committee to collect funds for the destitute Boers, and that of the members of this committee these three were instructed to proceed to Europe for the purpose in question. Accordingly just a month after the surrender of the Commandos had been completed and the Civil Administration formally inaugurated, Generals L. Botha, De la Rey, and C. de Wet left the Transvaal² for the Cape, where they remained for a week, and then sailed for England on 30th July in the *Saxon*. Apart from the immediate purpose of their mission—to collect funds for the Boer widows and orphans—they were, no doubt, anxious to consult with ex-President Kruger, Dr Leyds, and the other fugitive members of the late Republican Governments, upon the future of their people.

At the Cape the Boer Generals met the unrestrained homage of the Bond; in England they were received with scarcely less popular enthusiasm and with much official kindness. Both at the Cape and in England they found political sympathisers to whom the whole policy of the Unionist Government in South Africa was *anathema maranatha*, and Lord Milner, as the chief instrument of that policy, infinitely more obnoxious than he was to themselves. The effect of their association with men holding such views as these, was unfortunate. They were invited to believe that to create obstacles to the success of the Administration in the new colonies was in the circumstances a meritorious

¹ "Lord Milner's Work in South Africa, 1897-1902," p. 572.

² On the 21st. About the same date ex-President Steyn, Mr Reitz and General Lucas Meyer preceded them in leaving South Africa for Europe.

course of action, and one which would secure for them the approval and support of a large number of Englishmen both in Cape Colony and in England; and they conceived the not unnatural expectation that, when so many Englishmen denounced the war as unjust, and the terms of peace as ungenerous and impolitic, the Vereeniging Agreement might be altered, even now, in some of those respects in which it failed most notoriously to meet the wishes of their people.

That the Boer Generals should have been subjected to these influences at this particular moment was the more to be regretted in view of the friendly attitude which they had adopted towards the new Administration and Lord Milner personally during the few weeks directly following the peace. Their readiness to co-operate with the civil authorities—whether due to Lord Milner's firm but sympathetic handling of the various questions arising out of the surrender and repatriation, which he had discussed with them from time to time, or to mere weariness of the long drawn struggle—was so marked at the time that Lord Milner advised Mr Chamberlain that a non-official element should be added to the Legislative Councils in both colonies in a telegram of 3rd July.

“It would, I think,” he then telegraphed, “be very desirable to make a public announcement that the Legislative Councils of the new colonies will shortly be enlarged, and that non-officials will be added. I felt at one time that in the case of the Transvaal this would be unworkable, but my present opinion is strongly to the effect that we should seize the opportunity of the present improved feeling between the Dutch and British in the new colonies to commence co-operation between them in the conduct of public business. . . . My idea is that the enlarged Councils might meet (say) in September. . . . The existing councils would continue in the meantime to pass any urgently necessary laws for completing our administrative machinery. Of course both councils will contain a majority of official members.”

This proposal was approved by Mr Chamberlain on the 7th; but before it could be put into effect the Boer Generals, under the influence to which we have just referred, had

embarked upon a course of action which was singularly offensive to the British nation. They had arrived in London on 16th August, to be greeted by the cheers of generous, if somewhat thoughtless, crowds. On the 17th, they were received by the King on board the *Victoria and Albert* off Cowes, and on the 18th, in the company of Mr Abraham Fischer, who had come to England to meet them, they crossed to Rotterdam, where they were met by Dr Leyds and Mr Wolmerans. From Rotterdam they proceeded to the Hague to meet ex-President Kruger. This latter gives no hint in his autobiography¹ of what passed between the Generals and himself in the course of the next ten days. But we know that before the 23rd they had decided on an attempt, highly characteristic of the political tactics of the ex-President, to obtain a new agreement in substitution for the document which they had signed at Pretoria not quite three months ago. For on that day they forwarded to Mr Chamberlain a list of the subjects to be discussed at the interview which he had promised to give them in the beginning of September. Among the proposals thus indicated were: a complete amnesty for all rebels; full compensation for all loss occasioned by the British troops, including payment for the use of properties occupied during the war; the reinstatement or suitable compensation of officials of the late Republics; the payment of all war debts of the two Republics; the recognition of the burgher rights acquired by foreigners during the war; and the restoration to the Transvaal of the districts of Vryheid and Utrecht now ceded to Natal. To have admitted these proposals as subjects for discussion would have been tantamount to tearing up the Terms of Surrender, and making in place of them, as Mr Chamberlain said, an "entirely new agreement." Fortunately, Lord Milner's precision² during the whole course of the negotiations, which preceded the acceptance of the Terms of Surrender, had made it easy for Mr Chamberlain to send a conclusive reply to this audacious communication.

¹ "The Memoirs of Paul Kruger. Told by himself."

See chap. xii. (The Surrender of Vereeniging) of "Lord Milner's Work in South Africa, 1897-1902."

"It would not be in accordance with my duty," he wrote on the 28th, "to enter upon any discussion of proposals of this kind, *some of which were rejected at the conferences at Pretoria; while others, which were not even mentioned on those occasions,* would certainly not have been accepted at any time by His Majesty's Government."¹

Upon this the Generals, having first protested that their intentions had been wholly misinterpreted, agreed to the condition laid down by Mr Chamberlain that only "actual grievances" or "practical recommendations" should be brought before him. Thus limited in its scope, the interview, which was held on 5th September in the presence of Lord Kitchener, resolved itself into a not unfriendly discussion of some small personal grievances, mainly connected with the return of the prisoners and fugitive officials, and to the removal of some obvious but not very important misunderstandings. The only incident of any significance was Mr Chamberlain's refusal to recommend a separate grant for the Boer widows and children. This refusal, which was based upon the ground that ample provision for all classes of the Boer population was being made by the Administration of the new colonies, was received with a displeasure which the three Generals were at no pains to conceal.

Not long after this interview had taken place the Boer Generals returned to Holland, and on 25th September they issued their "Appeal to the Civilised World." The text of this remarkable document is as follows:—

"It is still fresh in the memory of the world how the Boers, after a terrible struggle lasting more than two and a half years, were at last obliged to accept through their representatives at Vereeniging the terms of peace submitted to them by the Government of King Edward VII.

"At the same time the representatives commissioned us to proceed to England, in order, in the first place, to appeal to the new Government to allay the immense distress everywhere devastating the new colonies. If we did not succeed, we were to appeal to the humanity of the civilised world for charitable contributions.

¹ Cd. 1284.

“As we have not succeeded up to the present in inducing the British Government to grant further assistance to our people in their indescribable distress, it only remains for us to address ourselves to the peoples of Europe and America.

“During the critical days which we have passed through, it was sweet for us and ours to receive constant marks of sympathy from all countries. The financial and other assistance given to our women and children in the Concentration Camps, and to the prisoners of war in all parts of the earth, contributed infinitely to mitigate the lot of those poor sufferers, and we take advantage of this opportunity to express, in the name of the people of the late Republics, our fervent thanks to all those who have charitably assisted us in the past.

“A LAND BATHED IN TEARS.

“The small Boer nation can never forget the help it received in its dark hours of suffering. The people of the Republics were ready to sacrifice everything for their independence, and now the struggle is over, and our people are completely ruined.

“Although we had not the opportunity of drawing up an exact inventory of the destruction done, we have the conviction, based on personal experience, that at least thirty thousand houses on Boer farms and a number of villages were burned or destroyed by the British during the war. Our homes with their furniture were burned or destroyed, our orchards were ruined, all our agricultural implements broken, our mills were destroyed, every living animal was carried off or killed. Nothing, alas, remained to us! The country is laid waste. The war demanded many victims, and the land was bathed in tears. Our orphans and widows have been abandoned.

“Besides, it is needless to recall the fact how much will be needed in the future for the education of the children of the burghers, who are in great distress. We address ourselves to the world, with the prayer to help us by charitable contributions for our widows and orphans, for the maimed and other needy ones, and for the satisfactory education of our children.

“NOT TO INFLAME.

“We allude to the terrible results of the war in order to bring to the knowledge of the world our urgent needs,

by no means to inflame people's minds. The sword is now sheathed, and all differences are silent in presence of such great misery.

"The ruin caused by the war is indescribable, so that the small amount which Great Britain is to give us, in accordance with the Terms of Surrender, even were it multiplied tenfold, would be wholly insufficient even to cover the war losses alone. The widows, orphans, maimed, needy, and children, on whose behalf alone we appeal, will receive little of this sum, and in most cases nothing.

"All contributions will be assigned to a fund to be called 'General Fund of Help for the Boers,' which will be devoted solely to supplying the wants of those for whom we are collecting, and to provide for their future. We solicit the hearty co-operation of the committees existing in the various countries of Europe and America. We are now on the point of visiting these countries in succession, with the object of establishing a satisfactory organisation.

"(Signed) BOTHA.
 DE WET.
 DE LA REY."

At the meetings which they addressed in Holland and Belgium the Boer Generals used equally extravagant language.

"Of what use is three millions to us," General De la Rey passionately demanded at Brussels on 6th October, "when our losses are estimated at seventy-five millions? It would have been more honest on the part of England to pay us the whole than fling a mere beggar's pittance in our faces."

And General De Wet at the same meeting declared: "The compensation offered by England is but a drop in the bucket." From Belgium the Generals proceeded to Paris and Berlin, where the same infatuated language was indulged in to the great delight of their French and German audiences.

But the "mission" was nothing more than a *succès d'estime*. The total sum collected in Europe and America was £105,000; and of this sum nearly one-fifth, £20,000, was the gift of an individual American, Mr H. Phipps of the Carnegie Steel Trust, who stipulated that no part of

his donation should be applied to any purpose harmful to Great Britain.¹ In the Cape Colony, a country with only half a million of Europeans, £60,000, almost as much as the whole of Continental Europe had given, was raised during and after the war.

From the Continent the Boer Generals were recalled to England by the announcement of Mr Chamberlain's intention to visit South Africa. On 5th November they listened from the Strangers' Gallery as he recounted to the House of Commons how at that very moment the restoration of the burgher population to their homes was being carried out with unexpected smoothness and rapidity; and reiterated his belief that at no distant date Boer and Britain would forget the past in the realisation of the larger destiny which was now awaiting them.²

One other incident which occurred at this time in London remains to be noticed. When again pressed by General Botha to assign a special fund for the relief of the Boer widows and orphans, Mr Chamberlain had replied that if the lost funds of the South African Republic could be discovered, he would be quite willing to allow them to be appropriated to this object. The funds in question were large consignments of gold in coin or bars which were sent by President Kruger, through German merchants at Delagoa Bay, to firms in Germany, both shortly before and immediately after, the occupation of Pretoria by the British forces under Lord Roberts. The records of the Government departments, which were now in the hands of the new Administration, and the books of the banks which had accounts with the Government, showed conclusively that these large amounts of gold had left the Transvaal. Investigations were made by the British Government both in the Transvaal and on the Continent of Europe; but no certain information as to the purposes to which they were applied, and no indication of the place in which the unspent balance,

¹ It was reported that up to 28th October 1902, the Boer Relief Fund showed £25,180 from Holland, £6,755 from Belgium, France, Germany and other countries (with £20,000 from Mr Phipps), and the Hague House collection said to be £3,353.

² It was at this time that Parliament voted the £5,000,000 further grant (of which £3,000,000 was repayable by the Transvaal Government) for repatriation, etc.

if any such existed, had been deposited, were obtained. General Botha, in reply to Mr Chamberlain's offer, had declared his willingness to do anything within his power to assist in the discovery of these funds; but he also denied, then as now, that any such funds were in existence.

Generals Botha, De la Rey, and De Wet remained in England until 13th December. They had, therefore, only returned to South Africa just in time to take part in the reception of Mr Chamberlain at Pretoria, and in particular in the preparation of the Boer address of welcome now to be presented to him at the Raadzaal.

The address, which was read by Mr Smuts, stated that the burgher population, in bidding welcome to Mr Chamberlain, desired to bring before him two requirements, the grant of which must be regarded as a condition precedent to the "reconciliation" of the two white races in South Africa. The first of these was a complete amnesty to all who fought against Great Britain, whether Boers or colonial Dutch; and the second, permission for the Boer leaders now in Europe to return to the new colonies. The address further contained requests, (1) that the native population might be informed by the new Government that the change of Government did not bring with it any change in the relative position of natives and Europeans; (2) that no taxation for the maintenance of the South African Constabulary or for the contribution to the war debt might be imposed until representative institutions had been established; (3) that the Dutch language might be placed on an equal footing with English in the government schools and generally, and (4) that the cession of the districts of Utrecht and Vryheid to Natal might be annulled.

In speaking in support of the address Mr Smuts said that the amnesty question was one which touched the honour of every burgher of the late Republics. They felt that it was not the colonial rebels who were in gaol, but they themselves who had encouraged these people to join them, that were the real criminals. In respect of the language question, they claimed that the same rights should be conceded to the Dutch language in the Transvaal as were conceded to this language in the Cape Colony, and as were conceded to the

French language in Canada. In supporting the request for the postponement of taxation for the Constabulary and the war contribution, Mr Smuts relied upon the broad principle of "no taxation without representation." On this point, however, he added that Mr Chamberlain's assurance, spoken at the Pretoria banquet, that no burden would be imposed which would hamper the industries of the colony, had given them every satisfaction. The speech concluded with some friendly words welcoming Mr Chamberlain's intention to visit the rural districts of the Transvaal, and declaring that the Boers still wished to co-operate with the Government, unless such co-operation should appear to be impossible.

In the speech which Mr Chamberlain now made, he did much more than reply to the specific requests and complaints of the Boer address. The task which he set himself was to provide an answer to the tone of the address rather than to its substance, and more especially to condemn the attempt made by the Boer Generals, since their appearance in Europe, to disparage the efficiency of the Administration of the new colonies, and to belittle the generosity of the British Government.

"I regret," he said, "that I cannot address you in your own language, but I understand that what I have now to say to you will be translated into Dutch and a copy given to every gentleman who is present here to-day.¹ I have already had an opportunity of meeting privately many of your countrymen. I hope that this intercourse has done something to remove misunderstandings, and that you are beginning to think, however bad I am, that I am not so black as I have been painted. In these interviews, as to-day, you have spoken very plainly to me. That is what I like; and I intend to reciprocate by speaking just as plainly to you. I believe that all our past troubles and difficulties have arisen, not so much from real differences of opinion, but because we have failed to understand each other.

"Now, while I recognise and thank you for the courteous and moderate tone of your address, I must say that I should have had still greater pleasure in receiving it, if it had contained, besides demands and appeals for the future, some little recognition of what we have already done.

¹ An official report of the entire proceedings of the meeting was printed, and distributed among the ex-burgher population, by Mr Chamberlain's instructions.

"In a newspaper this morning I read a report of some remarks by Mr Botha in which in eloquent terms he expressed his gratitude to those friends on the Continent who had assisted with money the Boers. He stated that in their recent tour they had been able to collect the sum of £100,000 for the widows and orphans. I do not for a moment wonder that he should have expressed his thanks for these contributions, but he does not appear to have told you, and probably he did not know himself, that the British Government, representing, of course, in this struggle the party against whom you fought, when they have paid all claims for repatriation and for compensation for war losses, will have spent on behalf of the country a sum of between ten and fifteen millions sterling. I say that never in the history of the world has a conquering nation done so much for those who were recently their opponents. And I think when you give thanks for a hundred thousands pounds, you might also, in your hearts at any rate, recognise that we, who have given a hundred and fifty times as much, are not altogether undeserving of your regard.

"Now, on what terms are we to live for the future? I think that those of you who read newspapers and follow the course of public opinion will have seen that there is growing up a certain impatience of all these constant and reiterated demands, that there is an impression that, while the Boer leaders are most excellent people at bargaining, they fail to recognise that when a bargain is once made it should be stuck to. The terms of peace at Vereeniging were the subject of long discussion, they were submitted to all the burghers in the field in their separate Commandos. I do not pretend that they gave everything to the Boers that the Boers desired, but, such as they were, they were the best we could give, and they were finally and loyally accepted. And it is a little too early to try now to go behind, or further than, the terms then concluded. The terms of Vereeniging are the charter of the Boer nation. You have every right to call on us, the British, to fulfill them in the spirit and the letter. And if in any respect you think these terms have not been, or will not be carried out in the future, bring your complaints to us and they will be redressed.

"In the first place, as regards the amnesty to rebels, you will find in the terms at Vereeniging no allusion to this question. No demand in regard to the rebels was either asked for or conceded. It is therefore a matter outside and beyond what I have called your charter. But, though

nothing was said in the Terms of Surrender, the British representatives in order that there might never be any future misunderstanding on the subject, put in a paper, which they gave to the Boer leaders before the terms were signed, in which it was stated exactly what would be done. That paper said that rebels would be subject to the laws and decisions of the self-governing colonies against which their crime had been committed, and there the matter might have been allowed to rest ; but we ourselves, without any pressure from you or any one else, have already done a great deal to meet what we knew to be your wishes. The Government of Natal of its own accord have released the greater number of rebels who were in prison in that colony. In other parts of the country, in accordance with the report of the Commission which the British Government appointed, which consisted of some of our greatest lawyers, hundreds have been released, and sentences on others have been largely reduced. This shows that we were not animated by a vindictive spirit, and that we have already exercised without pressure a large moderation.

“Now you, gentlemen, who, as Mr Smuts has told you, have been members of a free country, and who, I hope, in a short time will be members of a country just as free, must feel with me that there is no more serious political offence—I am not speaking of moral offences—than that of rebellion against a free government. Yet now you come to ask me to act as though this offence, which cuts at the root of all government, were a venial one. I ask you to bear in mind what was your own action. How did you treat your rebels? You shot them, you imprisoned them, you shamboked them, you fined them. I do not say you were wrong. You were, as you thought then, protecting your own Government. I ask you as reasonable men to justify us when we try to protect our Government. But that is not all. How are those of your countrymen, who at one period or other of the war either surrendered or in some cases assisted the British—how are they being treated? Surely you must first show that you are ready to forgive and forget, before you ask us to take the exceptional policy which you have put before us.

“I wish you to understand that I do not close the door to further amnesty ; but it will not come as the result of pressure. We shall see how the situation develops. If, as we hope and pray, you show the loyalty which Mr Smuts describes as a national characteristic, I shall be glad if the

colonial Governments find it in their power to reconsider these sentences.

“I come now to the question of allowing those of your people who are still abroad to return to the country at once. I understand that you refer to those burghers who have not fought themselves, but who have served their country abroad, and also to those burghers who are prisoners of war, and who, up to the present, have refused to make the declaration which is a condition of the terms of peace. With regard to these persons, whatever may be the merits of the case, it is altogether outside the terms of peace. No terms were made for them, nor do the names of the classes to which they belong appear in the document which I have called your charter. Now, I do not think we can allow any man to come back who refuses the terms which his own leaders agreed to in his name. As regards the others—those who were in Europe—each case must be considered on its own merits. If we find, or if we think, that in the interests of the peace of the country it is desirable that certain individuals should continue to be excluded from the Transvaal, it is our duty to exclude them, whatever the hardship may be to them. Our great interest is the peace of the country, and if there is reason to think that any persons outside the country will come back to make trouble and stir up animosity, we will keep them out of it. These gentlemen, some of them, many of them, perhaps all of them, declare that they are ready to prove their loyalty. We have asked them to give proof of their loyalty. You know, and we know, that immediately before the war, and during the war, there were sent to Europe large sums of money to be used on behalf of the Boer cause. In so far as that money was properly expended in promoting your cause I have nothing to say about it; but I think that the new Government, as representing you, have a right to see the accounts, to know that the money has been properly spent for the purpose for which it was sent, and to know also what has become of the balance. We are told that the balance is a small one. We know that immense sums were taken from the banks; we know that a large portion of these sums were sent to Europe, and we believe that there must be a very large sum still unspent. If we are wrong, nothing is easier than to prove to us that all the money that was sent has been expended. There is no need for keeping secret any longer the expenditure which was incurred during the war. Nobody will be punished for any expenditure of that kind. Nobody will be held responsible. We do not want this

money for ourselves. We have promised that when we receive it, we will hand it over to a committee on which your leaders shall themselves be placed, and that the whole of the money shall be spent in relieving the widows and orphans and the destitute. We asked those gentlemen in Europe whose duty it was to know where the money had gone to, and what had become of it, to give us the necessary information. Up to the present time we have not succeeded, but we think that a full account of this money, and the handing over to such a committee as I have described of the balance would be a better proof of loyalty than mere assertions.

“I come now to the question of the annexation to Natal of what was once a portion of the Transvaal. Again I have to remind you that this is a matter which had been settled before the terms of peace were signed, and which was no part of the agreement. A proclamation had already been issued, and the new Government had got to work. It is an act which is now impossible to retract. When I was in Natal, I had an opportunity of seeing a number of farmers who came from the annexed districts. I do not mean to say that if they had had their choice they would have preferred the change. That would have been strange; but I think they were satisfied. So far as their political condition is concerned, they will enter immediately into the full rights of citizenship, which are given to all citizens in Natal. They will therefore be free citizens in a free state, and will be the first of you to occupy that position.

“With regard to the language question, I understand that it is not entirely a question of self-interest, but one of sentiment and religion. In the terms of peace it is promised that education in Dutch should be given to the children of parents who desire it. This promise will be kept. Of course, there is an enormous amount of work which has to be done after the war in the administration of a great department like the Education Department. This Department may still be imperfect; and there may be ground for some of the complaints which I have heard. I can, however, assure you of my determination to cancel any faults which may now exist, and to keep absolute faith with you in this respect. It has been represented to me that some of the teachers appointed to teach Dutch are unable to teach it properly. If that is the case, we will certainly take steps to remove a grievance which must be admitted to be well founded. There is also a fear expressed in some quarters lest teachers in

schools should interfere with the religion of children. This is entirely contrary to our instructions and intention; and if any case of the kind is brought to the knowledge of the Government, it will be immediately corrected.

“Now, gentlemen, I come to the question of the relations between the natives and the whites. It is unfortunate, but not unnatural, that the natives, having seen the white races fighting against each other, should show some unrest, but I can assure you that this spirit will be strenuously discouraged by the Government. I observe that Mr Smuts said that you were in favour of justice and fair treatment to the natives; and more than that cannot be properly asked. For the natives, coming under our rule and enjoying our protection, must obey our laws, and when, as in very many cases, they have accepted obligations, or made contracts either to pay money or to give labour, those contracts must be fulfilled, and the power of the Government will be used to compel their fulfilment. I hope that you will recognise that the South African Constabulary is not a garrison to hold the country down, but a police force for your own protection. Whenever you have complaints to make of a breach of contract on the part of the natives, or misconduct in them, you should not hesitate to apply to the South African Constabulary, and to look on them as friends who are there to help you in your trouble. I propose to accept the invitation to visit the country districts, and to learn from the farmers themselves what the Government can do for them.

“And now, gentlemen, in conclusion I say that I heartily agree with Mr Smuts when he says that we must stand together in the work of resettlement and restoration. The hope of South Africa lies in closer intercourse between the two races. We British and you Dutch are not really separated either in interest or in character. If you go back to our and to your history, you find that in centuries long ago we were kinsfolk; and now, although we have been separated, the resemblances between us are greater than the differences. The characteristics which we admire, you have—patriotism, courage, tenacity, and willingness to make sacrifices for what you believe to be right and true. Well, these are the qualities which we desire to imitate, and which we believe we share. I believe then that with consideration on both sides, with strict observance of agreements on both sides, with a readiness to give as well as to take, before many years are over, probably sooner than any of us now can anticipate, we shall be one free people under one flag.’”

The short discussion by which this speech was followed was confined to the one question of the missing funds.

Mr Schalk Burger (the Acting-President of the late Republic), after declaring his readiness to co-operate in the endeavour to recover the money, put forward the contention that the new Government, having possession of all the books of the old Government, could easily find the particulars required.

To this Mr Chamberlain replied that Mr Burger was in error in stating that the responsibility rested with the new Government. "It is true," he said, "we have come into possession of some of the books of the late Government, but all the books which dealt with the sending of money to Europe disappeared before we came in."

General Botha then interposed, and, after remarking that he regretted that the subject had been brought up, asked Mr Chamberlain "if this question of money were referred to in the Peace articles?" To this Mr Chamberlain replied, "Not in the least." As the Secretary of State had laid down with so much emphasis that the Boers were not to go outside their charter, as he called the Terms of Surrender, this was a fair retort; and General Botha followed up his dialectical success by an endeavour to score another point. If the members of the late Government, now in Europe, he said, were allowed to return, he was certain that they would get the facts from them. But to this suggestion Mr Chamberlain pertinently replied: "There are now members of the late Government here, and if they know the facts and get this money, we are able to do it without bringing anybody here."

Mr Smuts then rose to express, on behalf of the delegates as a whole, the gratification which they had felt at the manner in which Mr Chamberlain had received them. In doing so, he added that the Boers were not ungrateful for what the Government had done for the people, and that they appreciated to the full the results which the Government had achieved in spite of the difficulties of the situation.

Mr Chamberlain, in acknowledging this speech, thanked the delegates for having come to see him.

"We have had," he continued, "a most interesting, most useful, and, I am glad to say, most friendly discussion. Perhaps I have not been able to avoid mixing some bitter with the sweet, but you will agree with me that it is better I should say what I mean and stick to it afterwards, than that I should say pleasant things which I should afterwards forget."

It is noticeable that in all his dealings with the Boer leaders Mr Chamberlain, however emphatic might be his language, or uncompromising his statements, maintained a friendliness of demeanour that prevented the occurrence of any feeling of personal hostility. This was certainly the case on the present occasion. He had given hard blows; but once, at least, General Botha had struck back shrewdly—when he asked if there were anything in the Vereeniging Agreement about the "lost millions." Yet Mr Chamberlain's last words were felt to be cordial and unaffected, and the cheers which were given by the delegates, when, all standing, he left the Raadzaal, escorted by General Botha and followed by Lord Milner and Sir Arthur Lawley, were more hearty than those which had greeted him on his arrival.

In the morning the Boers—in the afternoon the British of the Rand. At Johannesburg Mr Chamberlain was received at the Park Station by the Town Council, and then conducted, under escort of the Rand volunteers, to the grounds of the Wanderers' Club, where the addresses of welcome were presented.

His reply to that of the Town Council was distinguished by its emphatic appreciation of Lord Milner's services, and by its generous declaration of his belief in the integrity of the British community of the Rand.

"This is a new country," he said. "It will take time and devotion, and self-sacrifice before you all will be welded into a free nation. It is your mission in Johannesburg to contribute to this object. And I think, and I feel sure, that you will fulfill it.

"I have come here in the hope that I may be able to strengthen the hands of Lord Milner in the gigantic task to which, during the last few years, he has devoted such conspicuous ability and patriotism. I hope—I know that

here I shall appreciate the magnitude of the work that he has already done. I see how you trust him. And I hope that when I go back I shall be better able to co-operate with him in the work which he is carrying on.

"I come to you as a friend. In the darkest days of your adversity, when you were subject to oppression and insult, I supported your appeal for the intervention of the Imperial Government. I thought your cause was just, and I held that no Briton should ever in a just cause appeal to the Motherland, and go away unsatisfied. I have never joined in the calumnies which have been levelled against you. On the contrary, I have, where the opportunity offered, denounced those men who always find their country in the wrong, who attribute every virtue to their foes, and see no good whatever in their friends. You in Johannesburg have been accused of clamouring for war to fill your pockets. That is a false accusation. It has been shown to be so, for you risked everything to preserve those rights which no self-respecting Briton can surrender without humiliation. You have been accused of unwillingness to share in the dangers of a war which you provoked. That reproach was wiped out by the Imperial Light Horse at Ladysmith, and by the gallantry of the contingents which you sent from this city to fight and to die in many of the fiercest encounters of the war. At the same time the courage and cheerfulness with which men, aye and women too, driven from their homes and exposed to want and suffering, bore their troubles, deserved the recognition of their fellow-countrymen throughout the world.

"What you did in war I would believe you are prepared to do in peace. You will be prepared in peace to take your part, if ever again the call should be made upon you, and it was to me a source of pleasure and satisfaction on my entrance into this city to pass in review the members of the local volunteers who constitute the beginnings of a splendid force, which it will, I hope, be your care and business to increase in still greater proportions.

"But there is still another calumny in store for you. It has been said that you are prepared to repudiate your share of the expenditure which has been incurred in the war. There are people who say that you, whose interests came first in the matter, while not only the Motherland but your sister colonies have made sacrifices to meet them, you and you alone in the Empire will fail in your duty. I will wait and see. But I do not believe that the men

who faced personal danger and personal suffering with so much bravery will now show that they care more for their purses than they did for their lives.

“Now, while you are considering that subject, I will call you to witness that the Mother Country has done its duty by you. When you appealed for help, did she shrink from the call? She answered without hesitation. She has poured forth her blood and treasure without stint. I think that in the future, at any rate, it can never be said that she is forgetful of the ties which bind her to her children. She has vindicated her place in the eyes of the world. She has justified her claims to the headship of the British race. And now every Briton, wherever he may bend his feet, will carry with him the proud thought, that—

“Always in toil or fray,
Under an alien sky,
Comfort it is to say
Of no mean city am I.”

From the Wanderers' Mr Chamberlain drove, again escorted by a corps of volunteers, to Sunnyside,¹ where he and Mrs Chamberlain remained as the guests of Lord Milner during their stay at Johannesburg.

Although at the time of Mr Chamberlain's arrival Lord Milner held in their entirety the opinions which he had expressed in his financial despatch of 8th September, he had come to feel more strongly than ever the difficulty, almost futility, of fixing the amount and method of payment of the war contribution before the expected expansion of the taxable resources of the Transvaal had actually taken place. He had himself formulated certain detailed proposals for annual payments on a sliding scale, which were to begin at a specified future date, but he regarded none of them as wholly satisfactory; and he doubted whether any arrangement for the payment of a war contribution, whatever form it took, if made at this time, when the Transvaal was, so to speak, in the melting pot, would prove to be permanent. Mr Chamberlain was earnestly, and most properly, desirous of obtaining some relief for the tax-payers of the United Kingdom. He objected, however, to the postponement of

¹ Lord Milner's residence. Mr Chamberlain's staff were provided with quarters in a neighbouring house.

the contribution on more grounds than one, and to the method of graduated future payments for the very practical reason, that however large the amount to be made up by such payments might be, its present value—or in other words, the actual relief afforded to the United Kingdom tax-payers—would be only one-half of the total sum thus ultimately to be contributed. Lord Milner, on the other hand, in spite of his doubts as to the advisability of attempting to fix the amount of the contribution at the time in question, was convinced that to make even a precarious settlement would be better than to leave the colony with its then liability for an undetermined, but possibly disproportionately heavy, demand.

It was in these circumstances, and with this information and advice before him, that Mr Chamberlain engaged in the discussion of the two interdependent questions of the Guaranteed Loan and the war contribution with the representatives of the industrial population of the Transvaal. During the fortnight that he stayed with Lord Milner at Johannesburg (8th to 22nd January) he was mainly occupied with this discussion, and in announcing publicly the arrangement finally concluded, he could state with perfect truth that the matter “had been the subject of infinite discussion, not with one section of the community alone, but with every one whose acquaintance he had made.”

The occasion of the announcement in question was the banquet given in Mr Chamberlain's honour at Johannesburg on Saturday, 17th January 1903. His actual words may be given as providing a succinct account both of the arrangement itself, and of the considerations by which he was chiefly influenced in making it.

“Until a few hours ago I had no authority from the Home Government to deal finally with the matter. And it is only this afternoon that I have received a resolution from a meeting which, I think, from its composition is as representative of the loyal British population of the Transvaal as it would be possible in existing circumstances for any meeting to be. I should like to say, before going further, how great has been my gratification at the spirit in which the question has been met by every one to whom I have spoken.

Not one man has for a moment attempted to shirk any obligation which might be justly imposed on him, or on those for whom he might be justly entitled to speak in reference to this matter. On the other hand, those whom I have consulted have impressed upon me the great importance of doing nothing which should hinder the development of the country. And I believe their observations have been made quite as much in a spirit of Imperial loyalty as in any regard to any local interests. I have shared these views from the first. I have said¹ that I would not desire to take a penny, if I should thereby prevent that natural progress, that most desirable development which is made not only in the interests of individuals, but which is an essential factor in the return to pacification of the country, in the contentment of the whole colony.

“But, having regard to that, the idea which I brought out with me was that the difficulty could best be met by asking from the Transvaal no additional pressure on its taxation, but a contribution from future surpluses, and new sources of revenue, which might be annually applied until it reached a maximum to be fixed. And if that view had prevailed, I should have asked you to fix that maximum at a much higher sum than anything which has been hitherto spoken of: and I should have thought it fair, because, whatever it was, it would have been conditional on the increased prosperity of the country, and would have been proportionate to that increased prosperity. But it was represented to me that, besides the uncertainty which would attend an arrangement of that kind, there was always a serious danger that contributions, prolonged, it might be, over a generation, would give rise in the future, when perhaps even the memory of the great war from which we have recently emerged had passed away, to irritation and discontent; that it might be represented under the odious name of a tribute to the Mother Country; and that in addition, the attempt to ear-mark and put aside any particular source of revenue would involve and justify an interference on the part of the Imperial Government with what are essentially local concerns and local financial arrangements, which would become in time intolerable to a free population. I felt, gentlemen, that there was great force in these objections, and that if I had pursued my original lines, I should be in danger of injuring the very cause I wished to promote, and,

¹ At the Pretoria banquet given to Mr Chamberlain on Tuesday, 6th January (p. 161).

instead of securing the unity of the Empire, I might leave behind me the seeds of dissension ; I might leave a legacy which was certain to result in danger to the union which we all desire. I agreed, therefore, that if possible the question should be settled in a way which would secure a practical and immediate result : that it should be final in its operation, that there should be no ear-marking whatsoever of any existing or possible sources of revenue, and consequently no harassing interference on the part of any one external to the Transvaal.

“Now, in these circumstances, after continuous discussion, a proposition has been evolved which is, as I have said, satisfactory to those representative associations which met to-day,¹ and which I am able gladly to accept on behalf of His Majesty’s Government. Let me tell you what the proposal is, and bear in mind that it all hangs together, and that one part cannot be separated from another. The first part is, permit me to say, wholly in your favour. It is a unique and unprecedented act on the part of the Imperial Government. We undertake to submit to Parliament a bill to guarantee a loan of thirty-five millions sterling on the security of the assets of the Transvaal and Orange River Colony, which are to be united for this purpose. I hope you will agree with me that this is a proposal of happy augury for the future unification of the interests of these two colonies. The loan will be raised as soon as Parliament assents to it. I should describe it as an investment loan, for it will be devoted to paying the existing debts of the Transvaal, to buying up existing railways, and to providing for the construction of new lines in the two new colonies. It will allow for the necessary expenditure on public works, and will also provide for land settlement. You will see that in this way the Governments of the Transvaal and of the Orange River Colony will, if the arrangement is accepted by the Imperial Parliament, be immediately placed in funds which will enable them to provide for the development of the country in the next few years. Then the second part of the agreement is this: That as soon as possible after the placing of the first loan, another loan of thirty millions shall be issued, to be called up in annual instalments of ten millions ; and that this loan shall be treated as the contribution to the war debt, secured on the assets of the Transvaal. There is no doubt in my mind, or in the minds

¹ A full account of the bodies represented, and of the proceedings at the meeting, is given in Cd. 1552.

of any of those with whom I have conferred, that the assets and revenues of the Transvaal will be ample to provide for the service of this debt, but as proof of their faith in the solvency of the country, in which they take so great an interest, that group of financiers, who are specially connected with South Africa, has undertaken to subscribe for the first ten millions without any commission or any preferential security for the remainder of the loan. By this act they have, in my opinion, rendered the success of the loan on the London market a matter which is beyond all doubt.

“And now, gentlemen, if this arrangement approves itself to you, and if, as far as we can judge, it approves itself to the population of the Transvaal, it will accomplish the object in less than three years from the present day. It will place no undue burden on the resources of the Transvaal; it will even hasten its speedy development, and it will be accepted, I firmly believe, by the people of the Mother Country as an adequate and as a liberal recognition on the part of this colony of its duty to the Empire at large, of the gratitude which it has so frequently expressed, and which, I believe, it so sincerely feels, towards the nation—the mother nation, which came to its assistance in its time of need. I would add one other word. If I know my countrymen at Home as I think I do, they will value even more the spirit in which the offer has been made than they will the relief which it is likely to afford to the exchequer of the country.

“Now you will have observed that I have said nothing in regard to the war contribution from the Orange River Colony. That colony stands in an altogether different position from that of the Transvaal. At the present time its ordinary revenue is only sufficient to meet its ordinary expenditure. And at the present time it could not pay, and it would be unjust to ask it to pay, anything to such a contribution. But it does not follow that the Orange River Colony will always be in that condition. I am assured that it is possible, and even probable, that new resources will be developed there as here; and, therefore, I think it would be fair, and I do not think that any reasonable and patriotic man will object to it, that the Orange River Colony should undertake to pay a moderate contribution, if in the course of the next few years its resources will justify such a course. And if they do not, then I am quite sure that no demand will be made.”¹

¹ The above is taken from various press reports collated.

It will be noticed that in the event Mr Chamberlain had returned to his own original opinion in favour of a small but promptly paid contribution, while Lord Milner had allowed himself to be brought round from the opinion expressed in his despatch, and held at the time of Mr Chamberlain's arrival, to the same point of view. In thus yielding to the arguments of the Secretary of State, he was influenced by the consideration that any decision was better than none at all; but, in any case, his misgivings in regard to the permanency of any arrangement made thus prematurely, as he regarded it, were destined to be only too amply justified.

The Home Government in their reply to Mr Chamberlain's cabled proposals for the financial settlement, assented to the arrangement proposed both in respect of the Development Loan and the war contribution, subject to the repayment to the British Exchequer of (*a*) the £3,000,000 grant-in-aid of July 1901, (*b*) the £3,000,000 being the repayable portion of the supplementary vote of £5,000,000 in November 1902, and (*c*) the capital expenditure on the railways (amounting to £1,250,000) incurred by the military authorities. The liability of the Administration for the first two items was perfectly well understood, but the claim of the War Office, contained in the last item, was absolutely denied; and accordingly it was reserved for future discussion.¹ The war contribution, in point of fact, was never paid; but Mr Chamberlain believed—and, in spite of Lord Milner's warning that no settlement of this question made at that time would prove lasting, was perhaps justified in believing—that the matter had been settled once and for all. Under the influence of this belief, his treatment of his Imperial themes, always finely conceived, was in this speech lighted by a brilliant optimism that raised his audience for the moment at least to his own high level of patriotic endeavour.

Lord Milner's brief note of the events of the day, with its familiar touches, will form an appropriate conclusion to the foregoing account of what was, perhaps, the most

¹ For the settlement of this War Office claim, *see* forward ii. p. 6.

momentous incident of Mr Chamberlain's visit to South Africa.

"Late in the afternoon Prince Arthur of Connaught arrived to stay until Monday. At 8.15 we all went to the great banquet to Mr Chamberlain at the Wanderers'. It passed off very well. Some 500 sat down, and there were about 100 more admitted after dinner. Also there were a number of ladies to hear the speeches. Fitzpatrick, who proposed my health, I, and St John Carr, who proposed Chamberlain's, spoke for 25 minutes between us. C—— spoke for an hour and ten minutes. We got home shortly after 12, but talked for some time. I felt too tired to go to bed till nearly two."

But although the waywardness of extraneous circumstances rendered Mr Chamberlain's settlement of the war contribution abortive, his treatment of the question was not by any means useless as a political achievement. The mere fact that he had got the Transvaal British to recognise thus publicly their obligation to contribute to the war debt of the Mother Country, exercised a restraining influence upon the more eager advocates of the immediate grant of self-government, during the years of the Crown Colony administration. And, on the other hand, the action of the Mother Country was kept free from any taint of harshness; for Mr Chamberlain's arrangement rested upon the assumption that the payment of the £30,000,000 could be provided for without trenching upon the revenue necessary for the material development of the colony. When, therefore, the shortage of labour arrested the expansion of the mining industry and proved this assumption to be incorrect, the graciousness of the Mother Country in foregoing its claim was not marred by any sacrifice of political integrity on either side. The £30,000,000 were never paid; but Mr Chamberlain none the less gained an asset for England in the shape of a moral obligation on the part of the Transvaal, which was perhaps in the long run not less valuable to her and to the Empire at large.

Although the conferences and interviews incidental to this central matter occupied the greater portion of his

time and energy, he and Lord Milner found opportunities, during the fortnight (8th to 22nd January) that they were under the same roof, for the discussion of a number of administrative questions upon many of which decisions were arrived at. The subjects thus discussed ranged from the Ethiopian movement¹ to the arrangements for holding those conferences between the different South African Governments on matters of common concern, which helped conspicuously to prepare the way for the union of South Africa. They included bywoner and burgher settlements; the issue of special instructions to the South African Constabulary intended to protect the Boers against insolence or breach of contract on the part of the natives; education; the return of Messrs Fischer, Wolmerans, and Wessels (three of the delegates who, during the war, had gone to Europe to procure the intervention of Germany or France); Municipal Councils; the Inter-Colonial Council; railway policy and administration; the shipping ring; the system of purchase through the Crown Agents; the mines and the labour supply; taxation and customs; afforestation and irrigation; the Transvaal Legislative Council and Civil Service; the South African Constabulary; the purchase of the Hatherley Distillery; immigration of women; the dual capital; Swaziland; Rhodesia and the importation of Asiatic labour; the South African Customs Union, and Imperial Preference.

The bare enumeration of these headings must suffice for the moment; but in the course of the subsequent narrative it will be necessary to refer more than once to the outcome of the conferences that now took place between Mr Chamberlain and Lord Milner at Sunnyside, and later on at Government House, Bloemfontein.²

The Secretary of State left Johannesburg on Thursday,

¹ Nominally an endeavour to create an ecclesiastical organisation served exclusively by native African Ministers, but, in effect, a political and social movement tending to assert the complete equality of the black and white races in South Africa. It had caused considerable uneasiness to the Natal Government at this time.

² Notably in the case of the Inter-Colonial Council, the main lines of which were laid down by Lord Milner, and approved by Mr Chamberlain, in conversations held at Johannesburg and Bloemfontein.

22nd January. At 11 o'clock, after "a great scramble of work," to be ready for the occasion, Lord Milner wrote:

"Mr and Mrs Chamberlain and I, with all the members of our staffs, drove to the station, where the Lytteltons, Sir Arthur Lawley, and Baden-Powell joined us, and took the special train to Potchefstroom. There was a very large crowd to see Mr and Mrs C., and a magnificent send-off at the station, where all the best people in Johannesburg had assembled."

At Krugersdorp the train halted for half an hour for Mr Chamberlain to receive, and reply to, an address of welcome. Potchefstroom was reached at 5 o'clock, and here the visitors were met by Mr Duxbury, the Resident Magistrate, and conducted to the various quarters which had been prepared for them. In the morning Lord Milner saw the men who were interested in the burgher settlement in the neighbourhood of the town, and then picked up Mr and Mrs Chamberlain, who had been lodged at Mr Jooste's house, and drove to the cantonments, where a parade of the troops, some 1,200 strong, was held, at which General Lyttelton took the salute. In the afternoon the whole party paid a visit to the burgher settlement. A heavy downpour of rain prevented the programme from being carried out as arranged, but tea was taken in Andries Cronje's house in the middle of the settlement, and Mr Chamberlain met with a "tremendous reception" from the remarkable assemblage of burghers who had gathered at the camp to meet him.

The next morning (Saturday, 24th January) was spent in an inspection of the British squatter settlement, over which Mr and Mrs Chamberlain, with Lord Milner and the rest of the party, were shown by Mr Smith, the Director of Agriculture for the Transvaal Government. Immediately after lunch the party separated. Mr and Mrs Chamberlain, with the staff, Major-General Baden-Powell, and Sir Arthur Lawley, started for their trek across country to Mafeking, in which they were accompanied by two members of Lord Milner's staff—Major Lambton and

Lord Henry Seymour. Lord Milner himself, with Major Henley, returned by special train to Johannesburg.

On the following Monday (26th) Mr Chamberlain was at Lichtenburg. On the way he had met with an excellent reception by the Boers at Ventersdorp, among whom was General De la Rey, who showed a very friendly spirit, and dined with the party in the evening.

From Lichtenburg the party continued their "trek" to Ottoshoop (27th January), where Mr Chamberlain again met with a cordial reception from the ex-burghers and received an address of welcome. His reply, which was interpreted into Dutch by Mr Roux, contained some excellent advice to the farmers, who were observed to listen with keen interest to the whole of the speech.

"After all," he said, "we are very much alike—we English and you Dutch. All that is wanted is that we should trust one another and work together. . . . I don't think you have made the most of your country up to the present time. Why is that? Partly because during the last twenty-five years or so you have always been fighting with somebody. Now we have peace, let us keep it, and you will be all the richer. And another reason is that you and your Government have been afraid of new things and new inventions, and new people; and yet all these things will improve your country and improve your position. Now I hope you will welcome those strangers who come among you to develop your country, because everything that they do will increase your wealth and your prosperity. The country is the country of all who come to live in it, and all must live together in union and in peace, and all must work together for the good of the common country. And you may be sure that your new Government will do everything in its power to assist your efforts, and that it will do everything to respect your feelings, and will secure to you as great a liberty as you have ever enjoyed."

Mafeking was reached on the following day, Wednesday, the 28th. Here, as the Secretary of State was now in the Cape Colony, the party was joined by Sir Walter Hely-Hutchinson and Sir Gordon Sprigg; while Sir Arthur Lawley, Major Lambton, and Lord Henry Seymour returned to the Transvaal. General Baden-Powell, however, remained

and went on to the Orange River Colony. On the same morning Mr Chamberlain visited the Imperial Reserve, where the native chiefs of the Bechuanaland Protectorate,¹ with their secretaries, were grouped in a semi-circle, under the trees in front of the Resident Commissioner's offices, awaiting his arrival. After the chiefs had been all introduced to him singly by the Commissioner, Mr Chamberlain addressed a few words to them, as they stood before him with their heads uncovered.

"I have come out to see you and hear anything you have to state," he said, "and I shall report what I see and hear to His Majesty's Government and to His Majesty. The King has given me a message to convey to you. He says—'Be loyal and you will be well protected; and he wishes you all prosperity.'"

After this little ceremony was over Mr Chamberlain went in to the Commissioner's office, and saw each chief in turn privately.

Upon returning to the town he received the address of welcome. His reply opened with a humorous reference to his visit of the morning.

"Mr Mayor," he said, "if I were in any other country I should condole with you upon the present state of the weather. But when I saw the chiefs of the Protectorate this morning they greeted me, as I left them, with a shout, which, I was told, meant 'May you have rain!' Their wishes have been fulfilled, and in the circumstances it would be ungracious of me to complain."

He then expressed his pleasure at entering for the first time the Cape Colony

"through the gates of Mafeking, a town which has established itself in a niche in our Imperial history, from which nothing can ever displace it."

On the 29th Mr Chamberlain held an Indaba with the chiefs of the loyal Baralongs at the "stad," or native town.

¹ The Bechuanaland Protectorate remained under the direct control of the High Commissioner. Part of Bechuanaland, however (including Mafeking), had been annexed to the Cape Colony in 1895, and was therefore administered by the Cape Government.

In their address the chiefs asked for assurances that their privileges would not be diminished, now that they had been placed under the government of the Cape Colony; and begged for an extension of their territory. After telling them that Sir Gordon Sprigg, the Prime Minister of the Colony, had promised that their requests would be favourably considered, and reminding them that they had a right of appeal to the Imperial Government, if they felt that they had not been fairly treated at any time, he concluded:

“I come, as you know, from the great King, and he knows of your loyalty. He has instructed me to thank you for the assistance given during the siege, and to tell you he will always protect you, as long as you are loyal to the Throne.”

The same evening Mr Chamberlain with his party, which now included the Governor and Prime Minister of the Cape Colony, left by train for Kimberley. Nowhere else in South Africa was the coming of the Secretary of State welcomed with greater demonstrations of goodwill and admiration than in Rhodes' town. In the dim morning light of Friday, 30th January, he was met at the station by a great crowd, and after a formal welcome from the Mayor, he and Mrs Chamberlain were driven in a carriage, drawn by four white horses and followed by a torch light procession, through the illuminated streets to the Town Hall. In this building, a fine classical structure placed in the Market Place, and now packed with an audience of men and women all standing, Mr Chamberlain replied to the address of welcome in a few impassioned sentences in which he spoke of the greatness of the British Empire, and the responsibilities which this greatness brought to the people both of the Homeland and of the colonies.

At the conclusion of his speech, every point of which was received with a great outburst of cheers, a silver casket of diamonds was presented to Mrs Chamberlain as a gift from the ladies of Kimberley. This ceremony was followed by the introduction of a number of deputations. That of the Chamber of Commerce, which came first, brought various questions affecting the trade of the town to the notice of the

Secretary of State. A deputation from the Town Guard—a force which had played an important part in the defence of the town—asked for an early payment of the war gratuity, and when in reply Mr Chamberlain referred them to the Cape Government an awkward scene ensued. The deputation declared that “they had no faith in the Cape Government in such matters.” Thereupon, Sir Gordon Sprigg, the Premier of the Cape, who with Mr Graham, the Attorney-General, accompanied Mr Chamberlain, broke in with the remark that “he regarded such an imputation as a personal insult.” The next deputation—that of the South African League—referred to matters even more unpalatable to Sir Gordon’s ministry. An unfortunate state of things existed in the Cape Colony, they alleged; loyalists were being boycotted, the Peace Preservation Act was being laxly administered, and the present Government pampered the Bond upon which it depended for its existence. To these statements Sir Gordon Sprigg listened in silence. Further deputations from the Irish Immigration Association and the Birmingham Association were followed by one of four Dutch farmers, who complained of the commandeering of cattle in the Cape Colony, and another representing the coloured population and asking for equality with the whites in political and civil privileges. These incidents—in themselves somewhat trivial—have been mentioned as typical of the awkward questions and situations which were suddenly sprung upon Mr Chamberlain throughout his tour in South Africa. Although he was successful in dealing with these situations — not scrupling to use strong language and stern reproof where necessary, and at other times availing himself of a humorous turn of phrase or thought to repel impertinent or untimely solicitations — yet it must be obvious that the mental strain to which he was subjected during these two months was one of quite unusual severity, even for a man of his great natural ability and long experience of public life.

The Kimberley reception of the Secretary of State was crowned by a banquet to him, which took place in the evening in the Market Hall, the largest building available for the purpose. Speaking in this place it was natural that

Mr Chamberlain should take the opportunity of paying a tribute to the memory of Kimberley's great townsman, Rhodes—who "gave a new start to the Empire," and who "imprinted on South Africa his own large conception of its future destiny." The speech was otherwise distinguished by its clear note of warning to the Cape Dutch.

"Here in the Cape," he said, "where for long years the freest privileges have been conceded to every white inhabitant, where the full concession of self-government has been made, it is said that self-government has not gained you friends. It is said that self-government has been abused—abused to your injury."

Mr and Mrs Chamberlain left Kimberley on the following afternoon (Saturday, the 31st) for Paardeburg *en route* for Bloemfontein. They were accompanied by Sir Hamilton Goold-Adams, who had come to meet them, and travelled across country in Cape carts with an escort of the South African Constabulary. On the way Mr Chamberlain spoke to the farmers whenever a homestead was passed; and it was noteworthy that many of the Boers, who here and elsewhere had surrendered under the terms of Lord Roberts' proclamation of 29th June 1900, drew the text of this document from their pockets, and, pointing to it, declared that it was under this that they had laid down their arms, and not under the terms of Vereeniging. The party reached Bloemfontein on Tuesday, 3rd February, and Lord Milner arrived at the same place by train on the following afternoon.¹

The Secretary of State was received at Bloemfontein with every demonstration of satisfaction on the part of the inhabitants, both Dutch and British. As at Pretoria, so here representatives of the burgher population had collected from all parts of the colony; and on Wednesday they proceeded to hold meetings for the purpose of choosing the members of the deputation which was to present their address to Mr Chamberlain, and deciding upon the subjects to which his

¹ With the High Commissioner came Major Henley and Mr Birchenough. The latter, who had arrived on the 30th ult. at Johannesburg from Cape Town, was intending to stay for some months in the new colonies collecting material for the report on the commercial possibilities of South Africa as a market for British manufactures upon which he was engaged.

attention was to be drawn. At these meetings the three sections, the "hands-uppers," the National Scouts, and the "wild" Boers, met for the first time, and after much heated discussion it was agreed that the delegates' address should contain matters which all three sections were united in regarding as of most immediate importance, but that the "wild" Boer section should in addition to this present a further petition expressive of their own particular point of view. As the result of this arrangement, the delegates' address put the delay in the payment of the compensation claims in the forefront, and referred to the questions of the amnesty for colonial rebels, equality of the Dutch and English languages, the reduction of the Constabulary and other matters, as grievances of secondary importance; while the petition of the "wild" Boers was nothing less than an accusation of bad faith against both the Imperial Government and the Local Administration in respect of the Terms of Surrender.

At Bloemfontein the scenes which had taken place at Pretoria were repeated. In dealing with the Boers, "wild" or otherwise, Mr Chamberlain showed the same combination of firmness and personal friendliness which had proved so effective in the Transvaal.

In replying to the ex-burgher address he again refused to consider the demand for the amnesty of the colonial rebels; and as at Pretoria he instanced the case of a Dutch minister refusing to receive the National Scouts in his church, to show that the Boers were the last people to look upon rebellion as a trivial offence. With regard to the other questions raised, he pointed out that these were matters settled under the Terms of Surrender. If they wished to repudiate this document—to "tear up the Vereeniging contract"—well and good. But the British Government in this case would be free to make laws irrespective of any conditions whatsoever.

The address presented by the Bloemfontein municipality contained the statement that, although the war had been ended so short a time ago, there was already a "great and remarkable development of energy and enterprise in the town," and the expression of the hope that Bloemfontein

would soon become the capital of a federated South Africa.¹

Mr Chamberlain's reply dealt generally with the material and political prospects of the colony. He pointed out that in spite of its well-being the Free State had been, by comparison, a "backward country." It needed communications and water-storage. To build railways and irrigation works, he said, you must have new capital. But

"capital is the greatest coward in the world. Capital is always timid, and unless capital has confidence in the security of your institutions it will not flow here as it ought to flow; and the improvements which we desire will not be secured."

And so, too, with matters of even greater importance. Under the rule of King Edward they would enjoy not only prosperity, but liberty, personal protection, and a free scope for their local aspirations.

"In regard to all you hold dear, in regard to your rights and liberties," he summed up, "I hope you will all be in a position to confess that you have lost nothing, that you have gained something, by the change which has taken place."

The speech also contained some interesting references to the impressions left upon him by his journey across country through the Transvaal and the Orange River Colony. The welcome with which he had met at Bloemfontein on Tuesday had been "unique."

"Certainly we have been overwhelmed with kindness," he said, speaking for himself and Mrs Chamberlain, "since we came to South Africa. We have had many receptions, but none, I think, so unique as that which greeted us on Tuesday last, and which we shall always cherish amongst the most agreeable memories of this in every way memorable visit."

The ex-burgher population had shown a "universal

¹ In the event (1909) Bloemfontein became the seat of the unified judiciary, Cape Town the legislative, and Pretoria the administrative capital.

kindness," which removed the "initial misgivings" which he had felt.

"It has been to me," he said, "a most pleasant experience to mix with those who a short time ago were fighting against us in the field, and who are now prepared, after the fighting, to shake hands, and to be, I hope, in the future as good friends as they have in the past been stout and valiant enemies."

Nevertheless he was struck by the destruction of property. The ravages of war had been greater than he had anticipated; greater than the people of England had realised. But he added:

"All that destruction of property has taken place in the later stages of the war. If peace had been made when Pretoria fell, and when the States' Governments disappeared from their respective capitals, then there is no doubt whatever that nine-tenths of all the suffering, all the losses which we have to regret, might have been avoided."

On the other hand, there was a favourable symptom of which he had taken note.

"I have noticed a very striking and a significant fact. Whether in the Transvaal or in the Orange River Colony, everywhere I have been told by the people whom I have seen, and with whom I have conversed, that the value of their land has doubled, or gone up very materially, since the war. Now is that not a curious fact? Why is it? I must leave you to consider the subject, and to find the answer in your own minds. But one thing I want to impress upon you is this: The rise in price will really go far to compensate for the losses of the war; because although many people are now without oxen, without cattle, without waggons, and apparently in destitute positions, their capital — the land — that remains intact; that has been handed to them as it was before. And that, I say, has doubled in value. If you want that state of things to be permanent, you must work with the Government, and not against the Government."

The speech also contained the promise of a "definite statement" of the new arrangements for the payment of

the military and other compensation claims, which Mr Chamberlain hoped to be able to make before he left Bloemfontein. Nor was the appeal for racial reconciliation omitted.

"I hope you (*i.e.* the men of British birth) will recognise that it is your duty," he said in conclusion, "to hold out to your new fellow-subjects the cordial hand of friendship, and I hope that your new fellow-subjects will reciprocate your kindly feelings; that they will recognise that we treat them as our equals, as our friends, as our fellow-subjects, that we wish for them all the prosperity that we desire for ourselves, and that we intend to give them all the freedom, all the liberty, which we ourselves enjoy."

On the morning of Friday the petition of the "wild" Boers was presented to the Secretary of State, and the occasion was marked by a sharp passage of arms between Mr Chamberlain and General Hertzog, the Attorney-General to the late Free State Government, and General Christian de Wet.¹

¹ Mr Chamberlain's interview with the "wild Boer" deputation was intended to be private. A reporter, however, succeeded in effecting an entrance, with the result that a long but inaccurate report of the proceedings appeared in the *Friend*—the anti-British newspaper published at Bloemfontein—on the following morning under a sensational heading. In order, therefore, to correct the erroneous impression which would otherwise have been conveyed to the public, a more faithful report was furnished to Reuter's correspondent by whom it was supplied to the press. In speaking at the public banquet, given in his honour on the following evening, Mr Chamberlain made a characteristically good-humoured reference to the circumstance. Those of his audience who had read their morning paper would have been surprised at seeing the statement that yesterday he had had a "stormy interview." "I assure you," he said, "that if your South African storms are no more dangerous than the one I encountered yesterday, in future you need have no fear for your fruits or your crops." He was only "too glad to receive the deputation, since it claimed to represent" a phase of opinion distinct from any represented by the two ex-burgher deputations which he had previously received. Nothing was said by any members of that deputation to which the slightest exception could, or ought to be, taken by any person. "But," he continued, "I did, I admit, complain that at the last moment a document was put into my hands on behalf of the deputation, which I am now aware some of the deputation had never seen, and which others of the deputation have since taken the opportunity of repudiating. But this document which was thrust upon me was so unjust in its terms, so inaccurate in its facts, that I thought it my duty to protest against it. It contained, as you have probably seen, since it appears to have been published for general circulation, no recognition whatever of anything which this Government, or which the Imperial Government, have been endeavouring to do, to restore the prosperity and the concord of the two colonies. There is not a word of the efforts which have been made by the officials, which have involved a labour almost gigantic, in repatriating

The Bloemfontein public dinner to Mr Chamberlain was held on the next evening, Saturday the 7th. While the speech of the Secretary of State dealt with the settlement of the military compensation question and the alleged grievances of the Boers, Lord Milner announced the amalgamation of the railways of the Transvaal and Orange River Colony, and the constitution of a new administrative body, to be styled the Inter-Colonial Council, which was to be charged with the management of the joint railway system and the Constabulary, the service of the Development Loan, and other matters of common concern to the two colonies. The creation of this common administrative authority was a natural sequel to the financial settlement, and one of the most important fruits of the opportunities for the further discussion of the affairs of the new colonies with Mr Chamberlain, which Lord Milner enjoyed at Bloemfontein.

something like 100,000 people in their homes. Nothing was said of the vast sums which have been expended, or which are still to be expended, in enabling those who have suffered by the war to restore their position, to recover their losses. Nothing was said of the efforts which have resulted in bringing to the schools, and giving opportunities of education to a larger number of children than ever enjoyed those in the palmiest days of the Orange Free State. Nothing was said of the effort—of the genuine and most valuable effort—which is now being made to provide for that landless class, for the “bywoners,” who have hitherto had no stake in the community, and whom we desire to place upon the land, whose fertility and production they will be able to increase to their own advantage, and to the advantage of the whole people. All these things were treated as of no importance.

“But, on the other hand, the document contained charges of bad faith against the Government of the Cape Colony, which are absolutely without foundation; and it contained a list of grievances from Heaven knows whom and from Heaven knows where, most of which were baseless and some of which had long ago been disposed of. Well, I am perfectly ready to acquit the author of this precious document of any intention to do mischief. But then we know perfectly well that harm is wrought by want of thought more than by want of heart; and I thought it my duty to challenge those who accepted responsibility for this paper to prove the accusations which it contained, and I say that you will see even from that imperfect report that not one atom of proof was given of any report which has already appeared of any breach of faith either against the two Governments or against any of their officials or subordinates. No explanation was given for all these grievances, these imaginary grievances, which were raked up. The necessary examination would have proved them to be unfounded.

“Ladies and gentlemen, if a statement of this kind had not been contradicted, it might have done harm. What this land wants is rest from political agitation. The people and the Government work together as friends and for the common good, and it is not for the common good that groundless accusations should be made. And I ask you all, British and Dutch alike, in the future to discourage action of this kind, which is calculated to poison the minds of the people and to destroy that confidence without which the good intentions of the Government cannot be fulfilled.”

The actual words of Mr Chamberlain's announcement on the compensation question were as follows :—

“Now from the very first, and from my entry into the two colonies, this matter has engaged the attention of Lord Milner and myself, and in consequence of our representations a new arrangement will now be made by which the whole of the responsibility will be taken by the Civil Administration—that is to say, by all those who are in close touch with the people, who are responsible for their future contentment, and who are by their permanence better able to deal with the matter according to a settled principle. The War Office at Home has undertaken to pay a lump sum to the Civil Administration in the discharge of all its obligations, and the Civil Administration will dispense this sum, as well as the other sums at its disposal. Accordingly, Lord Milner proposes immediately to issue fresh instructions. These instructions will deal with what I may describe as the claims of right—claims, that is, which are not based upon any application for charity, but which are based upon promises made in a proclamation issued. In the first place, there are the receipts given by the military officers in the field. Many of these receipts as you know have been rejected and have been referred to the Civil Administration. Now, all the receipts, except those in respect of which proof is furnished that they are fraudulent, or where the owners have subsequently taken up arms against us, will be accepted as proof of a claim for compensation for the goods mentioned in the receipt. And for all these goods a fair value will be paid. The value will not necessarily be the estimate stated upon the receipt, because that estimate was made by men who in many cases were ignorant of the facts, and in some cases the estimate was too low, and in other cases it was too absurdly high. But in every case an endeavour will be made to make a payment which is fairly commensurate with the value—the average value—of the goods that were taken.

“Then, secondly, there are the two classes of claims of those who surrendered under the promise of protection given to them, either by the proclamation or otherwise, by the military officers in command, and in the second place of those who, during the war, have rendered active service to His Majesty's Government. In both these cases, whenever the persons indicated have subsequently had their stock taken or their property destroyed, they will receive fair compensation, having regard to the merits of the case and to the funds which are at our disposal; and their claims will not be

investigated by the existing Repatriation Boards. They will be examined by a new Commission, which will be wholly British, and therefore absolutely impartial, and it will consist of the Resident Magistrate of the district and of two military officers specially appointed for the purpose, who will go round the whole of the country and investigate the whole of the claims. And it is our hope, and the hope of the Government, that these claims, as they are settled, will be immediately paid without waiting for the general conclusion of the investigation. There is only one exception; that is an important one. Whenever we ascertain that the claims which have been made, have been made in a fraudulent way—that they are claims for goods which the claimant never possessed, or that they were claims for values altogether in excess of their true value—in that case, and in that case only, the claimants will be absolutely excluded from all benefit whatever.

“And now I should add that the settlement of these claims, and the claims of right, are altogether independent of those other claims—which I may call claims of grace—which will be made against the free gift of three millions, which was promised to aid those who are destitute and to restore their position; and which will go against the fund of three millions which was offered as a free gift at the time that peace was signed. And it is also independent of the further gift of two millions which was promised by His Majesty’s Government in order to meet the claims of British subjects.

“This new arrangement will be started as soon as possible, and will probably be in operation at the end of the present month. They (the Commissions for compensation claims under all three heads) will proceed continuously in a very short time. Therefore large sums of money will be distributed throughout the country to those who are in need, and these persons will be very shortly placed in possession of the funds which they require in order to complete the restoration of their homes, and the purchase of such stock and implements and necessaries as are required in order that they may prosecute their occupations.”

It will be observed that in this announcement Mr Chamberlain declared that, apart from the payment for cattle, or goods, purchased or requisitioned by the British military authorities, the claims for compensation both of the “protected burghers” and the “ex-military burghers” would

be adjudged by separate Commissions and settled out of a new fund, distinct from the £3,000,000 free grant. Thus the arrangement with the War Office promised to remove not only the original dissatisfaction caused by the dilatory procedure and uncertain methods of the Military Compensation Courts, but to soften materially the ill-feeling which had arisen between the majority of the ex-burgher population and the small section friendly to the British Government. Since the root cause of the enmity with which the "wild Boers" regarded the "hands-uppers" was their obstinate conviction that only the Commandos in the field and the prisoners of war were entitled to share in the £3,000,000 to be received under the Terms of Surrender. The £3,000,000 grant was, of course, distributed impartially by the Repatriation Commissions to all necessitous ex-burghers, irrespective of any such considerations; but the amount of the grant available for distribution among the "bitter-end" majority was increased by the decision to compensate the friendly minority in respect to their exceptional claims out of a separate and additional fund. In the Diary is the following note of the event of the day:—

"The banquet was held in the Raadzaal at 8.30. Ladies and gentlemen were present. Total company about 400. The thing passed off extremely well. Hall beautifully decorated. Dinner over soon after 10. Fraser¹ proposed my health, speaking well and briefly. I spoke for 20 minutes. Then the Mayor proposed Mr C., also speaking neatly. Mr C. replied — 52 minutes — one of the most successful speeches he has made. Goold-Adams proposing the health of the Chairman concluded the proceedings. We got home before 12, but sat up for some time talking. Mr C. was interesting on the subject of oratory."

That portion of Mr Chamberlain's speech, which relates the advantages gained by his personal acquaintance with South Africa, will form a fitting conclusion to the narrative of his visit to the new colonies.

After remarking that he felt some regret at the thought

¹ J. G. Fraser, once candidate for the Free State Presidency and leader of the (British) Opposition in the Orange River Colony after the grant of self-government in 1907.

that this was the last occasion upon which he should have the opportunity of addressing any meeting in the new colonies, and that he was disposed to envy Lord Milner "whose privilege and destiny, he hoped and believed, it was to stay many years among them, and to witness the full fruition of his great policy," he continued:—

"But though I regret to part, it is some comfort to me to think that the object of my mission has been accomplished beyond my expectations. I came here to learn, and I have learnt much. It is not so much that I have gathered new facts with respect to South Africa, or with respect to these colonies. These I had at my disposal before I came, in Blue-books without number, and in piles of statistics; but I have now had the advantage of seeing them from a new standpoint—in the light of your local conditions and local aspirations.

"The other day when we were out upon the veld and in the calm beauty of a summer night, we looked up into the deep blue of your African sky, and saw glorious constellations that studded the heavens. We recognised some of our old favourites, but in this pure and clearly defined atmosphere, and in the altered position which they assumed in this southern hemisphere, they took upon themselves an appearance with which we were not familiar, and so it is with your South African questions. They are the same questions as those with which we have been familiar for a long time at Home, but somehow or other in the atmosphere of London they appear to be different from what they are in the atmosphere of South Africa. I for one am grateful for the opportunity which has been given to me, with the assistance which all have offered me in order to correct my old knowledge in the light of your local conditions and your local information. Now, ladies and gentlemen, if I have learned much, will you think me presumptuous if I say that I hope I have taught something. I have tried to put myself in the position in which I can see things through your spectacles, and I hope you are better able to see them through mine. Everything depends in administration and in high politics on the extent to which those who govern and those who are governed are able, in some degree at any rate, to put themselves in each other's places. I hope I am not too sanguine when I say that I think I have been able to convince you, and to convince the people of your sister colony, that the interest which we feel in your

affairs is not the selfish concern of an arbitrary and unsympathetic administration; but that it is the sincere anxiety of the Government responsible for the control of a great Empire, desirous to promote peace and unity among all its members, anxious in each separate case to follow as far as possible the lines of local and popular aspirations, endeavouring to be just to all without respect of person: the Government which, if it may be called upon, as it is sometimes, to refuse demands which seem to it likely to jeopardise the position which we have sacrificed so much to obtain, is nevertheless anxious to win the confidence and the support of the people whose true welfare it has at heart.

“My visit to these colonies, measured by days, has been a short one. My time has been well occupied, and my visit has combined an almost infinite variety and many phases of your local life. I have seen the strenuous—I might almost call it the feverish—activity of a great commercial and industrial centre like Johannesburg. I have seen the steadier and slower, but still deep current of political and social life which runs in centres like those old capitals of Bloemfontein and Pretoria—capitals where national characteristics and old traditions of administration are still preserved, and where the old life moves slowly after the new. I have visited a country town such as Potchefstroom, agricultural villages like Ventersdorp and Lichtenburg, and I have seen something of the mystery and beauty of the solitude of the illimitable veld. I have seen all these things, and they have left pictures on my mind which will never be effaced. I have had interviews by the hundred and deputations by scores, and it will not perhaps surprise you to learn that most of those who have interviewed me, and most of the deputations that I have had the honour to meet, have had something to ask. That is perfectly natural. I am here for that purpose, and I must admit that not infrequently I have had something to ask of those who have come to see me. And, ladies and gentlemen, although I have not always been able to concede everything which has been put before me, yet I think that the result of these interviews, and these meetings, has been good, and that in every case we have parted better friends than we have met. Everywhere I have had to acknowledge the absolute courtesy and the universal kindness of those whom I have come so far to see.”

CHAPTER IX

MR CHAMBERLAIN IN THE CAPE COLONY

THE special train provided for the Secretary of State and his suite left Bloemfontein station at noon on Monday, 9th February.¹ Lord Milner, Sir Hamilton Goold-Adams, and the chief officials were present, and they and the public of the Orange River Colony capital bade Mr and Mrs Chamberlain an enthusiastic farewell. On the same evening Lord Milner returned to Johannesburg, where he was met by Sir Albert Hime, the Premier of Natal, who had come to stay at Sunnyside to discuss the new South African Union Customs Tariff,² and various questions arising out of the transfer of the Utrecht and Vryheid districts from the Transvaal to Natal.

One other incident may be mentioned before we return to Mr Chamberlain's movements. On Sunday, 15th February, Major-General Baden-Powell called at Sunnyside to say good-bye to Lord Milner. He was returning home by the next mail to take up his appointment as Inspector-General of Cavalry under the War Office. Upon his resignation of the Inspector-Generalship of the South African Constabulary the command of the force was entrusted to Colonel J. S. Nicholson, C.B., D.S.O., who had been second-in-command since its establishment.

Mr Chamberlain's journey from Bloemfontein to Grahams-town was something of the nature of a royal progress. The

¹ The saloon carriage in which Mr Chamberlain travelled was one built for Mr Steyn, when President of the Orange Free State.

² The arrangements for holding a meeting of the representatives of the various colonial Governments for the purpose of framing a common customs tariff, and for the consideration of other matters of common South African concern, had been discussed and settled by Mr Chamberlain and Lord Milner. The meeting was to take place at Bloemfontein, in the following month (March).

special train in which he and his suite travelled was provided with kitchen and sleeping cars, and otherwise furnished with everything necessary for the comfort of passengers by day and night. In front of this ran the train, equally complete, in which the representatives of the press were accommodated; while behind came a third train carrying a break-down gang with repairing equipment. For many miles outside of Bloemfontein the line was fringed with groups of Kafirs, who cheered lustily as the trains passed them, and at all the stations, which were gaily decorated, crowds had gathered to see the Secretary of State and greet him with their applause. At Edenburg, where a halt was made to allow the down-train to pass, Mr Brand, a son of the late President Brand, and the Resident Magistrate of the district, presented an address of welcome on behalf of the people of the town, to which Mr Chamberlain made a brief but effective reply. At Norval's Pont, where the line is carried over the Orange River and enters the Cape Colony, Mr Chamberlain was met by Sir W. Hely-Hutchinson, the Governor of the Cape, with Mr Graham, the Attorney-General, and Mr Douglass, Commissioner of Works, and one of the Eastern Province members of the Legislature. By request of the Cape Government Kuilfontein station was renamed, being christened "Highbury" by Mrs Chamberlain in memory of the occasion. An address of welcome, presented jointly by the people of Colesberg and Naauwpoort, was read at Colesberg Junction; and Naauwpoort Junction Station, passed after sundown, was ablaze with illuminations—an impressive contrast to the sombre heights, more than 5,000 feet above sea-level, over which the train passed before it plunged into the valley of the Great Fish River, for so many years the boundary between the European colonists and the untamed Kafir tribes.

Grahamstown was reached on Tuesday morning (the 10th February). This place, founded by the first considerable body of British settlers to be introduced into the Cape Colony—the Albany Settlers of 1820—the seat of a bishopric and the educational centre of the Eastern Province, is in appearance and sentiment the most "English" town in the old colony, and here, therefore, if nowhere else, Mr Chamberlain

was certain to meet with sympathy and admiration. Nor was this expectation unfulfilled. The whole town was fully decorated, and in the Cathedral Square, where a triumphal arch had been raised with the inscription, "Welcome to the Settlers' City," a crowd of 6,000 persons—an immense concourse for a district so thinly populated—had gathered around the platform upon which the addresses of the Town and District Councils were to be presented. The arrival of the Secretary of State and his party was greeted by a great outburst of cheering, which continued long after they had taken their seats upon the platform. The speech in which Mr Chamberlain replied to these addresses contained a definite assurance that Lord Milner would remain in South Africa,¹ and a graceful tribute to the history of a community which, first, from its proximity to the chief seats of the military Kafir population, and, second, from its attachment to its British traditions, had paid a heavy toll in the blood of its sons from its first foundation onwards to the late war.

After this speech Mr Chamberlain received more addresses, and in the evening he was entertained at a banquet in the Town Hall. In replying to the toast of his health he used a singular frankness. Possibly he felt that in this English town he could speak his mind without fear of being misunderstood; possibly the growing enthusiasm shown by the public both at Bloemfontein and on his journey to Grahamstown, and the unmistakable warmth of his reception here, had given him a feeling of confidence. Certain it is that on this occasion he spoke with a freedom both of language and of topic that is only to be expected in an atmosphere entirely devoid of distrust.

"I am a sanguine person," he said; "but after all in my lifetime I have found that things have a curious habit of coming out very much as I expected them to do."

¹ As the Bond party did not cease to reiterate that there would be no peace in the Cape Colony until Lord Milner had left South Africa, Mr Chamberlain's statement on this point was one of considerable significance. His words were: "If you have any anxiety still remaining on the subject, I am glad to give you the assurance that Lord Milner is secure in the confidence of his Sovereign and of the British Government, and will, if his health is preserved, remain, if not to complete the work which he has so ably commenced, at least to leave it upon firm and established foundations."

And this note of intimate thought was present in his frank appeal to this community of oversea Englishmen to put their hands in their pockets and pay their share of the upkeep of the Empire's War Ships.

"I am sometimes inclined to think that our colonies, not one alone, but all of them, are a little provincial. . . . There is a limit to (the expenditure of the Mother Country). . . . I say here, not to you alone—I hope that my words may reach all the self-governing colonies—that while they have long appreciated the privileges of the Empire and while they are beginning to appreciate its obligations, *they are not doing all they ought to do.*"

Then, from a presentation of the material greatness and moral significance of the British Empire, he passed to an exhortation to the Dutch of the Cape Colony to put away "any aspiration for a separate Dutch nationality," and to the English to forget that the Dutch had ever entertained it; and ended with an invitation to both to come forward voluntarily to share with the Mother Country in the responsibilities of a common citizenship.

"We invite you to be partners in one Empire," he said to the Dutch. "It is not only great, it is not only powerful, but it is destined to do a great work of which any one might be proud to have taken the slightest part in. We want to see our new fellow subjects, whether here or elsewhere, coming forward voluntarily to share the common obligation."

The speech is of fine quality throughout; and the peroration acquires a special significance when viewed in the light of Mr Chamberlain's subsequent initiation of the Tariff Reform movement, and of all that has followed from it in the direction of Imperial Unity.¹

¹ "I turn to another question. I have to congratulate you upon your extraordinary—I should think almost unexpected—prosperity. I am not speaking, of course, of individual prosperity, but of the wonderful success which has attended the enterprises of the State.¹ Now you are a spectacle for the gods and men to envy. Your coffers appear to be full to the brim and overflowing. Now here am I, a poor down-trodden tax-payer of the United Kingdom, paying double income tax. Well, every man, woman, and child is paying largely towards the additional sum of thirty millions a year which the war taxation has imposed

¹ The Cape Colony benefited largely through the great use which was made of its railways and ports to carry passengers and goods to the new colonies upon the close of the war. Both customs and railway revenue were abnormally increased in the years 1902 and 1903 through this cause.

Mr Chamberlain left Grahamstown the next morning (11th February), and reached Port Elizabeth in the afternoon. Here the same scenes were repeated. Numerous addresses were presented to the Secretary of State on a

upon us. I do not grudge you your prosperity in the slightest degree, but you should at least know your own happiness. I believe that you are the only colony—the only self-governing colony, which, as a colony, has actually profited by this war. Individuals have suffered, but the colony as a whole has done so well, that while other states are increasing their taxation, you have what is in proportion to your resources a gigantic surplus. I do not know the secrets of the Ministry, but I should think they are much more likely to reduce taxation than to increase it.

“Mr Slater has said that you are members of the Empire, that you are proud to be members of the Empire, and indeed you ought to be. I am sometimes inclined to think that our colonies—I say it in the most friendly spirit—are, not one alone but all of them, a little provincial. They are so much occupied in their own affairs that they lose sight of the great system of which they are only single stars. What an Empire it is to which we all belong! To say it is the greatest the world has ever seen, to say that it has a population of four hundred million people, an area of thirteen million square miles, and a large proportion of the cultivable area of the world’s surface—that is said merely to bring it before your mind and the countries—not as a matter of boast, because there is always present to me the enormous responsibility which is upon us all. We have a mission of work in the world. . . . It is therefore a great privilege to belong to this noble institution that is destined in the Providence of God to mould the destinies of a great portion of the whole human race. It is a great privilege. In a material sense it is a great burden. I don’t think the Mother Country has ever been behindhand in recognising its duties. There was a time, no doubt, an earlier period, a generation ago, when the United Kingdom was much poorer than it is now, much less populous, a little timid as to its own powers, and when it felt that the burden was getting too great for it to bear, and that the best thing for it to do was to prepare the way—to give self-government, right and left, here and there, and even to force it upon unwilling possessions, in order that in course of time they might strike out each of them a new line for themselves. That view has entirely disappeared. It may be forced upon us by the action of the colonies; it will never be forced upon the colonies by our action. And as far as our resources go you may be sure that to the last penny we can spare, to the last man we can give, we will defend the heritage which is ours. It is ours. Yes, but it is also yours. It was left to us and to you by common institutions; it is due to the sacrifices of those who were your forefathers as well as ours, and you cannot escape your responsibilities in this great undertaking.

“Now what are the plain facts? Any year—last year—the normal expenditure of the Government alone—not the war expenditure—for the defence of the Empire is sixty million a year. The war cost us something like two hundred and fifty millions, towards which a contribution has been made by the Transvaal, of which you have seen the particulars. Well, we are able to bear it, but there is a limit to this. And I say here, not to you alone—I hope that my words may reach all the self-governing colonies—that while they have long appreciated the privileges of the Empire and are beginning to appreciate its obligations, they are not doing all that they ought to do. I am speaking in a colony here, which only the other day with the greatest apparent willingness and cordiality voted £50,000 a year towards the naval expenses of the United Kingdom, which amounted to £31,000,000 a year. Now I am not going to look a gift horse in the mouth. I admire the patriotism which agreed to that vote. I accept it as an acknowledgment of an obligation. I am not going to criticise it, although, when I saw the other day a statement in one of the newspapers that the splendid new cruiser—on which we made our voyage to these shores—*Good Hope* was the cruiser of the

platform erected in the Feather Market,¹ while to Mrs Chamberlain were handed bouquets of the Cape flowers, which grow in profusion in the neighbouring country, and a mass of fine ostrich feathers. In the speech, which he then made to the crowds which had assembled to do him honour, Mr Chamberlain dwelt upon the greatness of the Empire and the responsibilities of all its citizens, upon the unifying influence of the war, as shown by the assistance rendered to the Mother Country by the great over-sea British communities, and the satisfaction with which he had observed in the new colonies

“the temper and spirit of those who so lately were our enemies, and who now,” he believed, “were in the process of becoming fast friends.”

Cape—was ‘our cruiser,’ I could not help remembering that £50,000 a year would not pay even six months’ keep of that single cruiser. And that the cost of the South African squadron—a squadron which is especially devoted to the protection of South African interests—the annual cost of that alone is something like £400,000 per annum.

“Well I know that it is said that in a colony like this, where there are many interests, the first duty is at home. I entirely agree. The first duty is at home. We begin with patriotism in small things, but as we grow our patriotism widens and broadens, until it takes in large notions of responsibility. But then I shall be told, ‘This is all very well, but the Dutch would repudiate all interests and obligations in the Empire.’ I doubt very much whether that is true. If it is true, I deeply regret it, because my hope of the future is based on the expectation and belief that the Dutch would have become, as I hope and think they will become, one people with us, will feel with us the same pride that we feel in the Empire, which will then be theirs also. What is it that we say to them? We say, ‘Put aside the past. You must feel, however extreme may have been your views, that any aspiration for a separate Dutch nationality in this country is absurd and ridiculous. Put it aside, if you ever entertained it. We will forget that you did so, provided that in the future you will look forward with us to the same objects, will have the same ambitions and aspirations.’ This is the invitation which I give in your name. ‘We invite you to be partners in one Empire. It is not only great, not only powerful, but it is destined to do a great work of which any one might be proud to have taken the slightest part in. We want to see our new fellow-subjects, whether here or elsewhere, coming forward voluntarily to share the common obligation.’ I am not without the hope that that may be, unpractical though it may appear to some of you; that that contingency may be reached at all events when the present bitterness shall have to a certain extent died out. But be that as it may, my appeal is to you, who are an essentially British community, and I appeal to you with confidence. This war, as Mr Slater has reminded you, is over; but the whole Empire came to your assistance. The war showed that we were one people. Who knows where the next blow may fall? We pray that it may never fall at all. But if it does, let us at any rate determine that we of the British race, we who have made ourselves felt in all the four quarters of the globe, we who can only hold what we have by complete union of heart and mind, let us remain one people, let us show that we all recognise the obligations of each to all, and that we are glad, as time and opportunity allow, to prove that these great additions to our world-wide dominions are founded on a general recognition that the Empire must be based on a community of sacrifice.”

¹ Port Elizabeth is the headquarters of the ostrich feather trade.

He continued with reference to the less happy condition of the Cape Colony :

“ But you are a self-governing colony. The remedy is in your hands rather than in mine. It is you citizens of a free state who have to work out your own salvation. It is not satisfactory to me to find that animosities, which are dying out in the countries which so recently were the scene of the fiercest conflict of the war, are being apparently intensified in this colony, which ought to be the first to lend its powerful influence in favour of union and reconciliation.”

This was followed by an exposure of the sordid spirit underlying the complaint that “loyalty does not pay,” and an unmeasured denunciation of the still worse doctrine that “loyalty is a crime.”¹

On the day following a public luncheon was given by the town to Mr Chamberlain in the Feather Market Hall. In his speech on this occasion he returned to the political conditions of the Cape Colony—a subject for comic opera, if the questions at issue were not so serious—declared that the persecution of loyalty was “an intolerable state of things, which could not continue,” and demanded a specific assurance from some one or other of the Afrikaner leaders

¹ “I have read sometimes a statement which fills me, I confess, with something akin to indignation. It is stated that loyalty does not pay; as if, forsooth, loyalty were a question of pocket! No, ladies and gentlemen, we are loyal not because it pays, but because it is right. Not because it pays, but because it is in the blood. But if I hold that it is wrong to speak of loyalty in connection with gain or profit, there is another thing which I hold to be still worse—that is, to speak of, or to treat, loyalty as a crime. Yet, if I am to believe what I see in the papers, or the statements that are made to me, there are men in this colony who actually consider that they are carrying out the work of conciliation and union, when they ask those who took sides against us, or sympathised with our enemies, to forgive those who are loyal. I for one will never accept reconciliation on these terms. Loyalty is a duty. It must not be treated as a crime. And if those who were misled—if those even who were themselves responsible for actions disloyal to their Government and to their own King—if they are now ready to accept the situation—if they are now ready to say to us, ‘Let a new chapter of peace and reconciliation be opened in South Africa,’ they will find that we are ready to meet them half-way. There must be no talk, however, of persecution, no talk of boycotting those whose only fault is that they were true to their allegiance and to their own Sovereign. We on our part will try to forget all that was wrong in the actions of those to whom we have been opposed; they on their part must see a proof in this, at any rate, of our full readiness to meet them as friends, if they on their part will cease to be enemies. But the friendship must be in the future no lip-service. It must be a real friendship and true loyalty. We must have practical proof and indication of it.”

that the Dutch unreservedly accepted the idea of a common citizenship with their British neighbours.

“We want some one with authority to tell us that no longer in the history of this colony shall there be any social, or political, or religious ostracism on the ground of loyalty to its institutions. We want evidence, and I hope it will be forthcoming, that our Dutch fellow-citizens recognise that in the future their destiny is inseparable from ours, and that they are ready to share our pride in the Empire to which we all belong, that they are ready to accept their full share in its obligations as well as its privileges.”

For the rest, Mr Chamberlain's words were characterised again by their perfect candour and fairness; and the evident sincerity of the appeal for reconciliation with which he closed, produced a profound impression, not only on the audience, but throughout the colony.

In this speech, and in his Grahamstown speeches, Mr Chamberlain, while denouncing the persecution of the loyalists by the Dutch majority, declared in no less emphatic terms that it was the duty of the British minority to put aside all suspicion of the Dutch inhabitants of the colony founded upon the part they had played in the war, and to accept any definite assurance of their willingness to become fellow-citizens of the Empire. This, no doubt, was a “hard saying” for men who had seen with their own eyes the working of the subtle force which had all but wrested South Africa from the British race. None the less it produced an instant response from Dr (now Sir Thomas) Smartt and Mr (now Sir Edgar) Walton, the Progressive¹ leaders at Port Elizabeth, who, upon reading the reports of Mr Chamberlain's subsequent speech to the Dutch at Graaf Reinet,² stated publicly that if Mr Chamberlain should announce ultimately that he was satisfied with the assurances of loyalty given by the

¹ Dr Smartt left the ministry of Sir Gordon Sprigg on 28th May 1902, on the Suspension issue. Later in the year the Suspensionists, forming the majority of the British members of the Cape Parliament, were re-organised under the name of “The Progressive Party”; and of this party Dr Smartt acted as the leader, until Dr Jameson subsequently came forward and was elected to the position.

² Delivered on the day following. See forward p. 214.

Dutch in answer to his appeal, the Progressive Party was ready to meet them more than half way. At the same time, and in more than one speech, Mr Chamberlain took credit to himself, as he was perfectly justified in doing, for his refusal to suspend the constitution of the colony, and put this forward as practical evidence of his own belief in the willingness of the colonial Dutch to accept the results of the war.

The effect of this fair and statesmanlike attitude was seen in the friendliness with which the Secretary of State and Mrs Chamberlain were received at Graaf Reinet, their next stopping place—a town notorious both before and during the war as a centre of Dutch-Afrikander sentiment, and hardly veiled disaffection to British rule.¹

It was by no means certain that in a place with such traditions Mr Chamberlain would meet with a respectful, still less a cordial, reception. But when, on his arrival at the station (13th February), he saw from the character and demeanour of the persons assembled to meet him that he need not have any further misgivings on this point, he was not the man to lose any opportunity which this initial advantage, due to the favourable impression created by his recent speeches, might afford. He had been plain-spoken with the ultra-loyalists of the Eastern Province at Grahams-town and Port Elizabeth; he was no less frank with the rebels of a year ago and their sympathisers at Graaf Reinet. Nor was there any doubt that he was now to reckon some of these among his actual audience. The persons gathered at the station to welcome him included the solicitor who had lately been engaged in defending all the rebels of the town and neighbourhood; and among the deputations which he was to receive was one from the Afrikander Bond, and in this Bond deputation were Mr Maasdorp, the member of the Legislative Council for the district, and Mr Te Water,

¹ In 1795, when a British force first occupied the Cape, the burghers of this district were found to be in open rebellion to the Government of the Dutch East India Company. Here, in 1882, the first and inaugural congress of the Afrikander Bond was held; and here, too, on 3rd March 1898, Lord Milner ruthlessly tore off the mask of Bond hypocrisy, when he met the conventional protestation of loyalty to the Crown, with the reply, "Of course you are loyal; it would be monstrous if you were not." For Lord Milner's speech at Graaf Reinet, see p. 108 of "Lord Milner's Work in South Africa, 1897-1902."

the father of Dr Te Water, the author of the notorious letters to President Steyn.¹

On leaving the train Mr and Mrs Chamberlain were welcomed by the Reception Committee, and outside the station a guard of honour of the Cape Police and the Graaf Reinets College Cadet Corps was drawn up. After inspecting the Cadet Corps, Mr Chamberlain, Sir Walter Hely-Hutchinson, Mr Graham, and Mr Douglass (both members of the Cape Ministry), with Mrs Chamberlain and the rest of the party, were driven slowly through the town in carriages, preceded by the band of the Wiltshire Regiment; and this *cortège* was accompanied in colonial fashion by a crowd of Cape carts and other vehicles, until it reached the house placed at the disposal of the Committee for the reception of the Colonial Secretary and his staff. Not only on leaving the station, but at intervals along the route, the appearance of the visitors was greeted with an outburst of cheers.

In the afternoon a garden-party was given in honour of Mr Chamberlain in the Botanical Gardens. Here an address of welcome from the Town Council was read by the Mayor, and deputations from the Afrikaner Bond and the Chamber of Commerce were received. The speech which Mr Chamberlain then made contained the following passages:—

“Unless history is wrong Graaf Reinets gave considerable trouble to the Dutch rulers in the earliest days of the colony, and subsequently, at a very early period of British rule, Graaf Reinets was considered a disaffected place. It is this fact, more than anything else, which gives to me its great attraction. I have not come out to South Africa to see British loyalty displayed in its most effusive form, because I can get that at home; but I have come out in particular to see what South African disaffection is, to look at it face to face, and to ask upon what it is based, and to find a remedy. And accordingly, when it was at first a question of what towns in the colony I should visit, I said that I would visit as many places as possible, but that there were two places that

¹ For these letters, and the circumstances in which Dr Te Water, then a Minister of the Crown, wrote them, see p. 162 of “Lord Milner’s Work in South Africa, 1897-1902.”

I would not miss for the world. One was Graaf Reinet—the other I am going to visit later.¹

“Now, ladies and gentlemen, it is a most encouraging thing to me that the address, which the Mayor has just presented, should contain expressions of your loyalty. Similar assurances have been given to me by the gentlemen who have been good enough to wait upon me to-day. They are most gratifying, and I am perfectly ready to accept them; but at the same time I do not forget that similar assurances were given to Sir Alfred Milner, and that notwithstanding that, when the war unfortunately broke out, it was undoubtedly true that by far the greater portion of the inhabitants of this town and district were anti-British. I do not want to go into the past. I do not want to fling charges of rebellion or disloyalty in anybody’s face, but I cannot entirely forget the past. I want to know if what has since happened enables me to accept with more absolute assurance the promise of loyalty you now give than Lord Milner was able to do. . . .

“I want to know why should our Dutch friends at Graaf Reinet be more irreconcilable, more relentless in opposition, more continuously anti-British than those for whom they fought in the Transvaal and in the Orange River Colony. If those in the other two states have laid down their arms without any bitterness in their hearts, cannot you do the same?

“I began by saying that you had given me assurances of your loyalty, and that I accepted them. I do accept them, and I ask all of you to give me the proof of them. There are some things which no loyal man can do. No loyal man could do anything which would go to show that loyalty was a crime. Let him be content that his own disloyalty is forgotten and forgiven; but don’t let him add to his offences by attempting in any way to molest, or injure, or to cast scorn upon the man who has been wiser than him, and who was loyal at a time when the Empire needed his services. I say that those of our fellow-subjects among the Dutch, and, thank God, they are a very considerable minority, those who were loyal to us, those who stood by their own Government, those who helped to defend it, I say those were wiser than those who took up their arms and went out on to the veld and fought against them. They were wiser, for they knew what the result would be. . . .

“In any case I wish it to be clearly understood

¹ The Paarl.

that the British Government at home and the Colonial Government here will stand by those who have stood by them. . . .”

To have delivered this speech in this place, and apparently to have won the approval of his audience—for the newspapers reported that the Dutch hearers applauded this reproof of rebellion as warmly as the British—must be regarded as not the least remarkable of the achievements of Mr Chamberlain’s visit to South Africa.

It is quite true that one manifestation of hostility to British rule, or rather of incivility to the Secretary of State, took place at Graaf Reinet. During the afternoon, and while the garden-party was being held, the streets of the town were paraded by a number of men belonging to the Commando of the notorious rebel, Scheepers,¹ who had somehow escaped the sentence of the courts, wearing the rebel colours and their Commando badges. But this display of bad feeling was reprobated by the more reputable Dutch inhabitants, and was subsequently condemned in specific terms by Mr Hofmeyr.²

On the following morning (Saturday, 14th February), Mr Chamberlain and his party left Graaf Reinet for Schoombie. At Middelburg, where the train halted for half an hour, an address of welcome was presented, which was followed by a remarkable speech from Mr N. R. De Waal, the Secretary of the Bond Executive and member of the Legislative Assembly for the rebel constituency of Colesberg.³ This address, said Mr De Waal, had an advantage over others presented to Mr Chamberlain, in so much as it expressed “the unanimous sentiments of people who honestly and feelingly appreciated” the Colonial Secretary’s policy. He hoped that, now that the strife was over,

“all would live in unity and quench the dying embers of that strife for the purpose of proving their loyalty by action. Though,” he continued, “many of the Dutch had differed from Mr Chamberlain in the past, they had read his

¹ One of the (half-dozen) rebel leaders executed under sentence of the Military Courts.

² See forward p. 225.

³ On the borders of the (then) Orange Free State.

recent speeches, and they entirely approved of his conciliatory attitude. They were prepared heartily to clasp hands in sincere friendship. All idea of a united South Africa under any but the British flag had entirely vanished. Mr Chamberlain's name," he concluded, "was now a household word in every Dutch homestead."

In his reply to this address Mr Chamberlain used expressions which showed that he attached great importance to a statement of this friendly character, coming as it did from the Secretary of the Bond—a person whose influence in that organisation was second only to that of Mr Hofmeyr. And the few informal remarks which he made at Schoombie in the afternoon of the same day showed that he believed that he had now got upon terms with the late rebels.

"Disloyalty here is not as it might be elsewhere disloyalty to a foreign rule," he said with excellent effect to the crowd which, in spite of a heavy thunderstorm, had gathered to meet him at the station, "but it is disloyalty to your own constitution, to your own Government, and to your own rule."

While Mr Chamberlain was holding out the olive branch to the disaffected Dutch of the Cape Colony, he had, however, taken steps to remove one of the loyalists' chief grievances against Sir Gordon Sprigg's government. The *Daily Observer*, published at Cradock on Monday, the 16th, was able to announce that

"Mr Chamberlain had received assurances from the Cape Government that all who bore arms for the British during the war would be authorised to retain their arms, and that in cases in which rifles had been lost, or taken away, the owners would be allowed to purchase others at a cost of 70s. from the Government."

This announcement was a source of much gratification to the loyal Dutch, whom it affected much more than the loyal British; since not only did they prize their rifles for their utility in their daily life, but the privilege of retaining their arms put them in a better position than their rebel neighbours, and thus removed the reproach that they, who had shown themselves the friends of the British Government,

were being treated no better than men who had sympathised with the Boers or actually fought for them.

Mr Chamberlain passed the night of the 14th in the train, and then spent a quiet Sunday, his only engagement being a visit to a farm in the neighbourhood of Schoombie. At 10 P.M. of the same evening the train started for Beaufort West, *en route* for the Paarl and Cape Town.

At Beaufort West, on Monday, the 16th, the Secretary of State was greeted by a crowd of the leading people of the town, including the Mayor, the Resident Magistrate, and some ladies who brought gifts of fruit and flowers for the travellers. In reply to these courtesies Mr Chamberlain made a short speech from the platform of the railway carriage. The appeal for unity and racial reconciliation which here, as elsewhere, formed the staple of his remarks, was distinguished, however, by another reference to the Middelburg proceedings, and in particular to a private conversation which he had held there with Mr De Waal.

“During the last few days,” he said, “I have met with goodwill and co-operation beyond my expectations. Mr N. R. de Waal, who is a great politician and an able man of immense influence, especially amongst the Dutch, and who can do much—and I particularly recommend you to read his speech at Middelburg, the day before yesterday—the 14th—and to bring it to the notice of the Dutch speaking population—he has assured us from his place in the House of Assembly that the British flag was alone destined to wave over South Africa. That and other speeches have deprecated any intention on the part of the Dutch to exclude, ostracise, or boycott those who, after all, had only been doing their duty to their flag and to the country to which they owed their allegiance. I have Mr de Waal’s personal assurance, freely given to me on behalf of those whose confidence he enjoys, that he and they are willing to work for the common good, and that he personally was prepared to give any reasonable proof of his desire to act as a loyal member of the British Empire. Some of our British friends are too apt to receive assurances with suspicion. I believe that we must act on evidence, and that those assurances must be accepted; and accepted in the spirit in which I verily believe they are made. The hand is held out, and he would be a traitor to the cause I have

at heart who refused to grasp it. I hope you will accept it with the same goodwill as I do."

The special train left the Beaufort West Station at a few minutes past 2 P.M. That afternoon and all night it crossed the lofty solitudes of the Karoo Plateaux, until on Tuesday morning, in brilliant sunshine, it ran down the fine pass of the Hex River range to Worcester, and thence to the Paarl, the chief centre of Afrikaner sentiment in the Western Province—the second of the two places which Mr Chamberlain had placed first among the towns to be visited.

The party, which still included Sir W. Hely-Hutchinson and Mr Douglass, reached the Paarl at 11.30. At the station the Secretary of State was received by the Mayor and a small gathering of residents, who greeted him with cheers, and the whole party then drove to the Recreation Grounds some three miles distant, where a considerable crowd had assembled. Here addresses of welcome from the Municipalities of the Paarl and Wellington, from the men of the District Mounted Troops of both towns, and from the German inhabitants of the Paarl, were presented, and Mr Chamberlain made a short speech. Subsequently he received deputations from the loyalists and from the farmers of the district, and in the afternoon both he and Mrs Chamberlain attended a garden-party, given in their honour, which was a purely social gathering, and as such attracted the presence of some members of the Bond who had abstained from taking any part in the proceedings of the morning.

It is noticeable that Mr Chamberlain's reception at the Paarl was less friendly than any that he had met with elsewhere in the Cape Colony. There was little or no attempt to decorate the town; the streets, as the party drove through them to the Recreation Ground, were empty and silent, and only three addresses were presented. In reference to this coldness, Mr Chamberlain remarked in his reply that

"if he had previously had the opportunity of seeing these deputations and individuals, who were good enough to

promise to wait on him, he might have known how to classify the people of the Paarl. But at present," he said, "I do not know whether I am to say to the Paarl that it is loyal and contented under the British flag, enjoying the privileges conferred upon it, and rejoicing to work with all its fellow subjects for the common good, or whether—I will not put the alternative."

His speech was otherwise noticeable for allusions relating respectively to the refusal of the Boer Generals to accept seats in the Transvaal Legislative Council,¹ and to the recent disarmament of the loyalists in the Cape Colony.²

The party left the Paarl at 7 o'clock the same evening, and the train without entering Cape Town Station ran through to the suburb of Newlands, where Mr and Mrs Chamberlain were to be the guests of Sir Walter and Lady Hely-Hutchinson at Government Cottage.

On the following morning (18th February), again in brilliant sunshine, the Secretary of State made his entry

¹ See forward p. 225.

² In respect of the former he first repeated the warning which he had uttered at Graaf Reinet. The danger to the Cape Constitution did not come from the Imperial Government, nor from the advocates of Suspension, but from those who had "fought against the Constitution, who had shown themselves unworthy of the liberties which were conceded to them." The large minority of the population which signed the Petition for the Suspension of the Constitution, did so "for reasons that appeared to be very similar to those which have recently been given by the Boer Generals as an argument against the concession of even a moderately representative institution—that is to say, Generals De la Rey, Botha and Smuts have shown themselves to be of the opinion that what this country wants is peace and time for recuperation; also freedom from political agitation: and that in the meantime it might be well for the people at large to trust the Government, who have shown that they can be sympathetic as well as just." The allusion to the disarmament grievance occurred in connection with Mr Chamberlain's acknowledgment of the address presented by the men of the District Mounted Troops. It was an address, which, as he said, came from "those who had taken their part and done their duty in defending, not merely the country, but the Government of their own choosing against lawless men and foreign invaders."

"I recognise," he continued, "that this district sent a very large number of men for this purpose into the field, and I am delighted to know that, as Mr Mybergh has said, two-thirds at least of them belonged to the Dutch race. Sir [the Mayor of the Paarl], I wish to say that the Government—the Imperial Government—and I know that in this I may also speak for the Colonial Government—appreciate what these men have done, and I say it with the more emphasis to-day, because I know that there has existed some misunderstanding in respect of the recent disarmament. That disarmament, I have authority for saying, is merely a precautionary and temporary measure, and all those who have borne arms on behalf of their country will have those arms returned to them, with a license, as early as possible, and I believe that arrangements have been made to hasten a transaction, which, I admit, seems to have been unduly delayed."

into the capital of the old colony, which, like all the other large towns, was profusely decorated and thronged with enthusiastic crowds. The official reception and presentation of the addresses of welcome took place in Green-Market Square, a wide space surrounded by buildings among which stands the Stadthaus of the Dutch East India Company's *régime*. Here a crowd of many thousands of persons had gathered, while others hired the windows, and even climbed the roofs, of the houses over-looking the Square; and through the solid mass of humanity a pathway, kept open by troops, led to the raised platform upon which the ceremonies of the reception were to take place. On this lofty stage the Mayors and Councillors of all the Municipalities in the Cape Peninsula, together with the Mayors of East London and King-Williamstown, had assembled in their robes of office; and behind them were seated or standing the chief personalities, civil and military, of the colony. Among these latter Sir Gordon Sprigg, the Prime Minister, who took his seat while the addresses were being read, was received with loudly expressed sounds of disapprobation. Addresses, in addition to those of the Cape Town and other Municipalities mentioned above, were also presented from representatives of Australia and New Zealand, from societies representing the Scotch and Welsh colonists, and from the Indian community.

A great outburst of cheers and shouts arose as Mr and Mrs Chamberlain, with Sir W. Hely-Hutchinson, walked up the human lane. This demonstration of the people's goodwill was continued long after Mr Chamberlain had reached his seat upon the platform, and broke out again from time to time while the business of reading the addresses was proceeding. Indeed, so great was the eagerness of the crowd to hear him that they could barely contain themselves; and when at length he rose to speak they filled the air with such long-continued cheers and shouts, that it seemed as though in their very enthusiasm they would have made it impossible for him to fulfil their desire.

The new colonies, under the firm but sympathetic policy of Lord Milner, were on the road to become "glad

partners" in the British Empire. But in this colony, he said,

"the antagonism, which I deplore, between the two races seems almost to have become chronic; and while we find rebellion exalted into heroism by men in authority, loyalty, if it is not treated as a crime, is at any rate, discountenanced and ostracised. In the country districts the social atmosphere is such as to discourage what is the first duty of every citizen—that is, to defend the institutions of his country and the free Government whose privileges he enjoys. And meanwhile an active propaganda is still continued in the press, and I am sorry to say sometimes also in the pulpit, a propaganda whose tendency it is, if it is not its intention, to intensify the separation between the two races that ought to be united; and in this way the greatest curse of our social and political life is being confirmed and prolonged. . . .

"Surely the time is propitious, and the opportunity is given to the statesmen of this colony—an opportunity such as they may not receive again. And if I could have the assurance on leaving South Africa that without regard or distinction of classes or races, the population had come frankly to accept the settlement which has followed the war—a settlement which has removed the greatest cause of difficulty and difference between us, which always centred in the Transvaal . . . then, indeed, I should leave South Africa with the happy consciousness that my mission had been fulfilled. . . ."

Just as Mr Chamberlain's rebukes of the Boers at Pretoria and Bloemfontein had cleared the air in the new colonies, so now this speech with its earnest appeal and its solemn warning—both appeal and warning coming direct from the man who had refused to suspend the constitution of the colony, but who had yet the power to do this, if once he were convinced that such a course was necessary—stirred the leaders of the Bond to exert themselves to check the bitter spirit fomented by their agents in the press and pulpit, and to recommend the more fanatical of the Dutch countryfolk to live in peace with their British neighbours. And here at Cape Town, as at Pretoria and Bloemfontein, the public declarations and appeals of the Secretary of State were seconded by the full use which he made of the opportunities for informal discussion afforded him by social intercourse with the leaders

of the Bond and their British associates. During this and the next few days the proposal of a Coalition Ministry was discussed, first privately, and then in the press and at party meetings summoned for the purpose. Mr Chamberlain himself had thought that the formation of such a ministry, consisting of moderate men of both the South African (or Bond) and the Progressive (or loyalist) parties, might furnish a solution for the constitutional and electoral difficulties in which the war had involved the colony. Lord Milner, however, had foreseen that the divergence between the two parties on matters of principle was so wide as to make effective co-operation between their respective leaders impossible. The result was what Lord Milner had anticipated. At a meeting held on the following day (19th February) the representatives of the Progressive Party unanimously declined to entertain the proposal. The decision was based on the conviction that such a Ministry would be controlled inevitably by the Bond, and would be broken up so soon as the term of disfranchisement imposed on the rebels had expired; and further that, while it would be powerless to pass progressive legislation, such as the Redistribution Bill, which was urgently required, it would also be incapable of putting into effect the measures necessary to allay finally the prevalent antagonism between the two nationalities.

Another question, which was discussed in the press and at party gatherings during Mr Chamberlain's stay at the Cape, was a proposal that the colony should contribute at once to the cost of Imperial defence in response to the appeal of his Grahamstown and Port Elizabeth speeches.

There is no doubt that the Dutch leaders were prepared to give their support to some measure of the kind, and that with their support the success of the proposal would have been assured. In the circumstances, however, Mr Chamberlain felt that it would be impolitic to accept a contribution in relief of the Imperial Exchequer thus obtained. The evidence of loyalty for which he had asked the Dutch population of the colony was the abandonment of all manifestations of hatred against their British, or Dutch loyalist, neighbours; and he was now receiving assurances from the Dutch leaders of their intention to use their political

and social influence to bring about the desired result. If, therefore, a contribution were voted by the Dutch majority in the Cape Parliament, and the Dutch leaders afterwards failed—as they might do quite possibly, and from no fault of their own—to allay the race-animosity of their people, Mr Chamberlain would have exposed himself to the taunt that he had been led to accept the conciliatory assurances of the Dutch leaders by the promise of a contribution to Imperial defence — in other words, that he had subordinated the interests of the colony to those of the Imperial Exchequer by a “bargain with the Bond.”

On Saturday, 21st February, Mr Chamberlain received a deputation of 150 members of the South African party¹ at Government House. The Governor and Lady Hely - Hutchinson and Mrs Chamberlain were present during the proceedings. Mr Merriman, who was leader of the deputation, introduced some of the principal delegates to Mr Chamberlain, and then made a brief speech. In the course of his remarks he observed that the members of the deputation came from all parts of the colony, and that, unlike other deputations which had waited upon Mr Chamberlain, they represented not

“the fluctuating crowd of townsmen who, far from being interested in the welfare of South Africa, thought only of their own particular interests, but were themselves the descendants of the oldest pioneers of the colony, and as such they intended, whatever happened, to identify themselves permanently with the country.”

At the conclusion of his speech Mr Merriman read the address of the South African party. This document was in effect a statement in justification of the policy and action of the Bond and its British associates both before and during the war. After this address had been presented, Mr Hofmeyr read a further statement, to which, as will appear, Mr Chamberlain attached the highest importance.

After summarising the various grievances of the loyalists

¹ After the war, the Bond and its British associates decided to give their party this name, as a set-off to the name “Progressive,” and as less displeasing than the “Bond.”

in respect of persecution and boycotting, the leader of the Bond suggested that an extenuating reason for such actions on the part of the Dutch was to be found in the unavoidable bitterness which was necessarily engendered by the violent events of the last three years. Deprecating in most conciliatory language all such insults as the parading of rebel colours and badges, he then declared that the Bond leaders were ready to address an appeal to their constituents, in which they would urge the discontinuance of these and all other irritating actions.

In his reply Mr Chamberlain first expressed

“a little regret, that Mr Merriman should have thought it necessary to make any invidious comparison between you who live in the country and those who work in the towns.”

The interest of town and country, he continued,

“was really one, and the prosperity of the whole could only be made up by the prosperity of both such parts.”

He then added :—

“Now, gentlemen, before I come to the address which you have been good enough to present to me, I must refer to what in my mind is a still more important document—the statement which has just been read by Mr Hofmeyr. Gentlemen, I consider that that statement is admirable in its spirit, and is calculated to make more for the peace and goodwill which ought to prevail amongst all classes than anything that has been said or done up to the present time. I accept it as a most hopeful and a most happy augury for the future. . . . The circular, which Mr Hofmeyr has been good enough to promise me will immediately be issued to the Dutch speaking inhabitants of the country, will be certain to produce most excellent results. It is certain to bring to the minds of those who are exacerbated by petty squabbles and difficulties—it will bring to their minds a sense of the injury which their conduct is doing to the country which they profess to serve. And on my part let me say that no endeavour will be wanting to bring home to the British speaking part of the population the necessity of reciprocating.”

On the Monday following (23rd February), Mr Chamberlain was again in Cape Town. He first received a deputation of

Dutch loyalists, who were introduced by Sir Henry Juta, and then attended a luncheon given in his honour by the Cape Town Chamber of Commerce.¹ In addressing the Dutch loyalists he entered fully into the questions of compensation and boycotting, assuring them in respect of the former that they, the loyalists, would be treated not worse but better than the disaffected, and in respect of the latter that the Colonial Government would do all that lay in its power to lessen this insidious form of persecution. At the same time he urged them to accept the assurances which had been given by the Bond leaders.

"It is not good policy on your part," he said, "and it would not be generous, to accept assurances which in themselves are satisfactory in any grudging spirit."

They were right to ask for proofs of loyalty from the Bond in view of the rebellion, but they must wait in order that the evidence they required might have time to appear.

"When Mr Hofmeyr's words have circulated throughout all the branches of the Bond," said Mr Chamberlain, "throughout the length and breadth of the land, when they

¹ In his speech on this occasion he denounced the materialist view of the Empire embodied in the assertion that it should be "run on business principles." "What are business principles?" he asked. "The object of a man in business is to get the largest possible return upon his capital, his skill, and his labour. Under a principle of that sort he cannot be expected to turn aside at every moment to consider sentimental, or even philanthropic, considerations. But the Empire cannot be run on those principles. There must be something more altruistic in the idea of Empire, if it is to remain what we all think it should be. If we were to open somewhere or other, in an office in Downing Street, a ledger account with every one of our colonies, if we were to write them off as a bad debt, whenever we cannot prove there is an immediate profit upon our mutual transactions, then, indeed, we may be following business principles, but we shall have a very miserable conception of the true Imperial spirit. No, gentlemen, the British Empire is based upon something higher than that. It does not mean braggart declarations; it does not mean mere pettifogging considerations of profit and loss. It means a spirit infused into the whole race which raises and elevates us above the petty and sordid considerations of ordinary life. The British Empire is based upon a community of sacrifice. Whenever that is lost sight of, then, indeed, I think we may expect to sink into oblivion like the great empires of the past, which always failed in this respect, and which, after having exhibited to the world evidences of their power and strength, died away regretted by none, and leaving behind them a record of selfishness only. Gentlemen, that is not my view of the British Empire. I do not believe it is yours. And it is with that full confidence that you here and in all the British colonies share my feelings in this matter and my hopes for the future that I thank you for your reception, and bid you 'farewell.'"

have had time to permeate into the minds of the people, then we shall see whether or no they are effective for the purpose for which I believe they were intended. . . . Meanwhile wait in the most confident spirit that you can possibly assume for the results which I hope and trust will follow."

In this speech to the loyalist Dutch Mr Chamberlain revealed a feeling of confidence, as regards the future attitude of the Dutch population which was in marked contrast to his first speech at Cape Town and his earlier utterances in the Eastern Province. This confidence was due in the main to the favourable impressions left upon his mind by Mr Hofmeyr's statement of the preceding Saturday, and in general by his recent interviews with him and other leaders of the Bond, with the Progressive leaders, and with Mr Graham, the Attorney-General, and other members of the Government.

Thus the earlier and less favourable impressions produced by his observations in the country districts had been sensibly modified by his later experiences at Cape Town; and, in spite of the vigorous terms in which he had condemned the persecution of the loyalists, Dutch and British, and the spirit which he had described as "the exaltation of rebellion into heroism," his final diagnosis of the political temper of the Dutch population of the colony was a hopeful one. He felt that the aspiration for a Dutch South Africa, independent of Great Britain, had in fact perished with the surrender of Vereeniging. Some part, at least, of the social bitterness, attributed to Dutch hatred of the British as a race, he believed to be due in reality to political differences and industrial jealousies which were local and not racial. He had found, indeed, that boycotting and social persecution were practised by the Dutch majority upon loyalist individuals of both races in the country districts; and it was with a view of diminishing this undoubted evil that he had exercised his personal influence with the leaders of the Bond. But here he could point to definite results. First there was Mr de Waal's speech at Middelburg, with its warm tribute to his conciliatory attitude, and its declaration that the Dutch were prepared "heartily to clasp hands" with their British neighbours. Then there was Mr Hofmeyr's emphatic

condemnation of the few displays of personal discourtesy to which he had been subjected in the course of his visit to the colony, and the promise of his own direct intervention for the purpose of discouraging boycotting in the country districts. Whatever results might be produced by the circular letter of advice which was to be sent to all the branches of the Bond in the country districts, and whatever ulterior motives might lie behind those declarations, he felt, as he told both the loyalist Dutch and the Progressive leaders, that it was good policy on their part to accept them as made in all good faith, and thereby to bind the leaders of the Bond to their words.

In addition to obtaining these assurances that the power of the Bond would be used, temporarily at all events, to diminish racial bitterness, Mr Chamberlain had set himself to straighten out the constitutional tangle in which the colony had been involved by the breakdown of Parliamentary Government during the war, and from which it had been extricated only partially by the passage of the Indemnity Act in the short session of last year. In accomplishing this object he used freely his official authority with Sir Gordon Sprigg,¹ and dealt with him precisely as he might have done with the head of a Crown Colony Executive.

The position with which he was called upon to deal was this: The existing Parliament was admittedly in no way representative of the electorate, or rather of the persons who would have been qualified to elect its members, if the machinery of registration had not been brought to a standstill by the rebellion, and the consequent *régime* of martial law. In these circumstances the Progressive Party naturally desired that a new Parliament should be elected as quickly as possible, but they recognised that, as Sir Gordon Sprigg stated, the register of voters could not possibly be completed earlier than would allow of the elections being held at the

¹ Sir Gordon Sprigg succeeded Mr W. P. Schreiner as Prime Minister in 1900. Early in 1902 the majority of his supporters advocated the suspension of the Cape Constitution, and, as he was himself opposed to this measure, they formed the separate party, since known as "the Progressive Party," of which Sir Starr (then Dr) Jameson became the leader. For the circumstances in which Sir Gordon became Prime Minister, see "Lord Milner's Work in South Africa, 1897-1902." He died in 1913.

end of the current year (1903). Unless, therefore, the Government was to have recourse again to the unconstitutional method of providing funds for the services by Governor's warrants, it was necessary that the existing Parliament should be called together for the purpose of voting supplies. The Progressive leaders, while admitting this necessity, desired to be protected against the possibility of the existing non-representative Parliament being used by Sir Gordon Sprigg, or by the Bond majority upon which he depended for support, for the purpose of passing contentious legislation. They also wished to be protected against the contingency of Sir Gordon, after the general election had been held, postponing the meeting of the new Parliament until late in the year 1904, and thus securing for himself a lengthened tenure of office by irregular means.

In order to realise the seriousness of the injury which would have been inflicted upon the British population of the Cape Colony, and indirectly upon British interests in South Africa, had the Bond chosen to exert its power to compel Sir Gordon Sprigg to adopt one or both of these courses, it must be remembered that, apart from the fact that the existing Parliament consisted largely of members elected by persons since disfranchised,¹ the Progressive leaders claimed that the British inhabitants of the colony were under-represented by the then existing arrangement of the electoral divisions. To remedy this evil they required not merely the correction of the old register, by the removal of disqualified, and the addition of qualified, voters, but a redistribution of the seats in both houses in such a manner as would give the British inhabitants of the colony the representation to which their numbers, wealth, and intelligence entitled them. To carry a Redistribution Bill on these lines was, therefore, the immediate objective of the Progressive Party at this time.

Thus by his decision not to suspend the constitution of the colony Mr Chamberlain had put it in the power of Sir Gordon Sprigg, whether influenced by the pressure of his Bond supporters or by his own natural desire of office, to arrest the normal course of parliamentary government, and

¹ In many of the Bond constituencies the electors had been disfranchised wholesale for rebellion.

to postpone, or defeat, the attainment of a just measure of representation in the legislature of the colony by the men who, whatever mistakes they had made in other directions, had at least given undoubted proofs of their preference for British ideals and their determination to keep South Africa a part of the Empire. Whether the fears of the Progressive leaders were well-founded or not, Mr Chamberlain recognised that it was his duty to protect them and the loyalist population of the colony from the logical results of his own action. It is only right to add that he himself had never doubted his power to do this. The "sword of suspension" was lowered, but not yet sheathed. He regarded both the introduction of contentious legislation into the present Parliament, and the postponement of the meeting of the new Parliament, as unconstitutional in the peculiar circumstances of the colony. He not only made known this opinion to Sir Gordon and Mr Graham, the Attorney-General, who, indeed, both disclaimed, on their own behalf and on that of their colleagues, any intention of doing either the one or the other, but before he left the colony he obtained specific assurances from the Prime Minister on these and other points. In such matters the Government were to hold themselves responsible not to the Cape Parliament, but to himself, as Secretary of State. No attempt was to be made to pass contentious legislation through the existing Parliament; any measure for the re-enfranchisement of the rebels was expressly forbidden, and proposals for amnesty¹ were to be confined solely to the release from prison of persons who were not accused of outrage or of other offences not connected with the war. The time and manner of the dissolution of Parliament was also settled. It was impossible, as all parties agreed, for the new Parliament to meet before January 1904,² but it was to meet at the earliest date practical after the elections had been held. And it was understood that in the event of the Government departing from this course of action in any material point,

¹ Dr Jameson had declared in a public speech that the Progressives had no objection to a measure of amnesty provided that it was granted as a spontaneous act of the Cape Parliament and not as the satisfaction of an external demand (such as had been made upon the Imperial Government by the Boer Generals both in England and in the new colonies).

² It met actually in February 1904.

Mr Chamberlain would be prepared to instruct the Governor to exercise his right of dismissing the Ministry.

The question whether Mr Chamberlain's decision to refuse to suspend the constitution of the colony was or was not justified in the event, must remain undetermined. It might be argued with some force that when there was so strong a feeling against the Crown Colony system in the new colonies, where it was absolutely necessary, there would have been an infinitely stronger feeling against it in the Cape Colony. But on the other hand it must be remembered that, suspension or no suspension, a large proportion of the Dutch were actually disenfranchised for rebellion, and an appreciable number of the British were virtually disenfranchised by the obsolescence of the register, and the general disorder of the machinery of representation. There is a strong probability that the inclusion of the Cape Colony with the new colonies in a Crown Colony system would have assisted materially in the more complete attainment of the cardinal aims of British policy in South Africa, and in particular that, when a common administration was at length established, there would have been a British, and not a Dutch, majority in the Union Parliament. But from the nature of the case it must remain only a probability, since the decision *ipso facto* removed all prospect of obtaining the only kind of evidence by which the proposition could be proved or refuted. But be this as it may, it is at least certain that no greater practical interference with the principle of responsible Government could have taken place under a Crown Colony *régime* than was afforded by the course which Mr Chamberlain was constrained to adopt in his dealings with the ministry of Sir Gordon Sprigg.

The business and festivities of Mr Chamberlain's visit to South Africa were concluded with a banquet, which was held in the Drill Hall, Cape Town, on the evening (Tuesday, 24th February) preceding his return to England by the Union-Castle mail boat. The utterance which he then delivered was not unworthy of so great an occasion.

"I came to these shores as an optimist," he said, "and I leave them with the firm conviction that Providence, which out of evil still adduces good, will evolve some consolation for the suffering and the misery which a great war involves, and

for all the disturbance which this sub-continent has suffered. I leave this shore more convinced than ever that the forces—the natural forces—which are drawing you together, are more potent than those evil influences which would tend to separate you.”

In the new colonies reconciliation was proceeding apace. There Lord Milner was at work.

“Of course there are rocks ahead ; there are difficulties in the political situation. I have no doubt whatever they will be surmounted, as much greater difficulties have again and again been surmounted in our colonial administration ; and that if the firm and sympathetic policy of Lord Milner is continued, the two new colonies will be amongst the most prosperous and the most contented of the dominions of the Crown.

“I know there are people who talk of Lord Milner, whom perhaps they have never seen, and with whom I am sure they are not personally acquainted, as if he were a hard man, inclined always to arbitrary and even tyrannical methods. There can be no greater travesty of the truth than that : and if these people had seen him, as I have had the privilege of seeing him, at work ; if they could have seen his patient and personal attention to every grievance that was brought to his knowledge, his devotion to the details of every branch of his administration, his constant endeavour to find new methods of benefiting every class of the population, his earnest desire to help the needs of those who are in trouble, to restore those who have suffered during the war to their old prosperity—I say if they could have seen this, they would themselves have been the first to be ashamed of their suspicions.”

And here in the Cape Colony there was hope that before long “the echoes of the war would entirely die down.”

“Then,” he continued in his final words, “I look forward to the growth of a new nation here in South Africa, as loyal in the true sense of the word, as Imperial in the best sense of the word, as any of the possessions of the British Crown. . . . In this larger conception of Imperial duty, local politics, important, no doubt, in their way, will still assume only their proportionate significance ; and larger interests, and nobler ideals, and a wider patriotism will take their place. You may yet see a teeming population of the various races, of divergent interests, that go to make up the British Empire, united by a common bond—one life, one flag, one fleet, one throne.”

CHAPTER X

ADMINISTRATIVE DEVELOPMENT

MR CHAMBERLAIN'S influence and action produced a *détente* in the racial and party strife in the Cape Colony, which reacted favourably upon the general South African situation. His settlement of the financial and other pressing questions in the Transvaal and Orange River Colony left Lord Milner free to complete the governmental machinery of the new colonies; and in the course of the next six months the fabric of administration was rapidly built up. The separate parts of the system were, in fact, raised simultaneously, but for convenience of narration three lines of progress may be distinguished:—

- (1) The creation of an administrative authority—styled the Inter-Colonial Council—for the management of the common concerns of the two colonies and in particular of the great national asset of the State railways.
- (2) The constitution of Legislative Councils in the two colonies to supplement the already existing Executive Councils. These were bodies which, though non-elective, contained a representative element in the presence of non-official members, carefully chosen to voice the separate interests of all classes of the community.
- (3) The creation of a system of local self-government consisting of municipalities and Urban District Councils.

In as much, however, as the railways in the new colonies were actually, though not constitutionally, part of the

general railway system of South Africa, and it was obviously desirable that the new colonies should form part of the Customs Union, it was necessary that their relationship to the rest of South Africa in both these respects should be defined and placed upon a stable and equitable basis, before either their common railway policy or their separate customs tariffs could be finally determined. The Conference of the South African Governments which Lord Milner, with Mr Chamberlain's approval, had invited to assemble at Bloemfontein in the month of March was, therefore, a necessary preliminary to the effective working of much of this new administrative machinery; and as such it must first claim our attention. When once, however, the character and results of this gathering have been placed before the reader, the road will be open for the consideration of these new institutions as inter-related parts of the general administrative development of the new colonies.

Lord Milner, it will be remembered, after seeing Mr Chamberlain start, on 9th February, from Bloemfontein to the Cape Colony, had returned to Johannesburg, where he was at once engaged with Sir Albert Hime, the Premier of Natal. The affairs of Rhodesia next claimed the High Commissioner's attention, and during the latter half of February he was prostrated by a brief but somewhat dangerous illness. He had, however, sufficiently recovered by the beginning of March to preside over the Railway Extension Conference—a meeting of official and non-official representatives of the two new colonies, which sat at Johannesburg (3rd to 6th March) to discuss and decide upon which of the proposed new lines should be immediately constructed. The gathering was significant as being an informal meeting of the elements which subsequently assumed constitutional shape in the Inter-Colonial Council. But it will be convenient to defer the consideration both of this aspect of the Railway Extension Conference, and the actual decisions at which it arrived, until the opportunity has arisen for discussing the management and development of the railway system of the new colonies as a whole.

Early on Monday, 9th March, Lord Milner left Johannesburg for Bloemfontein, which he reached the same evening,

and the Conference, over which he presided, held its first sitting at 11 o'clock on the following morning. It consisted, in addition to the President, of five delegates from each of the five British colonies. At the head of the delegates from the two self-governing colonies, the Cape and Natal, were their respective Prime Ministers, Sir Gordon Sprigg and Sir Albert Hime; while Sir Godfrey Lagden (Commissioner for Native Affairs), Mr (now Sir) H. F. Wilson (Colonial Secretary), and Mr (now Sir) W. H. Milton (the Administrator), were the senior members of the delegations, respectively representing the Transvaal, the Orange River Colony, and Rhodesia. In each case the delegates were accompanied by two or more "advisers" in the persons of the managers of the Government railways, directors of customs, or legal or native affairs officials, as the case might be, who were present at the sittings, but had no power to vote. And to these twenty-five delegates must be added Mr P. P. Lancastre, the Director of the Mozambique Customs, who attended, however, only in an unofficial capacity, having power neither to vote nor to bind his Government in any respect.

Lord Milner, in his brief opening address, dwelt upon the unifying influence which Inter-Colonial Conferences, such as the present, might exercise; and to understand the significance of the occasion, it must be remembered for how many years past South African statesmanship—whether British or Afrikaner nationalist—had taken the union of the separate European communities in a Federal system as its ultimate goal.¹ But while such a system was favoured by most advocates of administrative unity, a considerable body of opinion in the Cape Colony had clung pertinaciously to the idea of "unification" as against federation; meaning thereby the creation of a central Government with such wide powers that the matters excluded from its operation would be such only as could be left properly to the ordinary machinery of local government. And in the event it was

¹ This was so from the time of Sir George Grey onwards, the object being to recover the solidarity of the Europeans, which was lost by the "dismemberment of South Africa" through the policy which culminated in the Sand River (1852) and Bloemfontein (1854) conventions. See "Lord Milner's Work in South Africa, 1897-1902," chap. i. *passim*.

this latter form of unity that was attained.¹ Before the war, and mainly through the efforts of Rhodes, a distinct advance in the direction of federal unity had been achieved by the establishment of a Customs Union, consisting of the Cape Colony, Natal, and the Orange Free State. But the Transvaal, under Kruger, had obstinately refused to enter this union; and when the development of the gold industry caused the Rand to become the great purchasing and importing district of South Africa, the non-adherence of the Transvaal had tended in an increasing degree to lessen the influence which the Customs Union would otherwise have exercised as a first step towards a federal union of the colonies and republics.

There were many who advocated the bold policy of creating a federal constitution for South Africa at the end of the war by the direct initiative and action of the Imperial Government. And one of the chief advantages presented by the proposed suspension of the Cape constitution was the circumstance that by reducing this colony to the constitutional level of the Transvaal and Orange River Colony, the immediate establishment of a central administration for virtually the whole of South Africa would have followed as a matter of course.² The Imperial Government, however, having pronounced against suspension on the one hand and being, on the other, no less decidedly opposed to the immediate grant of self-government to the new colonies, the view that federation must come, if at all, from the spontaneous action of the colonies themselves, and not from any pressure from the Imperial authorities, was left in possession of the field. Consequently all that the High Commissioner could do to further the cause of administrative unity was to prepare the way for a central Government by encouraging the concerted action of the separate Colonial Governments in matters of common concern. And, as in Australia during the fifteen years of waiting for the evolution of the Commonwealth constitution, so now in South Africa the Inter-State, or Inter-Colonial, Conference

¹ In 1909.

² Natal was quite willing to surrender such of its constitutional rights as would have been inconsistent with the establishment of this Central Administration.

was recognised as the chief agency for the accomplishment of this object. No opportunity was lost by Lord Milner for setting in motion this and any other agency that made for union; and we shall have occasion subsequently to consider those examples of inter-state action which occurred in the course of the two years, 1903-5, as part of a policy deliberately pursued to this end, and to trace the degree in which this policy and action contributed to the eventual realisation of South African unity.

In the present instance, while, as Lord Milner pointed out, the Conference had met for the immediate purpose of framing a common tariff acceptable to all the colonies represented, its scope had been enlarged by the inclusion in the Agenda of two other subjects, the native question and alien immigration, and by the provision that other subjects of common interest might be added, during the course of the proceedings, to this Agenda by the unanimous agreement of the delegates. But these latter subjects differed materially from the first in respect of the nature of the results which might be expected to follow from the discussion of them. By the discussion of the customs question inter-state action of a direct and practical nature, and only waiting the sanction of the legislatures of the several colonies to give it validity, was sought and expected. From the discussion of the native and alien immigration questions the most that could be hoped for was "an agreement on the main principles which should govern the action of the several states" in respect of such matters, and, failing this, the advantage which would come from the "mere exchange of ideas, between leading and representative men," on questions of great importance to all the colonies, and "in an atmosphere so favourable to frank, business-like and unbiased discussion, as that of a Conference of this character."¹

In the end these anticipations were more than realised ;

¹ The Inter-Colonial Conferences held during the remaining two years of Lord Milner's High Commissionership produced no further instance of inter-state action, since the proposed modification of the division of the carrying trade to the Rand, as between the various South African ports, was not carried into effect, but they were especially fruitful in results of the second class—*i.e.*, in the preparation for future union.

but the conflict of interests between the coastal and inland colonies was so sharp that more than once it seemed as though an absolute deadlock must result. Indeed nothing but the moderating influence of Lord Milner, exercised now on this side and now on that, and the fact that he placed his great financial ability and experience ungrudgingly at the service of the delegates of all the colonies without distinction, could have brought about an agreement upon the two inter-related questions of railway rates and customs duties—questions of which either, taken singly, contained enough contentious matter to have wrecked the Conference.

To understand the position it must be remembered that it was greatly to the advantage of the coastal colonies (the Cape and Natal) that the new colonies, and especially the Transvaal, should enter the Customs Union. If this step were taken the former colonies would secure the free admission of their local produce into the great purchasing area of South Africa, and that, too, at a time when the normal purchases of the inland colonies, as a whole, had been swollen to extraordinary dimensions by the effort to repair rapidly the loss and destruction caused by the war. But for this advantage the new colonies desired to receive a corresponding benefit. They asked the coastal colonies to co-operate with them in an endeavour to lessen the cost of living on the Rand, and in other industrial centres within their boundaries, by reducing the railway rates charged on the through traffic from the ports. This co-operation was necessary; since the trains which carried the over-sea food and other necessaries from the ports ran, with the one exception of Delagoa Bay, over the Cape or Natal lines before they traversed those of the new colonies. It would, therefore, have been comparatively useless for the Central South African railways to have reduced their rates, unless there had been an equivalent reduction in the charges levied by the Cape and Natal Government railways. But whereas in the case of the new colonies the loss of revenue resulting from the lowering of the railway rates would be accompanied by a gain to the community at large, the same sacrifice of revenue on the part of the coastal colonies would bring no compensating advantages with it. In point of fact the high rates which

they charged on the through railway traffic constituted, as Lord Milner had written to Mr Chamberlain,¹ nothing more nor less than a tax levied by them upon their inland neighbours. The new colonies were naturally determined to rid themselves of this indefensible impost; and fortunately they possessed two weapons which they could employ for the purpose of inducing the coastal colonies to face the necessary loss of revenue. They could threaten to develop the Delagoa Bay route, and thus in large measure divert the through traffic from the Cape and Natal ports, and they could make their entry into the Customs Union conditional upon the reduction of the through railway rates by the coastal colonies. Although the Orange River Colony was naturally by no means so closely interested in the question as the Transvaal, the delegates of the two colonies, owing to Lord Milner's arrangement for working their railways as a common concern under the Inter-Colonial Council, acted as one body, and declared that they would not proceed to discuss the customs tariff until a settlement had been reached on the railway question. A second and supplementary conference, consisting of railway authorities representing the four colonies concerned, was hastily constituted, and it was not until, after much discussion, the required reductions of rates had been granted by the coastal colonies, that the consideration of the tariff was resumed.

The circumstance that Lord Milner was at the time engaged in writing the notable despatches in which, in accordance with Mr Chamberlain's request, he described the progress of the Repatriation of the Boers and the general resettlement of the new colonies, makes his large personal contribution to the ultimate success of the Conference seem all the more remarkable.

"I could not have believed six weeks ago," he wrote to Mr Chamberlain on 6th April, "that we should have got through the numerous difficult and conflicting questions which presented themselves to the Railway Extension Conference, and subsequently to the Bloemfontein Conference, as smoothly and as satisfactorily as we have done."²

¹ In the financial despatch of 8th September 1902.

² Despatch giving particulars of the constitution of the proposed Inter-Colonial Council.

But the strain of the double effort appears as clearly in the Diary as the shifting phases of the conflict between the coastal and the inland colonies.

On the 15th he wrote :—

“ Very hard at work all day on despatches to the Secretary of State. . . . There is considerable difficulty about the Conference, owing to the probable breakdown of negotiations on the rates question.”

On the 16th :—

“ Another day of really fearful drive. I began working as usual before 7 and did not stop, except for meals, till long past midnight. Every moment not devoted to the Conference was spent in completing my long despatch to the Secretary of State, and I kept two shorthand writers at it all day. . . . I went to the Conference from 10 to 1. While at lunch I talked business to Hime and Girouard. Conference again from 3 to 5, then a steady grind at despatch, till 1 o'clock in the morning, when it was sent to catch the mail.”

And on the 18th :—

“ I am busy from morning to night with these negotiations and my other work falls considerably into arrear.”

On the 19th the entry reads :—

“ Conference 10 to 1. We quickly passed the resolutions on the native question and gave them to the press. On reassembling at 3 we soon got back to the Customs Union, when there was a deadlock, as the Railway Conference not having reported, the Transvaal delegates declined to go on with the question of customs. This led to some heated discussion, but finally they carried their point and we adjourned. I came back to Government House, where Farrar¹ and several others came to see me and kept me busy up to dinner time.”

On the following day the Conference met in the morning and again adjourned ; but in the afternoon we read :—

“ The railway men having at last arrived at a settlement we began making some progress with the tariff. On

¹ Sir George Farrar, one of the Transvaal delegates.

adjourning I went straight back to Government House, feeling very tired, and lay down. I did not go down to dinner . . . and went early to bed."

On Monday, 23rd March, which rather curiously was Lord Milner's birthday, the end was attained.

"The Conference met at 10 and sat till nearly 2, and again from 2 to 6. Finally the Convention was unanimously adopted amid cheering and general satisfaction."

And at 10 o'clock the draft Convention was signed for ratification by the several legislatures by Sir Gordon Sprigg, Sir Albert Hime, Mr Wilson, Sir Godfrey Lagden, and Mr Newton on behalf of their respective colonies.

Up to the very moment of its ratification by the Cape Legislature, the fate of the Convention was rendered doubtful by the vacillating action of the Cape Government.¹ Lord Milner's energy, however, supported by the loyal adherence of Natal to the principle of fiscal co-operation affirmed by the Conference, in the end overcame all obstacles, and the instrument, having been ratified by all the legislatures concerned, came into operation on 1st July. It was to remain in force for two years from that date; but at the termination of this period, or of any subsequent year ending on 30th June, it was to be open to any state to withdraw upon having first given twelve months' notice of its intention to leave the Union. And here it will be convenient to set out the results achieved by this notable example of inter-state action.

In the first place the principle of Imperial unity was applied in the provision of a rebate, or preference, of 25 per cent. upon "goods or articles, the growth, produce or manufacture of the United Kingdom, imported therefrom into the Union," where such goods, etc., were classified under an *ad valorem* rate, and the remission of the whole duty when it did not exceed 2½ per cent. *ad valorem*; while provision was made, also, for extending these advantages to any British colony or possession which should

¹ It was Mr Hofmeyr's decision to support the Customs Union that ultimately allowed Sir Gordon Sprigg to obtain a majority for this purpose.

itself grant "equivalent reciprocal privileges to the colonies and territories belonging to the (Customs) Union."

In the second place, the fiscal relations between the new colonies and the Cape and Natal were materially improved. The coastal colonies gave up an amount of railway revenue almost equal to the £900,000 to £1,000,000 by which the net receipts of the Central South African railways were found to have been reduced in the financial year 1903-4. They also agreed to the abolition of transit duties, and undertook to collect the customs due to the inland colonies from over-sea imports, at the several ports; receiving in return for this service the rather extravagant payment of 5 per cent. of the revenue thus collected. But against this loss of railway revenue the coastal colonies obtained the legitimate advantage of having their own local produce and manufactures admitted duty free (with slight exceptions) to the markets of the Transvaal and Orange River Colony.

The Customs Convention was, of course, the main work of the Bloemfontein Conference, but the discussion of the native and alien immigration questions also led to results by no means unimportant. Not only did the Conference resolve to carry out one useful inter-state measure—the constitution of an Inter-Colonial Commission on Native Affairs¹—but the discussion of these subjects led to a pronouncement on the labour question which appreciably strengthened the position of the Transvaal administration when it became necessary to supplement the African labour supply by the importation of Chinese coolies.

After stating its opinion that an increase in the supply of native African labourers might be promoted by a "still further improvement" in the conditions under which they worked, and recommending that "free shelter, under Government supervision, where food could be purchased," should

¹ For the work of this Commission *see* forward, vol. ii. p. 198. The resolution ran that "in view of the coming federation of the South African colonies it was desirable that a South African Commission should be constituted to gather accurate information on affairs relating to the natives and native administration, and to offer recommendations to the several governments concerned with the object of arriving at a common understanding on questions of native policy."

be provided for natives going and returning to the labour centres, in cases where railway facilities were not afforded, the Conference then put on record, as its deliberate and considered conclusion, that

“the native population of Africa, south of the Zambesi, does not comprise a sufficient number of adult males capable of work to satisfy the normal requirements of the several colonies, and at the same time furnish an adequate amount of labour for the large industrial and mining centres.”

And, with reference to the proposals for the introduction of the Chinese on the Rand, which were already in the air, it also resolved that, while “the permanent settlement in South Africa of Asiatic races would be injurious and should not be permitted,” the introduction of unskilled Asiatic labourers, under a system of Government control, and with compulsory repatriation at the end of their indentures, “should be permissible, if industrial development positively required it.” And, lastly, the principle of South African unity was unhesitatingly affirmed. On the concluding day of the Conference Sir Albert Hime moved, and Sir Gordon Sprigg seconded, resolutions “hailing with thankfulness the great stride that had been made towards the political unification of South Africa” by the renewal and extension of the Customs Union, and expressing the hope that “the day might not be far distant when it might be possible to summon a conference to consider . . . the union under one central federal administration of the whole of the colonies and territories under British rule.”

To say that a “great stride had been made towards the political unification of South Africa,” by the Bloemfontein Conference was no exaggeration. To bring the Transvaal into the Customs Union was the cardinal problem, which, from economic as well as political reasons, had hitherto baffled the federationists. The war had removed the political obstacle, since all five colonies were now under one flag. But the economic conflict of interest, especially in the question of railway rates, so far from being removed by the change of Governments, had been accentuated by the large and

progressive increase in the volume of the Transvaal imports, which had set in with the establishment of the Crown Colony administration. To have brought the Transvaal into the Customs Union in these circumstances was, therefore, not only a service of the first rank to the cause of South African unity, but one which, in all probability, no other man than Lord Milner could have rendered. The preceding pages will have indicated the main directions in which he did, in fact, bring his influence to bear upon the course of the proceedings ; but, to understand the full merit of his action, there must be added a knowledge of the peculiar and complex relationship in which he stood to the Conference as a whole, and to the several colonies therein represented.

As High Commissioner, then, Lord Milner was President ; and undoubtedly without a man in the chair, possessing his, at that time, unparalleled authority and influence, personal as well as official, no agreement would have been reached. But the fact that the man who, as High Commissioner, was Chairman and therefore neutral, happened to be Governor of two of the colonies represented—and of two which, by his own policy, had been so far unified as to have a common economic interest as against the others—and might be suspected of partiality on that account, made his position as awkward as it was no doubt powerful. To the economic solidity of the Orange River Colony and the Transvaal was added the influence which he possessed by virtue of his old association with the Cape, as its former Governor. But in spite of the strong cards he held, he would have failed in effecting a reasonable settlement if he had not been completely successful in making the Cape and Natal delegates feel that he was really holding the balance even, and working solely for the general good of South Africa and not for the special interests of the two colonies with which he was more directly connected.

There is another circumstance which gave significance to the Conference as a manifestation of the High Commissioner's tightened grip on South African affairs. The Portuguese delegate contributed little to its discussions, but Lord Milner attached great importance to his presence, as marking a further advance in the development of the policy which had been successfully inaugurated by the exchange

of visits between himself and the Governor - General of Mozambique. His aim was quietly, but effectually, to bind the Province of Mozambique by economic ties to British South Africa so completely that the control of its industrial development would lie in British hands. In dealing with the Portuguese, therefore, he had set himself to allay their fear of Great Britain's supposed political designs upon their possessions, while at the same time drawing them in all other respects into the South African family, and trying, in particular, to make them feel in questions of commerce and communications that they stood on precisely the same footing in the general councils of South Africa as the representatives of the several colonies. In short, what Lord Milner sought, and what in fact he largely achieved, was, while respecting their flag and paying every formal tribute to their separate nationality, to get them in all practical matters to work with the British in South Africa as though Mozambique had been a British, and not a Portuguese, colony.

The success of the Bloemfontein Conference cleared the way for the creation of the Inter-Colonial Council in more than one respect. The relations of the new colonies to the rest of South Africa were defined, and in some degree regularised, in matters of the highest importance—customs, railways, and labour supply; and this good result was to be attributed, as was clear to the delegates of both colonies, very largely to the fact that at the Conference they had obliterated their separate interests and acted as one state. Although Lord Milner himself had no need of any such demonstration of the practical value of a piece of administrative machinery which had been taking shape in his mind for many months past, the success of the principle of inter-state action, as applied at Bloemfontein, was undoubtedly opportune. It reconciled the minds of the Colonial Office authorities in England to what was in itself a rather sudden and novel administrative departure, and — a matter of even greater importance—it served to overcome the fears, very generally prevalent among the officials and leading men of all classes in the two colonies themselves, lest the special financial interests of their respective communities should be sacrificed unduly in the amalgamation. Consequently Lord Milner

felt justified in pressing for the immediate issue of the Order-in-Council necessary to constitute the Council. He had already set out at length, in a despatch of 16th February, the reasons which made the joint Council desirable and necessary; and he now, in a despatch of 6th April, enclosed a draft of the Order-in-Council prepared by Sir Richard Soloman. This instrument was duly issued on 20th May, forwarded by Mr Chamberlain to the High Commissioner on 23rd May, and brought into force in both colonies on 15th June, and the Inter-Colonial Council held its first meeting on the following 4th July.

The Council thus rapidly brought into being was, in its origin, Lord Milner's device for avoiding the administrative difficulties which would have arisen out of the attempt to apportion either the annual cost of the Guaranteed Loan, or the railway revenue upon which that cost was a first charge, between two communities whose industrial circumstances and financial resources were at once so unequal and so interdependent, as were those of the Transvaal and Orange River Colony. As, however, it developed in his mind, it became something much more than this. He saw in it both a means of correcting financial anomalies which had already threatened to become a source of irritation and friction between the two colonies directly concerned, and at the same time a permanent nucleus of inter-state action, capable of being expanded in the future into an administrative union of all the South African colonies. And he was justified in considering it, therefore, as he wrote in his despatch of 16th February,¹

“the most important proposal, both in its immediate effects and probable consequences, of any that he had ever had the honour to put before the Secretary of State since he had occupied the position of Governor of the two new colonies.”

During the first financial year after the peace (actually the thirteen months, 1st June 1902 to 30th June 1903), the administrative expenses and the revenues of each of the two colonies continued to be kept distinct, and were brought into account of the separate budgets of the respective

¹ Printed in Cd. 1552, with the memorandum on the loan distribution and proposed common council enclosed.

Governments. Thus the proportion of five-sixths of the cost of maintaining the South African Constabulary was assigned to the Transvaal, and one-sixth to the Orange River Colony; and similarly the profits of the Central South African Railways were treated as arising from two separate concerns—*i.e.*, the profits from the Orange River Colony section of the system were paid to the Orange River Colony Treasury, and those from the Transvaal section went to swell the revenue of the Transvaal. And this, in spite of the fact that the railways had been worked as one concern—they were vested in the High Commissioner, and administered under him by the Commissioner of Railways with a Financial Board of Control—since they had been taken over from the military authorities.¹ But neither of these arrangements was quite equitable to the Transvaal. The South African Constabulary served to protect the scattered European homesteads in the country districts of both colonies from aggression on the part of the natives, and the colonies as a whole from the risk of political unrest among the ex-burgher population. The advantages which the Orange River Colony derived from the services of the Constabulary in both respects were by no means adequately requited by this contribution of one-sixth to its total cost; since any disturbance in the Transvaal, either on the part of the natives or of the “wild” Boers, would have reacted disastrously upon the same classes in the sister colony. And for the like reason the Transvaal could not afford to allow the Orange River Colony to be insufficiently protected. Again, the Orange River Colony railways, taken separately, earned a higher rate of profit than those of the Transvaal; but since this higher profit was due mainly to the charges levied upon the through traffic to the Transvaal, equity required that it should be shared in part with this latter colony. Otherwise it would remain a tax upon the Transvaal exacted by the sister state; and, as such, it would invite reprisals on the part of the Transvaal in the form of

¹ Both colonies were represented in the Financial Board of Control which was constituted by Order-in-Council of 31st October 1902. Sir Percy Girouard, who was head of the Imperial military railways—as they were called during the war—continued to be head of the Central South African Railways under the title of Commissioner of Railways.

the development of the Natal and Delagoa Bay routes at the expense of the Orange River Colony with its connections with the Cape ports.

But the apportionment of the annual charge entailed by the Guaranteed Loan presented even greater difficulties. The appropriation of the £35,000,000, approved in principle by Mr Chamberlain during his stay in the new colonies, had been submitted by Lord Milner, in this same despatch of 16th February, for the formal sanction of the Home Government, and, when the necessary legislation had been passed in the Imperial Parliament and the local Legislatures, £30,000,000 of this loan was issued¹ in the month of May (1903). The method of the appropriation was exhibited by Lord Milner in the following statement:—

I. EXISTING LIABILITIES—		
(a) Deficit of 1901-2	£1,500,000	
(b) Former debt of the South African Republic	2,500,000	
(c) Compensation to loyalists in the Cape Colony and Natal	2,000,000	
	<hr/>	£6,000,000
II. ACQUISITION OF RAILWAYS		14,000,000
III. REPATRIATION AND COMPENSATION—		
(a) Advances by way of loan	£3,000,000	
(b) Other charges	2,000,000	
	<hr/>	5,000,000
IV. NEW DEVELOPMENT—		
(a) New Railways	£5,000,000	
(b) Land Settlement	3,000,000	
(c) Other Public works	2,000,000	
	<hr/>	10,000,000
Total	<hr/>	<u>£35,000,000</u>

It was practically impossible to find any principle upon which the charges arising out of many of these items could be apportioned as between the two colonies. The £2,000,000 assigned to “compensation to loyalists in the Cape and Natal” represented, as Lord Milner pointed out, the indemnity to be paid by the two new colonies, as successors to the two late Republics, for the damage done

¹ The loan was subscribed for many times over, and the issue was spread over eight months — May to December. The remaining £5,000,000 was issued twelve months later.

by the forces of those Republics in the war. But who could say what proportion of the damage, which had to be paid for, was inflicted by the respective forces of the Free State or the Transvaal? Again, in respect of the £5,000,000 allocated to "repatriation and compensation," and still more in regard to the £10,000,000 assigned to "new development," if the burden of the loan were to be distributed between the two colonies in the proportion in which it was actually spent in each, the Orange River Colony would be threatened with bankruptcy. This danger could no doubt have been avoided by cutting down expenditure in the poorer colony; but it was obviously desirable, on broad grounds of policy, that the people of the Orange River Colony should be placed on an equal footing with the people of the Transvaal in respect of the opportunities for increased material prosperity which the loan promised to secure for the new colonies as a whole.

The solution of the difficulty was to be found in treating both the expenditure of the Guaranteed Loan, and the charges required for the service of the Loan, as common to the two new colonies. To meet the common liability thus imposed, a common revenue must be provided, and such a revenue would be found in the undivided receipts of the Central South African railways. The existing division of the railway revenue was unjust, because it took no account of the real incidence of the railway rates; while the attempt to determine that incidence would lead to fresh disputes which would tend to delay, or even obstruct permanently, the development of an effective railway system for the two colonies. It was also impolitic from the point of view of the Orange River Colony. A new through line in the Orange River Colony, as Lord Milner pointed out, though it might be the best and cheapest in the general interest, so long as the existing division of revenue remained in force would be strenuously opposed in the Transvaal, on the ground that it would increase the tax levied on that country by the sister colony. The division of the cost of the South African Constabulary was, as we have seen, equally unsatisfactory. And there were other minor services, being in effect common to the two colonies, such as the Enquiry Office at Cape

Town,¹ the Geodetic Survey, etc., the expenses of which were no less difficult to apportion.

Lord Milner, therefore, proposed that the net receipts of the whole of the Government railways of both colonies should form a common fund, out of which what were really common expenses should be defrayed. In the first place the interest and sinking fund of the Guaranteed Loan and the charges of the minor common services were to be paid; and then the balance was to be appropriated to the South African Constabulary. The railway revenue would not be sufficient to pay the whole cost of the Constabulary as well as the service of the Loan, and Lord Milner, therefore, proposed that the deficiency should be made up, so long as it existed, by contributions from the two colonies proportionate to their respective local revenues—that is to say, if the Transvaal revenue, independent of railways, amounted in any given year to £5,000,000, and that of the Orange River Colony, similarly independent of railways, to £500,000, then the Transvaal would contribute ten-elevenths and the Orange River Colony one-eleventh of the sum required to make good the deficiency in the railway or common revenue. At the same time, Lord Milner added, it was not improbable that with a reduction in the cost of the Constabulary, the railway revenue would, when the new lines were working, pay for both the Loan and the South African Constabulary. The authority to be entrusted with the administration of the railway revenue was to be a council consisting of representatives of the two colonies, and, as such, empowered to prepare the joint, or inter-colonial, budget, and generally to deal with matters common to both.

These were the proposals which were put into effect by the Order-in-Council of 20th May 1903. As thus constituted the Inter-Colonial Council was composed of the High Commissioner and Governor, as President; the Lieutenant-Governors of the two colonies; the Inspector-General of the South African Constabulary; the Commissioner of Railways; two members from each of the Executive Councils of the two colonies, nominated by the respective Lieutenant-Governors;

¹ Part of the machinery for regulating the entry of immigrants into the new colonies under the permit system.

two members from each of the Legislative Councils of the two colonies, being unofficial members of the same, and elected by the unofficial members of the respective Councils; and, lastly, two members to be nominated by the Secretary of State, who might, or might not, be members of one or other of the Legislative Councils. The special purpose for which this council of fourteen (exclusive of the President) was established, was stated to be "to advise the High Commissioner and Governor" upon the financial administration of the railways, the expenditure on the South African Constabulary, the expenses of the Governor's establishment in the two colonies, of the Geodetic Survey, of the Permit and Enquiry Offices, and upon such expenses as the Council might think necessary for the proper conduct of its business. And to this list were added (1) any other expenditure common to the two colonies, which might be placed under the authority of the Inter-Colonial Council by the Legislative Councils of both colonies with the consent of the Secretary of State, and (2) any matter connected with the railways, or the Constabulary, or with any public service common to the two colonies, which might have been brought within its authority under the foregoing provision of the Order-in-Council. The Inter-Colonial Council was further directed to hold one ordinary meeting in each year, at which it was to "draw up and approve a Budget for the ensuing financial year."

The Council, duly constituted in accordance with these and the remaining provisions of the Order-in-Council, met on 4th July at Bloemfontein, and remained in session until the 8th inst. The first Inter-Colonial Budget, which will exhibit conveniently the scope of its administrative duties, was as follows:—

REVENUE FOR 1903-4.

Estimated net railway receipts for 1903-4 . . .	£2,150,000
Part of Surplus of railway receipts for 1902-3 transferred to the Council	200,000
	<hr/>
Total	<u>£2,350,000</u>

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EXPENDITURE FOR 1903-4.

(Approved Estimates.)

I. SERVICE OF THE GUARANTEED LOAN—

1. Interest and sinking fund from 1st May 1903 to 30th June 1904	£1,433,334
2. Management charges: £250 for each million	7,708
Total	<u>£1,441,042</u>

II. ADMINISTRATION—

1. South African Constabulary	£1,520,061
2. Governor's Establishment	23,550
3. Surveys	25,550
4. Permit Office	10,550
Transvaal and O. R. C. Enquiry Office	2,110
5. Expenses of Council (Salaries, etc. and Office Accommodation)	5,000
6. Education Adviser ¹	2,500
Total	<u>1,589,311</u>

Grand Total £3,030,353

Deduct Estimated Revenue 2,350,000

Deficit to be made up from the separate revenues of the two colonies in proportion to such revenues £680,353

And to this was added a statement of the revenue and expenditure of the Transvaal and Orange River Colony.

Estimated Transvaal Revenue, 1903-4	£4,500,000
Estimated Transvaal Expenditure 1903-4	3,000,000
Surplus	<u>£1,500,000</u>

Estimated Revenue of the Orange River Colony, 1903-4	£500,000
Estimated Expenditure of the Orange River Colony, 1903-4	500,000
Surplus	<u>nil.²</u>

¹ Mr Sargent, who was adviser to the High Commissioner, and, as such, an official common to both colonies.

² The approved estimate of the revenue of the O.R.C. was £563,300, but in the event the revenue actually reached £840,000. The Transvaal estimates were practically identical with the results obtained. The expenditure in the O.R.C. was (about) £650,000, and out of the surplus left the sum of £120,000 was paid to the Inter-Colonial Council.

The second meeting of the Inter-Colonial Council, being an extraordinary session, was held at Johannesburg from 1st March to the 9th inst. in the following year. As the result of a unanimous resolution then passed, Lord Milner requested the Home Government to enlarge the membership of the Council; and when the necessary Order-in-Council had been issued (21st April 1904), the members were raised to a total of twenty-five (exclusive of the President), of whom thirteen were unofficial members. The Council thus enlarged, and materially strengthened in the public estimation by the large addition to the unofficial element, met for its second ordinary session at Pretoria on 31st May 1904. As, however, the main business of the Inter-Colonial Council consisted in the administration of the railways, it will be convenient to reserve its further proceedings until we come to consider them as an integral part of the general subject of railway development in the new colonies.

The constitution of the Legislative Councils of the two colonies demanded neither the administrative experience necessary to bring the Bloemfontein Conference to a successful issue, nor the constructive statesmanship which evolved the Inter-Colonial Council. None the less in view of the great mass of new legislation which was required in both colonies, but more especially in the Transvaal, the composition of these bodies was a matter which called for the exercise of care and judgment. Lord Milner was fully determined that both Councils should be so constituted as to be capable of accomplishing this important duty; and in particular he took infinite pains in the selection of the non-official members, upon whom the Councils depended largely for local knowledge and for information as to the special needs of the various sections and classes in the two communities.

Of the two Legislative Councils that of the Orange River Colony, where the economic and industrial conditions of the people were much less complex than in the Transvaal, was the first to be fully constituted. From 23rd June 1902, when the constitution of the colony was promulgated, to the end of the year, the necessary legislation was enacted by a Legislative Council consisting of the Lieutenant-Governor,

the Attorney-General and the Colonial Secretary and Treasurer. At the beginning of the new year (1903), this purely official body was enlarged by the addition of six nominated members, of whom four were non-official members¹ selected to represent the various sections of the community; and the Legislative Council, thus fully constituted, held its first meeting in a committee room of the Raadzaal on the 14th January. The proceedings were opened formally with a speech from the President, the Lieutenant-Governor; and in the course of the sitting Rules of Procedure were framed and some twenty enactments, of which the majority were concerned with the affairs of the farming population,² were added to the Statute Book. As this was regarded as a preliminary sitting, the Council had met with closed doors; but when, after an adjournment of some weeks, the session was resumed in May, the press and the public were admitted to its meetings — a practice which was followed in both colonies during the period of Crown Colony government.

In the Transvaal all legislation was enacted up to the end of April 1903, by a Legislative Council consisting of the executive heads of the Government; and during this period eighty-three ordinances, many of which were of urgent necessity, were placed upon the Statute Book of the colony. Lord Milner had, in fact, advised the appointment of unofficial members to this Council, as to the Legislative Council of the Orange River Colony, as early as July 1902; but various causes combined to keep the composition of the Transvaal Council an open question until the arrival of Mr Chamberlain in the new colonies. Lord Milner's proposals were then submitted in detail to the Secretary of State, and definitely approved by him on behalf of the Home Government.

The Legislative Council of the Transvaal as thus finally constituted, consisted of sixteen official and fourteen non-official members—a total of thirty including the President, who was the Lieutenant-Governor. The Government thus retained an official majority in the enlarged Council, but

¹ They were: Mr (afterwards Sir) J. G. Fraser, and Messrs C. H. Wessels, R. M'Farlane, and J. F. Janse Van Rensburg.

² *E.g.*, diseases of animals, scab in sheep, registration of brands; all matters of vital importance to the repatriated Boers and the new British agricultural settlers.

the number of the non-official members was so considerable, and the men themselves were so influential and representative, that there was every reason to believe that the interests of all classes would be adequately voiced in its deliberations. Mr Chamberlain and Lord Milner were both anxious that the ex-burgher population should be represented by the Boer Generals, Botha, De la Rey, and Smuts; and cordial invitations to serve on the Council were therefore addressed to them early in February—that is to say, after Mr Chamberlain had left the Transvaal, but while he was still in the Orange River Colony. The Boer leaders, however, after a friendly exchange of letters, and a no less friendly interview with Lord Milner and Sir Arthur Lawley, decided not to join the Council. In the first of the four letters which formed the correspondence—they were published in the press at the time—the Generals stated as the ground of their refusal their conviction that the time had not yet come for the creation of a nominated legislature, still less for “popular representative institutions.” They felt profoundly, so they wrote, that all the good work of reconciliation accomplished since the peace

“might, nay, almost certainly, would be jeopardised by this Legislative Council, which would throw almost every apple of discord in the arena.”

And they added :

“So long as the Government honestly tries to do its duty, it is bound to be supported by the general population, even though it may occasionally make mistakes. That is the position as it exists to-day, and it may very well be continued for some time to come.”¹

In the case of General De la Rey the refusal was rendered the more disappointing by the fact that it was understood that he had personally assured Mr Chamberlain of his willingness to accept a seat on the Council. Nor was it possible, either in respect of General De la Rey or of Generals Botha and Smuts to prevent a sinister interpretation from being placed upon their action by some among the general

¹ These letters are given in chap. xvii. p. 225, vol. ii.

public. But the suggestion that the Generals' refusal to accept the seats on the Legislative Council was to be attributed to a desire on their part to embarrass the Government was expressly repudiated by Lord Milner. Nor is there sufficient reason to suppose that any such unfriendly intention was immediately, or even partly, responsible for General De la Rey's change of mind, or for the refusal of General Botha and General Smuts to accept the positions offered them. A year later, as we shall have occasion to notice, the Boer leaders entered upon a course of action distinctly hostile to the Crown Colony administration. But at the time in question they may well have been influenced by considerations of an entirely different order. The tour in Europe had made General Botha and General De la Rey very sensitive to criticism from their own people. If they had accepted these seats, they would have exposed themselves to the reproach—"You went to Europe and filled your pockets, and now you are going to get £500 a year¹ from the Government." And again, knowing what was expected of a member of the Volksraad in the days of the Republic, they may have thought that their people would expect them, as members of the Legislature, to do a great deal for them; whereas, as they knew quite well themselves, they could have had no power in the Legislative Council, with its official majority and British nominated members, to control the course of legislation, still less to obtain any personal favours for individual ex-burghers.

Ultimately the twenty-three additional members were duly appointed, by Proclamation of 14th May, to serve for two years, and the enlarged Legislative Council met on the 20th of the same month at Pretoria, and remained in session until the 30th of the July following. In the Council, as thus finally constituted, Sir Percy Fitzpatrick and Sir George Farrar represented the mining industry and Mr Andries Cronje and Mr Van Rensburg the ex-burghers; while the needs and wishes of the British wage-earning classes, of the British farmers, and of the various commercial

¹ The non-official members received this sum as a recompense for the loss of the time taken from their private affairs. They were, of course, all engaged in active business of one kind or another, there being no leisured class.

and professional interests in town and country were all made known by some competent voice. Among the thirty-five ordinances past during this first session were a Customs Law embodying the terms of the Bloemfontein Convention, and providing for the entry of the Transvaal into the Customs Union from the first of July following, and a group of ordinances creating elective municipalities and otherwise preparing the way for the introduction of local self-government throughout the colony.

The second session of the Legislative Council, which began on 7th December, and lasted until the 12th of February 1904, was memorable for the enactment of the Asiatic Labour Importation Ordinance. As, however, this is a measure which forms the centre of the Chinese labour question—a controversy so violent and so extraordinary as to demand a full and separate treatment—it will be convenient to leave the Transvaal Legislative Council thus fully launched upon its career of usefulness, and pass on to the consideration of the third of the three main lines of administrative development which collectively form the subject of the present chapter.

The advantages which the change of government brought to the people of the Transvaal were, perhaps, nowhere more conspicuous than in the sphere of local government. President Kruger objected to local authorities as tending to weaken the power of the Central Government. "I cannot tolerate a government within a government," he said. It was a part of his system to make everybody dependent directly upon the Executive at Pretoria, of which he was the head; and he desired also to keep in his own hands the disposal of the "town lands," or reserves of public land apportioned to the various Boer townships. In the years immediately preceding the war this latter consideration had grown in importance; since, with the introduction of gold-mining and the rapid augmentation by natural increment of the country burghers, the demand for fresh farms had exceeded the supply, and the number of bywoners and other landless Boers had assumed alarming proportions. The municipality of Potchefstroom created in the annexation period (1877-80) was, therefore, suppressed

and the partly representative body, called the *Stadsraad*, granted under pressure of the Uitlander agitation by President Kruger to Johannesburg, a somewhat similar body at the mining centre of Barberton, and one or two "Sanitary Committees" nominated from Pretoria, together constituted the whole of the machinery of local government that was provided under the Boer *régime*. It was no exaggeration to say in the words of the Transvaal Report¹ on this subject that—

"the towns of the Transvaal before the war had scarcely attained in matters of local government to the point reached by English communities in the early middle ages. . . . The present Administration found a country without a system, and a people without experience, of local self-government."

In the year which intervened between the commencement of Civil Government in the new colonies and the termination of the war, Lord Milner had established nominated Town Councils at Pretoria, Bloemfontein, and Johannesburg, and Health Boards in other towns and urban districts.² These nominated bodies served a double purpose. They relieved the embryo governments of certain matters of local administration in which local knowledge was eminently desirable, and they helped to prepare the men and communities concerned for the introduction of the permanent elective institutions which were to follow with the full development of Civil Government after peace had been established. First in importance among these nominated bodies in the Transvaal was the Town Council of Johannesburg. Lord Milner had been able to enlist for its service some of the most competent members of a community to which the great rewards offered by the gold industry had drawn not a few men of high scientific attainments or conspicuous business capacity both from within and without the British Empire. It possessed, moreover, in the person of Mr Lionel Curtis,³ a Town Clerk

¹ Dated 14th May 1904. Cd. 2104.

² For the progress then made *see* chap. xi., "Preparing for Peace," of "Lord Milner's Work in South Africa, 1897-1902."

³ Took up work of Town Clerk provisionally in April 1901; was invalided home from February to July 1902, and began work permanently upon his return to Johannesburg. Afterwards Assistant-Colonial Secretary for Local Govern-

who combined with youth and indefatigable industry an aptitude for administrative organisation that was little short of genius. Thus equipped the nominated Town Council of Johannesburg set itself in the years immediately preceding and succeeding the peace to collect and formulate the materials out of which a system of local government could be framed; and the results of its labours were so complete and so well adapted to the needs of the country that it remained for the Legislative Council to do little more than place them upon the Statute Book. The legislation which it prepared for the enlargement and definition of its own powers became the basis of the Municipal Corporations and the Local Authorities Rating Ordinances. Its report on the municipal franchise, the outcome of a careful study and comparison of the various systems of other states both British and foreign, was virtually embodied in the Municipalities Elections Ordinance. More than this, the Johannesburg Town Council, through Mr Curtis, convened a Congress of representatives of all the nominated local government bodies in the colony, in order that the draft ordinances, which had been thus prepared, might be subjected to this wider criticism before they were introduced in the Legislative Council.

The Municipal Congress met in the temporary Town Council Buildings at Johannesburg on Monday, 18th May 1903, when an opening address was delivered by Lord Milner.¹ It cannot be said that its deliberations added much to the work of the members of the Johannesburg Town Council and Mr Curtis; but the fact that so representative an assembly had set the seal of its approval upon the proposed Ordinances was accepted by the Legislative Council as a further assurance of the soundness of recommendations to which it was otherwise most ready to give effect. The three Ordinances mentioned above, together with a fourth—the Municipalities Powers of Expropriation

ment, and subsequently the moving spirit of the "Closer Union" movement which led to the union of South Africa in 1909. Mr Curtis was one of the most flagrant examples of Lord Milner's "kindergarten."

¹ It was on this occasion that he made the bold declaration in which he associated himself formally with the dictum of Rhodes, that civilisation and not colour should be the test of fitness for civic rights. "You must keep the door open to the native," he said.

Ordinance — also directly promoted by the Johannesburg Town Council, were accordingly passed into law during the first session of the enlarged Legislative Council.

There was only one question upon which the Legislative Council, or more correctly the Government, were inclined to take a different view from that of the Municipal Congress. It was agreed on all hands that the municipal franchise should be as wide as possible; but the Government conceived it to be their duty, as being the agent of the Home Government, to give effect to the traditionally generous policy of the latter by proposing to admit both aliens and "coloured" persons to the same municipal privileges as British subjects of European race. Under this influence the official majority was used on 3rd June to carry the coloured vote, during the debate on the Municipal Councils Bill, by the narrow majority of fifteen to thirteen. But Lord Milner, although he was personally in favour of the proposal, recognised that it was a matter in which the public opinion of the colony could not be overridden. He felt in this, as in the question of the status of British Indians, that

"whatever position the Administration might take as representatives of the Imperial Government, it was impossible to force upon the white population [of the Transvaal] a principle repudiated no less by the British inhabitants than by the Dutch."

These proposals were, therefore, abandoned; and in the event the opinions of the Johannesburg Town Council were adopted — that is to say, the Transvaal municipal franchise, while including practically every male and female British subject of European race, excluded both aliens and "coloured" persons.

In July Mr Curtis ceased to be Town Clerk of Johannesburg, and was appointed to assist the Colonial Secretary. His special sphere in this department of the Transvaal Government was subsequently defined by the title of "Assistant Colonial Secretary for Urban Affairs"; and it was under his supervision that during the remaining five months of the year (1903) the necessary preparations were made for

the introduction of the system of local government established under the four enactments thus passed by the Legislative Council. In this transition period the administration of the larger towns and new urban districts was entrusted to the existing provisional Councils and Boards, and by the instrumentality of these provisional authorities the work of compiling the electoral rolls and dividing the larger municipalities into wards was accomplished. The elections were held in the course of the three months November 1903 to January 1904; and there were thus brought into full legal existence no less than twelve municipalities and twenty-three Urban District Boards. The elections for the Town Council of Johannesburg, held in December, resulted in the return of practically the entire *personnel* of the old nominated Council,¹ and so afforded a striking and gratifying example of the degree in which the Crown Colony Government could succeed in making these nominated bodies actually representative of the community. Further legislation for adjusting the financial relations of local authorities to the Government,² for regulating bye-laws, and for dealing with the questions of town lands, municipal boundaries, roads, and other matters arising out of the special conditions

¹ All the nominated members except Mr P. Whiteside, the Labour representative, and one of the two members of the Labour Commission who signed the Minority Report (*see forward p. 272*) were elected.

² "In thus applying the system of municipal government to the towns of the Transvaal as a whole, it was found that whereas some old but comparatively unimportant towns were well endowed with town lands, no similar provision had been made by the late Government in the case of Johannesburg and other populous but recently founded industrial centres. In these circumstances the necessity for determining what proportion of the national estate and revenues could be properly assigned to the various localities in need of endowments was recognised on all hands. In 1904, therefore, a commission was appointed by the Crown Colony Administration to enquire into, and report upon, the subject of the financial relations of the Central Government with the municipalities or other local government authorities. The question was eminently one in respect of which it was desirable that whatever was done should command the general approval of the inhabitants of the colony; and action was deferred accordingly until the advent of Responsible Government. Before, however, the Transvaal was merged into the Union, most of the recommendations of the Commission were put into effect by General Botha's ministry."—"Union of South Africa," p. 417 (by the writer). To this must be added that, as the result of an earlier commission (1903-4), substantial justice was done to Johannesburg, under the Crown Colony Administration, by the grant to the municipality of so much of the public land lying within its area as was not required for any immediate purposes of the Central Government.

of the country, was subsequently passed under the actual guidance of Mr Curtis or upon the lines laid down by him.

In addition to these elective local bodies, of which thirty-seven in all were created before the end of the Crown Colony Administration, the question of making provision for the establishment of District and Village Boards in the country districts was discussed. It was recognised that the existing state of affairs, under which the town population, in addition to contributing the bulk of the revenue required by the Central Government, was taxed to pay for the local expenditure of the country districts, was both illogical and unfair. None the less Mr Duncan (the Colonial Secretary), with his habitual caution and sympathy with the rural population, felt that such legislation would be premature, in view of the Boers' traditional dread of direct taxation in any form¹.

In the wholly rural districts, therefore, the original system, under which the Resident Magistrate acted as the local authority for administrative as well as magisterial purposes, was maintained; and the leading residents continued to be consulted informally by the officials of the departments of the Central Government in matters of road construction, fencing, the prevention of cattle diseases, and the like.² Under the Education Department, however, popularly elected Boards, with purely advisory powers, were established in the rural, as well as the urban districts of the colony.

In the Orange River Colony, the elective municipalities or local Boards, existing before the war, were brought at once into full operation upon the establishment of the Civil Government. In the first administrative year (1902-3), an ordinance was passed empowering the Central Government to make advances out of its surplus funds to the municipi-

¹ A deputation from the Boer Congress waited on Sir Arthur Lawley on 25th May 1904, to protest against the measure on the ground of its "expensiveness" to the rural population.

² Under Responsible Government (and prior to the Union) popularly elected local Boards were constituted in these wholly rural districts of the Transvaal, and the office of Field Cornet was revived. The functions of the local Boards were to advise the officials of the Central Government, as had been done before by the individual residents informally consulted under the Crown Colony régime. The business of the Field Cornets was—as in the Cape Colony—to assist the Resident Magistrates in securing the proper administration of the law within their respective districts.

palities ; and in this way towns, whose resources were too slender to permit them to borrow in the open market, were enabled to carry out necessary public works. It should be noticed, however, that in the Orange River Colony, which conformed more closely than the Transvaal to the Crown Colony model, the Resident Magistrates, while remaining under the direction of the Attorney-General in respect of their purely magisterial functions, were placed, as administrative officials, under the Colonial Secretary. The general control of the local administration of the country districts, thus obtained, was exercised with excellent results by Sir Harry (then Mr) Wilson during the entire period of Crown Colony Government (1902-7). The elective bodies, as a whole, were suited to the less complex conditions of this colony, but otherwise identical in principle with those of the Transvaal. And thus, before Lord Milner left South Africa, in the great towns and urban areas of the two new colonies the machinery of local self-government had been not merely completed, but completed on lines which, in point of administrative efficiency and public convenience, enabled it to challenge comparison with the systems of the most highly developed European states.

CHAPTER XI

THE LABOUR QUESTION,¹—THE ATTEMPT TO SUPPLEMENT NATIVE AFRICAN LABOUR BY UNSKILLED EUROPEAN LABOUR

THE heart of the economic system of the new colonies was the gold industry, and the gold industry depended for the successful working of the mines upon obtaining from the African natives a cheap and efficient supply of unskilled labour. British South Africa alone, owing to the requirements of its other industries, could do little even in normal circumstances to provide this supply. In the year 1904 the returns of the Mining Commissioner showed that only 15 per cent. of the native Africans then at work on the Witwatersrand mines came from British South Africa. The remaining 85 per cent. were drawn from non-British territories, among which the chief contributor was Portuguese East Africa, or the Province of Mozambique;¹ and it was for this, amongst other reasons, that, as we have seen, Lord Milner desired to treat Mozambique as the economic and commercial partner of the Transvaal.

The year 1903 opened brightly. The main work of repatriation was successfully accomplished, the Guaranteed Loan secured the means of providing for the material needs of the two colonies, the ex-burgher population appeared willing to accept the position of citizens of the Empire, the clamour for self-government raised by the British townsmen had died down, and the installation of new and improved administrative machinery in both colonies was rapidly and

¹ The Report of the Witwatersrand Native Labour Association for 1903 showed that of the 70,000 natives actually employed upon the mines on 31st December 1903, the Transvaal contributed 5.55 per cent.; Natal, 2.56; the Cape Colony, 4.11; Basutoland, 2.30; and the Province of Mozambique, 80 per cent.; while the balance came, with slight exceptions, from other non-British territories.

smoothly proceeding towards completion. But as the year drew on the clouds gathered. Not only did a second season of drought—a drought so severe that it transcended all previous records—make it necessary for the Governments of both colonies to maintain the repatriated Boers a year longer than was anticipated, and to do twice over much of the work of restocking the farms, but a deficiency in the African labour supply was revealed which threatened to bring to the ground the entire fabric of the reconstruction. The closing months of 1903 and the opening months of 1904 were months of gloom. The gold industry, and with it the whole industrial community of the Transvaal, was in the throes of an economic crisis; and for a few months it seemed doubtful whether, even with the postponement of the first instalment of the war loan, the administration would not be driven to seek financial aid from the Imperial Exchequer. Conspicuous as was the attainment of the three years that followed the peace, the greatness of Lord Milner's achievement cannot be appreciated at its full value unless it be remembered that this attainment was won in the teeth of economic disaster and political opposition, both of which were not merely unprecedented in degree but unexpected in character.¹

The accumulated effect of the drought, cattle diseases, and insect plagues, by which the agriculture of the two colonies was visited in the years 1903 and 1904, has been already recorded.² The shortage of African labour was not confined to the Transvaal. It was felt in all the British colonies of South Africa; but the gold industry was more disastrously affected than any other industry, and the new colonies, where the general demand for unskilled labour was immediate and imperative, were the greatest sufferers.

The difficulty of obtaining a sufficient supply of unskilled labour from the native population was a chronic evil in

¹ The drought of 1903-4 was not only the most severe on record, but it followed a previous year of drought—which was most unusual. Of the political opposition to Chinese labour Lord Milner said (at the Extraordinary Meeting of the Inter-Colonial Council, held at Johannesburg in March 1904): "Knowing that, if need were, there was in other countries than Africa abundant and super-abundant labour ready to come to us, it never occurred to me that half the world would unite, for the most absurd and self-contradictory reasons, to try and prevent our getting it."

² Chap. v. p. 84 *et seq.*

South Africa. Whenever progress in industry was made or contemplated, the European settlers, whether Dutch or British, had been confronted by the labour problem; and both the Dutch of the Cape Colony, under the Dutch East India Company, and the British of Natal, under the Colonial Office, had been compelled to supplement the native African supply by importing Asiatic labourers—the former from Dutch and the latter from British India. The Asiatic population of the Cape Colony is not distinguished in the census returns for 1904,¹ but the Malay population, the descendants of the original labour importation of the Dutch East India Company, alone amounted to 13,907 in the year 1891, when the previous census was taken. Indian coolie labour was first imported into Natal, to work the sugar plantations, in 1860. In the year 1903 there were 26,223 coolies working under indenture, while 15,550 additional labourers had been requisitioned by employers;² and the census returns of the year following showed that the total Asiatic population of this colony numbered over 100,000.

The importation both of Indian and Chinese labour for the gold industry had been considered by the mining authorities of the Rand before the war; and in 1900 the consent of the Home Government to the principle of the employment of Chinese indentured labour, subject to compulsory repatriation, in Southern Rhodesia was obtained, and an Ordinance providing for the recruiting and importation of such labour was passed by the local Legislature, which could be brought into force, if, and when, the Colonial Secretary should be convinced of the necessity of the measure. After the declaration of peace Lord Milner urged Mr Chamberlain more than once to allow the importation of Chinese into Rhodesia to take place. The latter, however, withheld his consent. His refusal was based mainly on the ground that Chinese labour could only be introduced into South Africa at the desire of the majority of the white population; and that the necessary manifestation of public opinion could not be obtained in Rhodesia, but could be obtained in the Transvaal with its large industrial and other

¹ Cd. 2103.

² Cd. 1894 (Transvaal Labour Commission).

white population. If, therefore, Chinese labour were to be introduced at all, the introduction must be effected in the first place in the Transvaal, and then afterwards, and if it were still necessary, in Rhodesia.

But the shortage of native African labour experienced in the years immediately following the surrender of Vereeniging was not merely the normal, or chronic, deficiency, but this intensified and aggravated by certain well ascertained causes. In the first place the requirements of all the colonies were raised both by the repair of the material destruction wrought by two and a half years of war, and by the new public works which the South African Governments were constructing in anticipation of the era of development promised by the establishment of British authority from the Limpopo to Table Bay. This double demand for labour — labour to repair and to expand—was greatest in the new colonies; but the Cape Colony, Natal, and Rhodesia were all alike busy with the improvement and extension of their railways and with other undertakings of public utility. The increased demand would of itself have been sufficient to render the normal supply of African labour gravely inadequate. But unhappily it did not stand alone. To an increased demand was added a very considerable shrinkage of the always insufficient supply. For at this moment, when their services were especially required, the natives showed an unusual reluctance to leave their kraals and engage themselves under European employers. They had been paid abnormally high wages by the military authorities during the war, and were, therefore, in possession of more than their ordinary amount of money in hand. They were disturbed and unsettled, partly fearing and partly despising their former Boer masters, and expecting great things from the British, whose victory, as they believed, would bring a laxer discipline and more generous wages. When they were disillusioned, many of them, rather than accept the old scale of wages, would refuse to work at all and go back to their kraals.¹

¹ This happened in the case of the native "leaders" and "drivers" of ox transport in the Orange River Colony. Having been employed by the military at high rates, they refused to take the normal wages offered for the same services by the Repatriation Department. See chap. iii. p. 50.

A special cause which affected the gold industry alone was the reduction of the pre-war rate of wages paid to the African labourers on the mines of the Witwatersrand by 33 per cent. This measure, adopted in the early months of 1902, though in itself both economically sound and unquestionably desirable in the public interests, was generally held to have had the effect of further reducing the scanty supply of African labour available for the gold industry in the abnormal labour conditions which prevailed in the years immediately following the declaration of peace. The error on the part of the leaders of the industry was frankly recognised, and promptly corrected. The circumstances are these: the Transvaal Industrial Commission¹ of 1897 recommended the reduction of the rate of wages paid for African labour in the mines as a means of decreasing the excessive cost of living, and as one among other measures calculated to improve the economic conditions of the gold industry and the European population to which it gave employment. In order to realise the significance of this recommendation it must be remembered that the cost of native labour is a factor that enters into every department of industrial activity in South Africa. So far as the European is concerned, it is the determining element in the price of almost every necessary and convenience of life. It enters into the cost of transport, since railways and roads are constructed, and to a large degree worked and maintained, by native labour; into the cost of house rent, since the unskilled labour used in the construction of houses and of all buildings is native; and into the cost of food, since it is upon native labour that the farmer must rely mainly for the cultivation of the soil. And the wages and keep of the Kafir "boy" formed a prominent item in the domestic budget of the humblest of the married European artisans.

It must further be remembered that the rate of wages paid then (and now) for native African labour is an "artificial" rate. By "artificial" is meant a rate which is out of proportion to the cost of living to the native. All the world over the rate of wages paid to the unskilled

¹ For this see "Lord Milner's Work in South Africa, 1897-1902," p. 89. It was appointed by President Kruger, and its chairman was Mr Schalk Burger. Its Report was admirable, but President Kruger refused to put its recommendations into effect.

labourer is, roughly, such an amount as will enable him to support himself and his family in comfort, according to the standard of his class and country. In other countries the labourer works all the year round, and from year to year during the greater part of his life as an adult. In South Africa the Bantu native could earn in two or three months enough money to keep him in idleness for the rest of the year, and in two or three years of continuous service enough to keep him (and his dependents) in ease and comfort for the rest of his life. For, while in other parts of Africa and in the Far East, where the conditions of native life were essentially the same as they were in South Africa, the native earned from 4d. to 10d. a day, in South Africa he had come to earn from 1s. 6d. to 2s. 6d.¹

The physical and social conditions which prevented white unskilled labour from competing with native or coloured labour in South Africa, joined with the semi-independence in which so large a proportion of the native African population had been allowed to remain, were primarily responsible for the rapid increase in the rate of native wages which took place in the twenty-five years preceding the date of the war. In spite of the Malay and coloured population of the Cape Colony and the Indian coolies in Natal, the native African of the Bantu races had enjoyed a practical monopoly of the unskilled labour market of South Africa from the time when, with the establishment of the diamond industry at Kimberley, the development of the mineral resources of the sub-continent began in earnest. As the result of this monopoly the native who was content twenty-five years ago with 10s. to 15s. per month, now claimed, and received, from £2 to £3 in the country, and often considerably more in the towns.

Nor could any economic justification for this enormous increase of 300 to 400 per cent. in the rate of native wages be discovered. The conditions of native existence had been

¹ The low purchasing power of the sovereign did not affect the wages received by the natives (except in so far as they spent their money upon European clothes and agricultural implements); since the food, cattle, and wives, upon which these wages were expended, were grown in the Native Reserves, or in the parts of Portuguese East Africa, where the economic causes which raised the cost of living to the Europeans did not operate.

considerably improved by the establishment of European control over the Bantu peoples. The slight burden of taxation which this European control had entailed upon the native, had been more than counterbalanced by the increased value given to his live stock and produce by the expansion of the European industrial population. In short, while it required no greater effort on his part to provide himself with the necessaries of life now than it had done twenty-five years ago, he was receiving from three to four times as much for his labour.

In recommending a reduction of the wages paid for native labour on the gold mines, therefore, the Transvaal Industrial Commission was pursuing an object of the highest economic importance to the whole European population of South Africa. From the narrower point of view of the industry which was immediately concerned, the measure was calculated to bring a two-fold advantage. It would increase the efficiency of the individual African labourer by making it necessary for him to work for a longer period on the mines, if he were to save the desired amount of money ; and, by reducing materially the cost of development and production, it would make it possible to work mines of low grade ore, whose gold deposits otherwise could not be extracted at a profit. Moreover, the recommendation was actually put in force while the war was in progress. On 9th January 1900, when the most productive mines were being worked by the Republican Government, the wages of the African natives on the Rand were reduced by proclamation to 20s. per month, and employers were forbidden to exceed this sum under penalty of a fine up to £5 for each offence.

In these circumstances there is nothing surprising in the fact that the Witwatersrand Chamber of Mines, meeting at Cape Town, where many of its members had gathered in anticipation of the early cessation of hostilities, should have determined to re-start the industry, if possible, upon a more economic basis so far as native wages were concerned. In doing so, however, they did not propose to maintain the low Republican standard of 20s., but resolved that the pre-war average of 47s. 1d. should be reduced to

30s. per month. During the year 1902 the average wages remained at this figure; but when, after seven months of peace, it became evident that the demand for native labour throughout South Africa was altogether in excess of the available supply, the gold industry in self-defence was compelled to return to the pre-war rate of 47s. Four months later this rate was exceeded, and at the close of 1903 the mines were not only paying the African native an average wage of 54s. per month, but at the same time the better food, which, with improved accommodation, had been provided under the British *régime*, was costing 15s. instead of 8s. 10d. per month.¹

For the actual extent in which South Africa was deficient in native labour during the years immediately following the restoration of peace, we have the findings of two unimpeachable authorities. The first of these, the Inter-Colonial Commission on Native Affairs, was appointed in pursuance of the resolution of the Bloemfontein Conference, and it included the whole of British South Africa in the area of its researches. Its Report,² dated Cape Town, 30th January 1905, found on this head:—

“The calculations which have been made show an estimated constant demand of 782,000, and an estimated continuous supply of 474,472, showing a shortfall of 307,528 labourers.

“Under these circumstances the question naturally arises, how in South Africa agriculture or any industry is carried on. The answer is that when carried on at all, it is carried on under difficulties, as to which there is abundant evidence. The British South African aboriginal native has not fully met the labour requirements of the country. There is no doubt that were these natives alone to be relied upon, South African industries could at present only be worked at half power. Native labour has had to be supplemented by the employment of Africans, imported from other parts of Africa, Indians, and Chinese.”

The second authority, the Transvaal Labour Commission, was appointed by the Lieutenant-Governor of that colony

¹ Speech of Sir George Farrar in the Transvaal Legislative Council, 28th December 1903. Cd. 1895.

² Cd. 2399.

in July 1903, and the area of its enquiries, with the one exception of the railways common to the two new colonies, was confined to the Transvaal. Its Report,¹ dated 19th November 1903, found that the labour requirements of the several industries, and the respective deficiencies in each case, were as under:—

	Estimated number required.	At work.	Shortage.
Agriculture	80,000	27,715	52,285
Mining	197,644	68,280	129,364
Other industries	69,684*	69,684	No data obtainable.
Central South African railways—			
Open lines	16,000	12,402	3,598
New construction	40,000	3,848	36,152
	403,328	181,929	221,399

* As no data was available on this head, the Commission put in the actual number then employed.

As against this finding, the Minority Report, signed by two² out of the twelve members of the Commission, estimated the total requirements at 259,950, and the shortage at 78,000. And whereas the majority of ten found that there was “no adequate supply of labour in Central and Southern Africa to meet” the requirements of the Transvaal industries, the minority of two placed on record their belief that (1) there was “sufficient labour in Central and Southern Africa for present requirements, although effort would be required to obtain it,” and (2) “in many ways the supply of native labour could be supplemented and superseded by white labour.”

It will thus be seen that the Inter-Colonial Commission, consisting of members representative of all the British colonies and basing its estimate upon a field of evidence so

¹ Cd. 1894. One or two of the Boer leaders, including Mr Schalk Burger, the Chairman of the Industrial Commission of 1897, were invited to serve on the Labour Commission, but refused to do so. General Botha, however, and other representative Boers gave evidence as to the extent in which the agricultural industries were injured by the difficulty in obtaining native labour.

² Messrs Quinn and Whiteside.

wide that it included in addition to missionaries, traders, and native officials, practically all persons whose opinions on native affairs were entitled to consideration, after nearly two years of patient research completely confirmed the findings of the Majority Report of the Transvaal Labour Commission as to the great numerical deficiency of African labour and its complete inability to meet the needs of South Africa at this time.

That part of the finding of the Minority Report which contains the conclusion that unskilled whites should be employed to make up the shortfall of native African labour, brings us to the central issue of the Chinese labour controversy as it was carried on both in South Africa and in England. We say "as it was carried on," because it must be borne in mind that the original political considerations with which this question—in itself primarily an economic question—was properly associated became so distorted by party passion that the belief, quite unwarranted by the facts, but widespread throughout the Empire, that the mine-owners of the Rand had been allowed by the Balfour Administration to oust the British working man from a lucrative field of employment by importing Chinese "slaves" to take his place, became the most powerful of all the ascertainable influences which together operated to give the Liberal Party its unprecedented victory at the polls in the General Election of 1906.

The sequel will show what precise amount of evidence there was to support the belief that white unskilled labour would have sufficed to supplement the native African supply ; but before we relate the efforts made by the mine-owners to obtain additional labour from this and other sources in preference to the importation of Asiatics, it is necessary to refer to certain characteristics of the gold deposits of the Rand which make an abundant and economic supply of unskilled labour a condition precedent to the successful working of the industry. The deposits, although vast in extent, are of such low grade as compared with those of other gold-bearing regions, that they yield only the narrowest margin of profit. The gold mines of Australia, America, India, and New Zealand yield profits varying from 49s. 6d.

to 205s. 4d. per ton of ore crushed; those of the Rand yield only an average of 12s. per ton net profit.¹ Both chemical and mechanical processes of extraction are required to win a harvest from the Banket reef; and it is only by the strictest economy of working, combined with the highest application of technical skill, that the Rand has become the greatest single gold-producer of the world. The gold deposits being what they are, an abundant and economic supply of manual labour is a necessity for the successful working of the mines of the Witwatersrand in precisely the same sense in which a cheap and ample supply of coal, or of raw cotton or wool, is a necessity for the successful working of the industries of Lancashire and Yorkshire. In determining to obtain this necessary supply of labour from China, when all other available sources had been tried and failed, the mine-owners were serving not merely their own interests, and indirectly those of the Transvaal, of South Africa, and of Great Britain, but they were doing the one thing directly calculated to provide employment for this very British workman whom they were accused of ousting from the mines, both in South Africa and in England. For it must be remembered that it was the establishment of the gold industry of the Witwatersrand that had raised the trade of South Africa from comparative insignificance to the position it then (1903-5) held as an appreciable factor in the trade of the Empire. What that position was, and its significance to the industrial population of the United Kingdom, may be understood from the fact that in 1905—the first year in which the gold industry, thanks to the introduction of Chinese labour, was able to exceed the pre-war output—the contribution of South Africa to the total trade of the Empire was estimated at £83,000,000 in value, 5½ per cent. of the whole (£1,500,000,000). And of this volume of South African trade no less than 70 per cent. was carried on with the United Kingdom. The maintenance and expansion of the gold industry was, therefore, not merely a matter of vital importance to the Transvaal (providing, as it did, directly or indirectly, two-thirds of the revenues upon

¹ For the basis upon which this figure is obtained see "Transvaal Problems," by Sir Lionel Phillips, p. 79. In recent years, however, even this average rate of profit has been reduced—mainly through the increased cost of labour.

which rested the whole financial edifice of the repatriation and the reconstruction of the two new colonies) and to South Africa, but it was also a matter of direct practical concern to the industrial classes of Great Britain. And this centre of trade activity, which vitalised South Africa and helped to nourish the wage-earners of Great Britain, rested, as we have seen, upon so narrow a margin of profit that a cheap and ample supply of manual labour was the determining economic condition of its existence.

Attention has been drawn at the outset to the employment thus indirectly afforded by the gold industry to the industrial classes of Great Britain, because it is an aspect of the question which is in danger of being overlooked. But it must not be inferred either that the British working man was excluded from direct participation in the working of the industry, or that an increase in the supply of non-European unskilled labour, whether obtained from China or anywhere else, involved a curtailment or displacement of the skilled British workmen already employed. These inferences, though they are the conclusions naturally suggested by the arguments and general attitude of the political opponents of Chinese labour, would be directly at variance with the facts. Taking the year 1904, during the last six months of which the native African supply was being supplemented by the rapidly arriving shiploads of Chinese coolies, we find from the returns of the Government Mining Engineer that the Witwatersrand mines extracted from 8,063,577 tons of reef 3,648,254 ozs. of gold, of the total value of £15,496,798. The cost of production was £9,824,133, which left a *gross* profit of £5,672,665 (or 14s. 0.8d. per ton), out of which £3,877,623 was the available net profit paid in dividends to the shareholders. Of the total cost of production, 61.004 per cent., or £5,993,135, was paid in wages, and of this sum while the 70,082¹ native Africans and Chinese coolies received only £2,170,803 (or 36.221 per cent.), the 12,957 Europeans employed, the great majority of whom were British, received no less than £3,822,332 (or 63.779 per cent.).

The proportion of skilled, or European, to unskilled, or

¹ *I.e.*, the average number for the year.

dark skinned, labour naturally varied, but with the exception of the years 1902-4, when an excess of skilled, and some appreciable number of unskilled, European workmen were employed,¹ the normal ratio was one to eight or nine. Thus in 1898, the last complete year before the war, an average of 73,354 natives and of 9,854 Europeans were employed. In June 1904, just before the Chinese began to arrive, the numbers were respectively 68,174 and 12,730. In June of the year following, with 95,309 native Africans and 41,340 Chinese coolies, the number of European skilled workmen employed had risen to 16,158. Roughly speaking, therefore, every ten additional unskilled labourers provided employment for one additional European of the artisan class. Nor does the engagement of the 5,000 additional skilled workmen, whom the 50,000 Chinese coolies ultimately imported placed on the mines, by any means express the sum of the fresh employment which was provided for British artisans and other British immigrants in the Rand district by this increase in the manual labour supply of the gold industry. By the time that Lord Milner left the Transvaal² the monthly output of gold had risen to a higher level than any that had been reached before; and by the end of the year 1905 the industry was paying an extra £1,000,000 a year in wages to the 5,000 additional skilled workmen whose services it required in consequence of its expansion. It is obvious that so large an increase in the Europeans employed on the mines must have augmented the wants of the European community as a whole, and thereby provided employment for additional artisans, tradesmen, clerks, and persons of the other classes by which these wants were supplied. And of these, again, the great majority were of British birth.

The point which has been here emphasised—viz.: the largeness of the proportion of the total sum paid in wages which fell to the share of the skilled European workmen—leads us back directly to that aspect of the labour question

¹ A number of skilled workmen, not immediately required, were kept on in the expectation that a greater supply of unskilled native labour would be obtained; at the same time the companies patriotically provided employment for disbanded irregulars, and other unskilled whites, whom the war had temporarily deprived of a means of livelihood.

² 2nd April 1905.

which has been termed the "central issue." The political fiction that the importation of the Chinese coolies was adopted by the mine-owners as a means of excluding the British working man from employment in the gold industry, to which the anti-Chinese labour agitation in England owed nine-tenths of its vitality, is not to be confused with the belief in the possibility of supplementing the native African supply by European unskilled labour, which was honestly entertained by the original opponents of the measure in the Transvaal. The political fiction has been considered, and, it may be hoped, dispelled in the foregoing pages; the honest belief of such advocates of white unskilled labour as Mr F. H. P. Creswell,¹ Mr John Quinn,² and Mr W. F. Monypenny³ has a better claim upon the attention of the economic enquirer.

The facts in dispute may be gathered up into the question—"Did the political and social conditions of South Africa permit or not permit the employment of Europeans at a rate of wages low enough to come within the economic capacity of the gold industry?" The Majority Report of the Labour Commission, with the great mass of technical and instructed opinion behind it, answered "no" to this question, the Minority Report, and a few able and disinterested public men, said "yes."

Taking the year 1904—a year in which the writer was resident in Johannesburg, and in which as a householder he was necessarily familiar with the economic conditions then prevailing—we find (again from the official returns of the Mines Department) that the 12,957 European employees received in wages an average per head of £295; while the 70,086 natives and Chinese received an average of £30, 19s. 6d. per head in wages, and food and maintenance (including the cost of the enlistment, transport, and repatriation of the Chinese) of the average value of £15, 8s. in addition. Owing to the fact, however, that 1,038 European unskilled workmen, engaged in manual labour for temporary reasons,

¹ Manager of the Village Main Reef Mine.

² One of the signatories of the Minority (Labour) Report.

³ Editor of the Johannesburg *Star*. Resigned on the adoption of the Chinese labour policy by the Chamber of Mines in December 1903.

or for experimental purposes, and earning, therefore, a much lower rate of wages, were included in the above total of 12,957, the average wages per head of the skilled European workman must be taken to have been somewhat in excess of the figure given (£295) in the official returns.¹ In any case we shall be well within the mark if we put the average yearly wage of the skilled European at £300, and that of the unskilled native or Chinaman at £50; and we may conclude, therefore, that the wages of the skilled European were six times as much as those of the unskilled coloured man.

But here again, in order to estimate the real value of the £300 per annum earned by the European workman, it is necessary to take account of the economic conditions prevailing in the Rand district and in a lesser degree in other towns of the Transvaal, which, at the time in question and for the class under discussion, reduced the purchasing power of the sovereign to rather less than one-half of that which it possessed in the United Kingdom. It is necessary to limit the statement by the words "at the time in question" and "for the class under discussion," because it must be remembered that these economic conditions were subject to change, and that they did not affect all classes in an equal degree. The "high cost of living to the Europeans," which is an inter-changeable expression with the "low purchasing power of the sovereign," had from the first engaged the attention of Lord Milner, and in this year (1904) the reduction in the through railway rates, the fruits of the Bloemfontein Conference, which had come into effect on 1st July 1903, in conjunction with the revised customs tariff had already appreciably lowered the price of imported food and other over-sea commodities. But although meat, bread, tea, sugar, and, generally, the most necessary articles of food, as well as imported clothes, boots, and articles of apparel, could be bought in the retail shops for little more than in England, there were other items in the householder's budget which remained abnormally costly. These were, in general, those

¹ I am indebted to Sir Lionel Phillip's "Transvaal Problems" (p. 60) for this correction, which is made upon the authority of the Chamber of Mines Report.

necessaries of life into which the cost of labour, whether native or European, entered most directly. House rent and "services" of all kinds from the transport of vegetables and milk from the country to the town to the actual wages of the Kafir "boy," employed by all but the very poorest Europeans to do the rough work of the house, were the chief examples. The artisan, who in England would pay £10 to £15 a year for house rent, was unable to hire a four or five-roomed dwelling for less than £5 to £8 a month. His Kafir "boy" cost him £3 a month in wages besides maintenance. The charges for water-supply, sanitary service, fares by rail or tramway, and for other miscellaneous "services" were all serious items of expenditure, many of which would not enter at all into the budget of the British working man.

It was the married artisan class in particular, and in a hardly less degree all persons, such as shop assistants, clerks and the civil servants of the lower grades, whose incomes ranged from £300 to £500 a year, that were most seriously affected by the low purchasing power of the sovereign. And for this reason. When once what may be termed the primary expenses of living on the Rand—food, housing, and domestic service—were provided for, the additional expenses were, for the most part, either of the nature of luxuries, and as such could be curtailed, or entirely dispensed with, at will; or they were comforts and conveniences which a prudent householder of the commercial or professional classes could limit and control without injury to his professional or business interests, or neglect of social duties. Persons whose incomes were large enough to furnish a margin over and above their ordinary yearly expenditure were, therefore, less and less affected by the low purchasing power of the sovereign in proportion as this margin was extended; nor must it be forgotten that a sovereign earned in the Transvaal, if spent in England, or if invested either in England or in the Transvaal, commanded the full equivalent of its nominal value of 20s.

But making allowance for the low purchasing power of the sovereign, the wages paid to the skilled European workmen on the mines, measured by the British standard, were high both in nominal and real value. They were, none the

less, only such as were sufficient to enable these workmen to provide for the maintenance of themselves and their families in comfort, according to the standard required of their class by the social and economic conditions of the community of which they formed part. This standard was determined by the belief that the white man in South Africa must show himself the superior in civilisation of the black man.

To have employed Europeans and paid them at a rate much below these wages, roughly £1 per working day, would have violated this standard. But if European unskilled labour were to be employed at all, the Europeans thus employed must have been paid at a very much lower rate than this; otherwise the cost of production, in which the wages of the unskilled labour formed so large an item, would have been raised to a point which would have made it impossible for all but a few favoured mines to show any profit at all. The returns of the gold industry for 1904 will illustrate the determining factors of the problem. In this year the unskilled labour of 70,082 Kafirs and Chinese cost £2,170,813, or 36.221 per cent. of the total paid in wages. The net profit was under £4,000,000. These men cost less than £50 per head, as against the £300 per head paid to the European skilled (and, in this year, unskilled) workmen. Assume, then, that the unskilled European labourers could live on £150 a year or 10s. per working day—that is to say, on one-half of the wages paid to the skilled European workmen; assume, further, that the place of the 70,000 black labourers had been taken by 70,000 unskilled white labourers employed at this rate of wages—how would the industry have stood? The unskilled labour, instead of costing £2,000,000, would have cost £6,000,000—an increase of £4,000,000; and this addition of £4,000,000 to the working costs of the industry would have entirely effaced the net profit, rather less than £4,000,000, earned for the year.

But no one in South Africa seriously suggested that European unskilled labour should be employed in the place of native African labour. The proposal of the White Labour League, and the recommendation of the Minority Report of the Labour Commission, was to employ white unskilled labour to supplement the native African supply; or, in other

words, to do precisely what the Chinese coolies were to do. This proposal—to employ mixed white and black unskilled labour—was obviously more possible from an economic point of view, but it involved new difficulties of a social and political order that made its success seem hardly less remote.

In South Africa, as we know,¹ the native population outnumbered the European in the proportion of four or five to one. In view of this numerical inferiority the maintenance of the prestige of the white man was at this time, even more than it is to-day, a matter of direct political importance; and it was generally held that the employment of whites in unskilled manual labour, whether separately or in conjunction with the natives, would have the effect of weakening this prestige. To set any considerable body of Europeans to work permanently on the mines side by side with African natives was, therefore, in itself a measure which would be regarded with grave distrust by many influential and responsible members of the European community. But apart from this primary objection, the payment of any adequate wages to unskilled European workmen, who would be seen to be doing the same work as the natives, was a matter of great practical difficulty. The minimum rate of wages upon which European workmen could live has been taken to be £150 a year, or 10s. the working day—that is, three times as much as the native was paid. Was, then, the white man, simply because he was a white man, to be paid three times as much as the black man for doing the same amount of work? Apart from the grave injustice to the shareholders in general, and the disastrous effect exercised upon many of the poorer mines, such a proceeding would have been demoralising alike to the black and white labourer. Could it be shown, then, that the white unskilled labourer could do three times as much work as the native? The answer again must be in the negative; the most that was claimed by the advocates of white unskilled labour was that in the mines three white men by judicious organisation could be made to do as much work as five natives. But the evidence upon which this claim rested was

¹ See chap i.

always disputed; and the general opinion based upon the results obtained from white unskilled labour, when employed in competition with natives throughout South Africa, held that the physical conditions of the country gave the native advantages in the given circumstances, which more than counterbalanced any that the European might possess as the result of his superior intelligence; that, in short, the average native in mere manual labour was the equal, if not the superior, of the European.

In considering the experiments in the substitution of unskilled European for native African labour made on the Rand, and generally in the new colonies, during the years 1902, 1903, and 1904, three circumstances must be borne in mind.

(1) There was at the time an abnormal amount of unskilled white labour presumably available for such employment. This was to be attributed in part to the number of whites thrown out of employment by the cessation of the mining and other industries throughout South Africa during the war, and in part to the presence of many Home and over-sea British of the industrial class, who, having fought in the war, had remained in South Africa with the desire of making it their permanent abode.

(2) The experiments on the Rand mines were initiated by the Mines Department of the Transvaal Government with the co-operation of the mining companies, in the earnest hope that it might be shown that it was economically possible to employ this unskilled white labour in the gold industry. The object sought to be obtained was not merely economic but also political—that is to say, while it was desired by this means to make up for the shortage of African labour, it was also desired to increase the permanent British population of the Transvaal. More than this, an urgent appeal had been made by Lord Kitchener to the leaders of the mining industry to provide temporary employment for men who had been discharged at the conclusion of the war, after serving with the British forces. And it was in direct response to this appeal that permission was given by Messrs Eckstein to Mr F. H. P. Creswell, who had held a commission in the Imperial Light Horse, to make the experiment of employing unskilled

white labour on the Village Main Reef Mine, of which he was manager.

(3) The efforts made to supplement native by white labour were not confined to the gold industry. The joint Railway Administration of the two new colonies endeavoured to employ British unskilled labour for the construction of new lines; the Repatriation Department of the Orange River Colony sought unsuccessfully to find employment for the ex-burghers of the "poor white" class by inducing them to undertake some of the duties formerly performed by natives; and, subsequently, when in the year 1904 the commercial crisis, brought about by the stagnation of the mining industry, caused a considerable section of the European industrial population to be thrown out of employment, the Town Council of Johannesburg endeavoured to relieve the distress by employing white labour for road-making and other municipal works.

The records of these experiments are full and precise. The subject in general is dealt with in the Reports of the Transvaal Labour Commission¹ and the evidence of the witnesses heard. The experiments made in the Witwatersrand gold mines are to be found in the annual reports of the Government Mining Engineer,² in those of the Witwatersrand Chamber of Mines, and in documents and reports prepared for the various companies or groups of companies concerned. And to these official and technical records may be added the account of the labour problem given in chapters ii. to iv. of "Transvaal Problems," by Sir Lionel Phillips,³ whose long experience of mining in South Africa, and recognised political and economic services to the gold industry during the period intervening between the departure of Lord Milner and the establishment of the Union (1905-10), invest his opinions with a very special authority.

The story of the attempt to utilise English navvies in railway construction is related in the reports and despatches contained in Blue-book, Cd. 1895. The evidence for the employment of white unskilled labour by the Repatriation

¹ Cd. 1894.

² Reports of the Transvaal Mines Department (Pretoria).

³ Published in 1905 (Murray).

Department of the Orange River Colony and by the Johannesburg Municipality will be found in the official Reports of the Department and the Municipality.

Having by this general description of the character and sources of the evidence put the means of further research at the disposal of the reader, it will suffice to set out here the outstanding facts and the conclusions based upon these facts by competent authorities.

The experiment of employing Europeans as unskilled labourers on the Village Main Reef Mine was conducted with skill and enthusiasm by Mr F. H. P. Creswell, and at a time when Mr Wybergh, a prominent reformer under the Boer *régime* and a pronounced supporter of the white labour movement, held the position of Commissioner of Mines in the Transvaal Government. It commenced in January 1902, and terminated in August 1903. On 4th November 1902 a committee of experts reported on the results of this experiment in the following terms:—

“After careful consideration of the reports and figures, submitted by Messrs S. J. Jennings and F. H. P. Creswell relative to the labour employed by the Village Main Reef Company, and its effect on the general working of the mine, and after a thorough personal examination of the surface and underground workings, we are of opinion :—

“(1) That to introduce unskilled white labour on the mines in place of natives, in its entirety, is impracticable, and would mean the cessation of profitable work in most of the mines in the Witwatersrand.

“(2) Whilst deprecating the universal employment of white unskilled labour, we are of opinion that it can be beneficially used in the following departments, and for the undernoted classes of work.

“In conclusion, while not agreeing with Mr Creswell, we highly appreciated the thorough manner in which he has endeavoured to augment the limited supply of natives at his command by the intelligent use of unskilled white labour, and we consider that his present ideas for the distribution of this labour underground cannot be improved on, although his efforts in this direction during the past few months have

certainly been disappointing, mainly through attempting too much in introducing this labour in departments in which it is impracticable."

But against this comparatively favourable account of the experiment, we have to put the more precise results obtained a year later, as shown in the condition of the mine as it was found by Mr Blaine, who had then succeeded Mr Creswell in the position of manager.

From this memorandum we learn that the number of natives required to work the mine efficiently was 2,600. Assuming that the 1,000 natives hitherto available would be retained, and that two white men could do the work of three natives, Mr Blaine found that the employment of mixed white and black unskilled labour on this basis and on the system then in operation would practically double the cost of unskilled labour. The figures of monthly expenditure on this head are shown in the table below.

1,000 natives at 2s. 9d. per shift (26 working days per month)	£3,575
1,066 white men (say $\frac{2}{3}$ of the remaining comple- ment) at 10s. per day (26 days per month)	13,858
	<hr/>
2,600 natives at 2s. 9d. (as before)	£17,433
	9,295
	<hr/>
Extra cost per month	<u>£8,138</u>

Of the industrial efficiency and *morale* of the white men when thus employed, he wrote:—

"The possibility of earning 15s. per day, or even more, by close application to work¹ was not sufficient inducement to overcome the reluctance of the labourers to do Kaffir's work, and even when work was accepted the men worked intermittently, and they were unreliable. It was no uncommon occurrence for men to throw up their employment and be engaged again several times during one month.

"I find that from January to September (inclusive) last year [1903] the average number of unskilled whites employed underground was 102, but to maintain this number 947 men

¹ Mr Blaine had introduced a system of contract work in order to stimulate the white labourers to fresh efforts.

were engaged, who worked on the average only 25 days. Such constant changes and the failure of the men to work steadily day by day could only result in the disorganisation of the underground operations and a material increase to the cost of carrying on the work."

The figures furnished by the Rand Mines, Limited, exhibit the same characteristic of instability in the unskilled white labour employed in a group of ten mines during the year 1904. In that year, out of a total of 5,818 white men employed, an average number of only 474 labourers per working day was obtained. And the same defect—the instability arising from uncongenial conditions of employment—is noted by the Government Mining Engineer as the chief objection (apart from financial considerations) to the employment of Europeans as unskilled labourers on the mines. In the annual Report for the year ending 30th June 1904, this official writes:—

"The employment of unskilled whites has had a fair trial, and has, generally speaking, proved unsatisfactory. At present this class of labour is only employed when work has to be done, and coloured labour cannot be obtained.

- "(1) This class of whites cannot be relied upon to work for any continuous length of time. They throw up their employment at short notice, and disorganise the general work of the mine.
- "(2) The majority take to this employment as a stop-gap, and cannot, or will not, do the necessary amount of steady work to successfully compete with coloured labour."

The statement of the Majority Report of the Labour Commission with reference to the Village Main Reef experiment contains a cool survey of the general South African conditions germane to the subject.

"96. *White Labour*.—A suggestion to meet the labour difficulty by the introduction of white labourers upon an extensive scale was made by Mr W. Wybergh, Commissioner of Mines, and Mr F. H. P. Creswell, Manager, Village Main Reef Mine. As the white population of South Africa is small, the consideration of this solution is practically out-

side the scope of the Commission's reference in so far that it involves, if adopted, the introduction of large numbers of white immigrants from sources outside South and Central Africa. In view, however, of the importance of the subject and the interest it excited, the consideration of this alternative has not been excluded. We consider it undesirable to enter into the controversial aspects of the question; but the more salient facts relating to the employment of white labour are that, during the period of thirty years, during which mining and other industries have been prosecuted in South Africa, no employers have continuously used white men for the rougher classes of manual labour. It is reasonable to suppose that if the use of such labour was economically advantageous the self-interest of employers would have discovered these advantages within the period mentioned, and a gradual displacement of black by white labour would have occurred. There are facts indeed which tend to show that an exactly contrary displacement of white by black labour has been in progress; but however this may be, it is certain that the evidence of the past is overwhelmingly and conclusively against the contention that white labourers can successfully compete with blacks in the lower fields of manual industry. This is particularly true of the Transvaal, where the cost of living is high and the conditions more adverse to the employment of whites than in other colonies of South Africa. At the docks and at other industries in the coast towns the natives receive a much higher and the whites a much lower wage than is the case on the Rand. If, therefore, whites cannot compete with blacks in the coast towns it is not likely that they will be more successful in the Transvaal. With the single exception of those handed in by Mr Creswell, all the figures adduced before the Commission supported the view that so far as the Transvaal mining is concerned white labour cannot profitably compete with black.

"Mr Creswell's figures were disputed by competent witnesses, but it is not necessary to determine their exact value. His experiments were not carried out under test conditions, but even if they had been, the results obtained in experiments of this character have little practical bearing upon the proposal to introduce white labourers in numbers for the reason that the profitable employment of white men depends upon the rate of wages paid, and the rate of wages is determined by such items as rents, cost and conditions of living, variations in which completely alter all the factors

of the experiment. Your Commission cannot, therefore, advise the adoption upon such incomplete evidence of a measure which is condemned by past and present experience as impracticable and impossible."

Two circumstances led to the attempt to employ British unskilled labour in the construction of the new railways in the Transvaal. In the first place the Government desired to set free, if possible, a portion of the native African labour required by the Railway Administration, with a view of meeting the urgent demands of the mining industry for such labour; and in the second, the experiment, if successful, promised to provide a new opening for British immigrants. The navvies, 500 in number, who were engaged for a period of twelve months, were brought out early in the year 1903, and were assigned to the Springs-Ermelo section of the proposed direct line from the Rand to Delagoa Bay. On 14th November of the same year the Chief Engineer of the Railway Administration reported, after seven months' experience of the men, that the earthwork executed by them was costing 4s. 10.8d. per cubic yard, or, "allowing for hardness of soil, four times the amount that the same work would cost" if done by native labour. He further calculated that the navvies, if kept for the whole of the twelve months, would complete 30 miles of earthwork at a cost of £156,900, as against the £42,000 which the same amount of work would cost if executed by natives. In order to save the Administration from a part of this total loss of £115,000, the Chief Engineer recommended that the navvies should be shipped back to England at once. Allowing for the fact that the men would do practically no work after they had received the month's notice by which the engagement was terminable, he calculated that a net sum of £40,000 would, nevertheless, be saved by this course of action.

In view of the allegations of hostility to the British working classes so frequently brought against the leaders of the gold industry, it is interesting to note the wholly businesslike manner in which Sir Richard Soloman (then acting as Commissioner of Railways in the absence on leave of Sir Percy Girouard) dealt with this matter.

"We now have the results of seven months' work," he wrote on 18th November, to the Secretary of the Inter-Colonial Council; "consequently the system has received a thorough test. You will observe from the Chief Engineer's letter that the facts now before us show that it has been financially a hopeless failure, and that though from the experience gained we might in future agreements arrange to reduce the cost considerably, it would always be financially impossible to construct railways by imported English navy labour.

"You will observe that the Chief Engineer points out that if we persist in keeping these men to the end of their twelve months' agreement, we shall raise the cost of the line by £115,000, whereas if we avail ourselves at once of the clause in these men's contract which enables us to give them one month's notice and return them to England we shall save £40,000 of the anticipated excess of £115,000.

"I therefore beg to urge that I may at once be authorised to instruct the Chief Engineer to send these men back to England in order that we may save the sum of £40,000 which we cannot afford to lose."

A few days later Sir Arthur Lawley cabled to Lord Milner, who was at this time in England, to obtain his sanction to the course proposed, and the costly and unsuccessful experiment was thus abruptly terminated.

The results obtained from the employment of unskilled white labour by other Government departments, and by the Municipality of Johannesburg, did not differ greatly from those yielded by the experiments upon the mines and the railways — that is to say, although the wages offered were higher than those paid to natives, and were, in fact, the highest financially possible, the men either refused to accept the work at all, as being Kafir's work, or worked in a half-hearted manner for short periods and then withdrew the moment the compulsion of absolute necessity was relaxed. It was noticeable, however, that both on the railways in 1903, and on the relief works instituted by the Johannesburg Municipality in 1904, the Boers who were thus employed showed themselves better and more capable workmen than the British. Thus it was found that 200 men of the "poor white" class and chiefly

Boers, who were employed intermittently in the month of October, 1903, on the Klerksdorp - Vaal section of the western extension of the Rand railway system, earning a mean rate of 4s. 8d. per day of 9 hours, were able to execute the earthwork at only a slight increase over the cost of such work when executed by native labour —*i.e.* at £1,600 per mile as against £1,400 per mile. And the officials who supervised the relief works at Johannesburg reported that the Boers were not only better able to endure the physical strain of road making in the Transvaal, but, as they could live more economically, were more willing to accept a low rate of wages than the derelict British of the working class.

CHAPTER XII

THE LABOUR QUESTION—CHINESE LABOUR THE ONLY PRACTICABLE SUPPLY

IN the preceding chapter the reader's attention has been directed to the economic urgency of the need for more unskilled labour in the new colonies, and to the hopelessness of the attempt to satisfy this need by trying to induce Europeans to place themselves on terms of industrial equality with the native African labourers. In the discussion of this latter question the main facts relative to the employment of unskilled white labour during the years 1902-4 have been given with some precision. And this for two reasons. In the first place, the allegation that the shortfall in African labour might have been made up by the employment of unskilled whites gave vitality to the Chinese labour controversy in its later and more acute political phase; and in the second, the discussion of this question throws an illuminating light upon the economic status of the European in South Africa.

The leading factors of the problem having been thus set out, it is now possible to relate—as nearly as possible in their chronological order—the circumstances which led both the chiefs of the mining industry and Lord Milner to the conclusion that the only practical method of obtaining the required supply of unskilled labour was the importation of Chinese coolies. For this costly and unwelcome expedient was not adopted in any light-hearted manner, or, in fact, until all other possible sources of supply had been tried and found useless.

Concurrently with the effort to use white unskilled labour, every endeavour that experience could suggest was made to

increase the number of African labourers on the mines. As we have already noticed, when, after seven months of peace, the reduction of native wages was felt to have a deterrent effect, the pre-war rate was resumed in January 1903. But before this error—if error it were¹—was retrieved, certain agencies directly calculated to facilitate the engagement of natives and to improve the conditions of their life on the mines, were set in motion. In place of the old system of recruitment by “touts,” was substituted the more humane and efficient methods of the Witwatersrand Native Labour Association. The majority of these “touts,” or labour agents, were white men of a low class, who, by hanging round the kraals, or intercepting parties of natives *en route* for the industrial centres, secured native labourers by bogus contracts, and then transferred them for a small sum per head to the mining companies or other *bonâ fide* employers. It is unnecessary to dwell upon the abuses to which this system—the pre-war system—lent itself, when worked, as was too often the case, by utterly unscrupulous persons. The Association was formed in March 1901—that is to say, shortly before the military situation first permitted the resumption of mining on the Rand. Its object was to improve the methods of recruiting and distributing the native African labourers, and thereby to secure a more adequate and efficient supply of unskilled labour for the mining industry. Its membership consisted of the majority of the companies mining both gold and coal, and its importance as a factor in the economic system of the Transvaal may be inferred from the fact that Mr F. Perry resigned his position as Imperial Secretary at the end of January 1903, in order to become Chairman of the Association. Upon its inception a certain number of the best of the “touts” had been employed by the Association, but the less reputable majority, being deprived of their livelihood, naturally did everything within their power by the spread of damaging reports among the

¹ It is by no means certain that the reduction of wages, by lessening the money earned within a given time by the native, did not tend to make him either stay longer when in employment, or resume work at a shorter interval in the event of his not having prolonged his period of work.

natives, and otherwise, to hinder the success of the new agency; and the difficulty of obtaining native labour for the mines experienced in the first few months of peace is to be attributed, in part at least, to the malevolence of these men. Mr Perry's appointment to the Chairmanship of the Association, which was synchronous with the return to the pre-war rate of wages, was marked by the inauguration of a more vigorous and extended system of operations, with large additions to the staff of European agents and recruiters. From this time forwards the machinery of the Association was rapidly perfected, and before Lord Milner left South Africa the whole system of recruiting native African labour for the Transvaal mines had become both more benevolent and more successful. Compounds and rest-camps, in which the recruits found food and shelter, had been established along the routes leading from the native areas to Johannesburg. At Ressano Garcia, Waterval Boven, and Johannesburg, large depôts, each providing accommodation for 1,500 natives, had been erected for the reception of the labourers from Portuguese East Africa and other areas north of the Zambesi, including the British Central African Protectorate, when making either the inward or outward journey. The Johannesburg depôt, which served as the chief receiving and distributing centre for all natives recruited by the Association, covered an area of three and a quarter acres, and contained permanent accommodation for 1,500 native labourers. The compound consisted of brick buildings, with steam cooking plant, modern hospital accommodation, an open air bath, and ample yard space. The depôt also contained offices and residential quarters for the staff. In addition to these main depôts and the rest-camps on the routes of travel, the Association established in each recruiting district a main receiving station, with numerous sub-stations, each of which was provided with adequate accommodation for shelter and food.

The periods of engagement varied from four months for recruits from certain parts of British South Africa to two years for recruits from German West Africa; but the natives from Mozambique — the main source of supply —

were engaged for twelve months. In all cases the Association insisted upon their agents clearly explaining the terms of the contract to the applicants before engagement, and it was part of its business to see that these terms were observed with scrupulous good faith by the several employers among whom the labourers were distributed. The fact that it reduced the number of desertions among labourers on the mines from 70 to 4 per cent. may be cited as sufficient evidence of the beneficial character of its efforts to improve the relations between the natives and their employers. More than this, advances, either in cash or kind, were made to native recruits who required them for their comfort on the journey; while in the case of recruits from hot countries, an ample issue of clothing at cost price was made on entering the Transvaal, in order that they might be protected against the bad effects of the change from a tropical or sub-tropical climate to the comparative rigours of the uplands of the Witwatersrand.¹

Notwithstanding these improvements in the system and methods of recruiting, and the extension of the area of the Association's operations to South Central and Central Africa—and notwithstanding also the improvements in the food and accommodation of the native labourers on the mines, to which shortly attention will be drawn—it is significant that the number of African labourers recruited in the year 1904 showed an advance of only 2,500 over the numbers of the preceding year. The fact that, while 85,377 natives were recruited in 1903, when the machinery and organisation of the Association was as yet imperfect, only 87,893 were recruited in 1904, when the improvements introduced by the Association were in operation, affords tolerably conclusive evidence of the reality of the shortage of African labour in the years immediately following the Peace of Vereeniging.²

But the introduction of these more humane and efficient methods of recruiting was only part of a general improvement in the conditions under which the natives served their

¹ Nearly 6,000 feet above sea level.

² The facts relative to the recruitment of native labour are taken from the Report (for the year ended 31st December 1904) of the Witwatersrand Native Labour Association.

European employers in the Transvaal, whether on the mines, in other industries, or in domestic service. This was a matter to which Lord Milner had attached the highest importance from the first beginning of Civil Government in the new colonies. In it he saw not merely a question of political justice and sound administration, but a means of removing one obstacle at least to the attainment of that increased supply of unskilled labour which was the paramount economic necessity of the moment. Before the war was over the gravest abuses of the native legislation of the late Republics had been removed by proclamations amending or repealing existing laws, and by the issue of regulations where necessary. In this way, and at this early date, provision was made for protecting the native against robbery and oppression at the hands of the labour agents; for the suppression of the illicit liquor traffic, which was the most fertile source of incapacity and insubordination; for so modifying the administration of the pass system as to save the educated native from unnecessary restrictions or humiliation; and for securing the native labourers, as a whole, from excessive punishment for venial offences.

Moreover, as early as May 1902, Dr C. L. Sansom (afterwards head of the Medical Inspectors of the Native Affairs Department) was appointed by Lord Milner to enquire into the food, housing, and medical treatment provided for the native labourers on the mines; and measures for the removal of the grave defects and abuses revealed in his report were taken by the Native Affairs Department upon the inauguration of the Civil Administration in the following June. When, however, it was found that the death rate among the native labourers on the mines still remained abnormally high, a committee of medical men was appointed by the Department in February 1903, to consider what further and more effective remedies could be devised for dealing with this evil. As the result of the measures recommended by this Committee an appreciable decrease in the death rate was secured from the middle of the year 1903 onwards. The reality of the progress in this respect may be seen from the records of the Transvaal Native Affairs Department, which show that, while the highest death rate per 1,000 native

labourers for any single month was 112.5 in July 1903, it had fallen to 47.1 in January 1906 (the last year of the Crown Colony Administration), and to 36.23 in December 1910.

When, in spite of these efforts to remove abuses, the Mozambique natives showed reluctance to engage for service in the Transvaal, Lord Milner, as we have seen on the occasion of his visit to Delagoa Bay in August 1902, made personal representations to the Governor-General on the subject. Nor did he allow the matter to rest here. When, three months later (20th to 22nd November), the Governor-General paid a return visit to Johannesburg, Lord Milner arranged that this high official, as the head of the Portuguese East Coast Territories which in normal years supplied the Transvaal mines with three-fourths or more of their African labour, should himself visit the compounds, and thus assure himself by personal observation of the satisfactory character of the housing accommodation and other arrangements provided for the Mozambique natives.

It must be remembered that the well-being of the Portuguese natives, and the interests of the Mozambique Government, were safe-guarded under the *Modus Vivendi* by the permanent residence in Johannesburg of a Portuguese official appointed for the purpose. But, apart from this, these natives in common with the whole of the African labour employed on the mines were placed, on the establishment of the Civil Government, under the supervision of the Transvaal Native Affairs Department; and it was the special business of the sanitary and other inspectors of the Department to prevent, or correct, any injustice as between natives and their employers, or any departure from the standard of food and housing accommodation required by the medical authority of the department.

The reality of the improved conditions thus secured for the native labourer on the mines, may be seen from the statement made by Sir George Farrar in December 1903, in the course of the debate on the Chinese labour question in the Legislative Council, which has been already cited. Whereas before the war, Sir George then said, the African natives cost 8s. 10d. per head to feed for a month, the mines were

now spending 15s. on the same account. Nor was the progress achieved in this respect in 1902 and 1903 arrested by the importation of Chinese labour in 1904. On the contrary, the President of the Chamber of Mines,¹ speaking on 23rd February 1905—*i.e.*, some six weeks before Lord Milner's administration of the new colonies came to its close—was able to point to the continued improvement in the conditions of the native African labourer as one of the hopeful characteristics of the year 1904—the year otherwise marked by the impetus given to the gold industry by the advent of unskilled labour from China. In reviewing the progress of the industry in the year just past, he stated that the death rate among the natives had been appreciably decreased, the illicit liquor traffic still further restricted, and the accommodation provided for them improved.

“We can certainly claim,” he then added, “that the mine compounds leave very little, if any, room for criticism. We have conclusive evidence that the natives are better housed, better clothed, and better fed than in their own homes and habitations. The mine compounds are under the supervision of Government officials, and are, moreover, open to inspection by any one desirous of seeing them. . . . There has always been one policy, and that is to do everything possible to meet the ever-growing demand for unskilled labour by facilitating the employment of the natives of South Africa.”

The degree in which Lord Milner had used both his personal influence and his official authority in bringing about this improvement in the material comfort, and thereby in the economic efficiency, of the native African labourer—as also the practical character of the measures taken to remove all obstacles likely to prevent an increase in the supply of labour from this source—will appear from a letter which he wrote to a correspondent on 1st April 1903—*i.e.*, shortly after the Inter-Colonial Conference had been held at Bloemfontein.

In this letter Lord Milner agreed with his correspondent (who was a man well versed in native affairs), in thinking

¹ The late Mr Harold Strange.

that better feeding and accommodation would assist in overcoming the reluctance of the natives to seek employment, and said that he would try to have the railway accommodation for natives improved. He then gave an account of what was being done in these respects on the Rand.

"All the companies," he wrote, "are alive to better accommodation. . . . As we have now got an excellent Government Health Inspector specially told off to look after this matter, I hope in a little time to see a great improvement. . . . More attention is being paid to the preparation of the farinaceous food, on which as you say the native principally lives, and of his occasional meat diet. A number of companies have taken to growing vegetables on their own property, entirely for the use of their native employés. . . . As regards drink, I believe that we are slowly but surely strangling the illicit traffic. Kafir beer has recently been allowed in limited quantities under proper control. . . . There is improvement all round. And the best symptom is that the mine-owners are grateful rather than recalcitrant for the suggestions pressed upon them by the Government through the Chief Native Commissioner, his inspectors, and the medical officer. . . . The condition of things is, in many respects, still very bad. But the spirit of improvement, stimulated no doubt by self-interest, is abroad everywhere."

The remainder of this letter is of the highest interest. It contains Lord Milner's general view of the problem of the labour supply in South Africa, and it fixes the date at which, for the first time, he had been led to the conclusion that the economic needs of the Transvaal could only be satisfied by the importation of Asiatic labour. As such it will form a point of departure from which we may proceed conveniently to a narrative of the actual circumstances in which, all other sources having been tried without success, recourse was had at length to the expedient of importing Chinese coolies for work upon the mines.

After again agreeing with his correspondent that the theory of "the idleness of the Kafir" was exaggerated, and the number of the native population south of the Zambesi had been over-estimated, Lord Milner stated none the less his dissent from the view that better treatment alone would

cause the natives to supply the labour needs of South Africa. He then wrote :—

“The ultimate solution, I quite agree with you, is in the increase of the white population, and in getting rid of the idea, as with an increased white population we shall get rid of it, that the white man cannot, or ought not to, work with his hands in this country. But, in order to get that white population at all, we must make things move in the immediate future, and, certain as I am that African labour, with every improvement we can make, will not be sufficient to supply our wants in the early future, I think we must call in the aid of the Asiatics. I look upon this as a temporary expedient, but for the time being essential. I totally disbelieve that with proper regulations it would be impossible to insure the return of Indians or Chinese brought into this country solely for unskilled labour to their original homes. That is what these people themselves desire. They want to go back to their own country with the money they save here, which would carry them a very little way in South Africa, but which would make them comparatively rich men in their own country. . . . The Asiatics whom we all dislike having here, and who get here in spite of us, belong to a wholly different class. I do not believe that the importation of indentured labourers for work on mines, railways, and so forth, would in any way increase the difficulty which we have to face in any case . . . in the constant influx of Asiatic traders.”

We have now seen the nature of the efforts made by the mining industry and the Government of the Transvaal both to increase the supply of native African labour and to supplement that supply by unskilled white labour. It was not until these efforts were found to be producing results wholly inadequate to meet the pressing needs of the moment that the leaders of the gold industry at length proposed to do what the wine-farmers of the Cape,¹ and the sugar-planters

¹ Not only had the wine-farmers obtained a supply of Asiatic labour under the *régime* of the Dutch East India Company, but the Cape farmers under responsible Government had more than once proposed to introduce Chinese labour for agriculture and other industries. In 1874 a motion by Mr Ayliff in the House of Assembly was agreed to without a division authorising the Government to ascertain “the practicability and cost of the introduction of coolies from India and China.” In 1876 the Government was authorised by resolution of the same chamber to “enter into a contract for the importation of Chinese coolies . . .” The Cape

of Natal had done in the like circumstances—obtain an additional labour supply from Asia. But there was a difference between the action of the Transvaal mine-owners and that of their industrial predecessors, which was wholly to their advantage. Whereas the Malays form a permanent addition to the population of the Cape Peninsula, and a considerable proportion of the Indian coolies had remained in Natal, it was resolved from the very first that if Indian or Chinese coolies should be brought to the Transvaal, they should be subjected to such conditions of contract as would make it impossible for them either to settle in the colony after the period of their engagement had expired, or, during that period, to enter into competition with white skilled labour in any shape or form whatever.

The first practical step in the direction of obtaining Chinese labour for the mines was taken by the leaders of the industry in February 1903—that is to say, when sufficient time had elapsed to test the efficacy of the efforts which were being made both to increase the African supply and to supplement it by white labour, and when it had become apparent that the success of these efforts could no longer be relied upon with any degree of certainty. This step was the despatch of Mr Ross Skinner by the Witwatersrand Native Labour Association to California and the Far East for the purpose of enquiring into (1) the conditions under which indentured Chinese labourers should be employed on the mines of the Rand; (2) the possibility of obtaining such labour; and (3) its suitability to supplement the inadequate Kafir supply.

Mr Skinner received his instructions on 14th February, and left Johannesburg for London on the 20th inst. From London, reached on 14th March, he proceeded to California, British Columbia, Japan, the Malay Peninsula, and China. In his report,¹ presented to the Association on 22nd September 1903, he gave full information upon all practical matters, such as the accommodation and food, the terms of

Labour Commissions of 1890 and 1893 both recommended the importation of East Coast African Labour for the Cape, in view of the scarcity of such labour in the colony, and there were agriculturalists at this time who favoured the importation of Chinese coolies.

¹ Published in Cd. 1895.

contract, and the social and physical characteristics of the Chinese whom he had seen employed in North America and the Malay States. And, on the basis of the evidence thus collected, he stated as his general conclusion that the better class of Chinese coolie would be suitable for employment on the Rand, and that, provided the reports sent back to China by the first Chinese labourers were favourable, a sufficient supply of such labour could be obtained for the present and immediate future requirements of the gold industry.

While Mr Skinner was engaged upon this mission, the Association, strengthened by the appointment of Mr F. Perry,¹ made renewed endeavours to obtain a supply of African labour from countries as yet excluded from the area of its recruiting operations. The countries in which negotiations and enquiries were set on foot for this purpose during the years 1902 and 1903 were the British West African Colonies, British East Africa, including Uganda, German East Africa, Portuguese West Africa, the Congo Free State, Egypt, Madagascar, Somaliland and Abyssinia, Rhodesia, German West Africa, and British Central Africa. With the exception of the three last named, in all these countries either permission to recruit was definitely refused, or it was reported that the surplus labour, if existent, was unsuitable on physical² or other grounds for work on the mines of the Rand. The British Government refused to allow recruiting in the West African colonies and in British East Africa, on the ground that these colonies had not enough labour for their own requirements, and in particular Mr Chamberlain pointed out (under date 3rd April 1903) that the Government had been compelled to import Indian coolies to construct the Uganda railway. The Governments of German East Africa and of Portuguese West Africa refused on the same ground, while the Congo Free State and the French Congo notified the British Consul, through whom the enquiries were made, that the departure of natives was prohibited on account of the "prevailing dearth of humanity" in their territories. Lord

¹ As already noted, Mr Perry gave up the Imperial Secretaryship on 31st January 1903, to become chairman of the W. N. L. A.

² The native of the tropical areas could not sustain the cold of the Witwatersrand uplands in winter time.

Cromer based his refusal to allow the Association to recruit from the fellaheen on the ground that labour was scarce in Egypt, and "he had been obliged to import labour to complete the building of the Soudanese railways." Madagascar and Abyssinia required all the labour they could produce for their own purposes, and the Somalis, even if procurable—about which there was considerable doubt—were stated to be "lazy, rebellious, and totally unfit for work on the Rand."

Rhodesia, owing to the industrial depression in which Southern Rhodesia was plunged in 1904-5, did subsequently furnish an appreciable contingent of African labourers for the Transvaal mines; but for the immediate present the sole practical results obtained from this effort to secure fresh supplies of labour from other parts of Africa was the permission to recruit 1,000 natives in German West Africa, and an experimental contingent of the same number from British Central Africa. The utility of the labourers from this latter source was greatly diminished, however, by their inability to support the comparative rigour of the Witwatersrand winter climate. At first the deaths from pneumonia were appallingly frequent, and it was only by means of the most careful medical supervision that it was found possible at length to retain these Central Africans in the employment of the Mining Companies. Even so, when every provision for their health in the way of warm clothing, and suitable food and accommodation had been made, the death-rate among this class of labourers remained higher than that of the average African natives, and considerably higher than that of the Chinese coolies, employed on the mines. The supply from German West Africa was as uncertain as the Rhodesian, since in times of industrial prosperity this colony required all its African labour for its own development. In point of fact the Association was able in 1904 to distribute 2,362 labourers from Rhodesia, having obtained none in the previous year, while it secured 1,190 natives from British Central Africa, as against 941 in 1903, and 298 from German South West Africa, as against 620 in 1903.¹

The active agitation for and against Chinese labour,

¹ Evidence for the above statements will be found in Cd. 1894 (Transvaal Labour Commission), and in the Report of W. N. L. A. for the year 1904.

which was carried on in the Transvaal from the date of the Bloemfontein Conference (10th to 23rd March 1903) until the approval of the principle of Asiatic imported labour by the Transvaal Legislative Council (30th December 1903), may be said to have commenced with the speech delivered on 31st March by Sir George Farrar, President of the Chamber of Mines, to the European employees of the East Rand Proprietary Mines at Driefontein. In this, the first public advocacy of the proposal from any responsible quarter, the speaker began his address by giving an account of the work which he and the other Transvaal representatives had accomplished at the Conference. They had insisted on "a substantial reduction in the price of food stuffs, in order that the working men might be enabled to live far cheaper than at present." This had been accomplished by lowering the railway rates, and reducing the duties levied by the common tariff of the Customs Union on food and other necessaries, such as building materials, which directly affected the cost of living for the great mass of the industrial population of the Rand. In fact, he said, "our main effort at Bloemfontein was directed towards alleviating the position of our working classes here." Sir George then passed on to the question of the shortage of native labour, and stated the results of the deliberations of the Conference on this subject. It had found that the labour supply in South Africa was not sufficient for the normal or future requirements of the British colonies, and it had, therefore, affirmed the legitimacy of importing Asiatic labour "under a system of Government control," but only if the "industrial development" of any colony "positively required it." In the case of the gold industry the economic necessity was unquestionable. The efforts made by the Witwatersrand Native Labour Association to obtain a sufficient supply of African labour had been unsuccessful. One source of unskilled labour, other than Asiatic, remained open to the industry, but that the mine-owners had rejected. If

"unskilled white labour were to be largely used," Sir George Farrar said, "it means that the price of your unskilled white labour is regulated by the price of your unskilled coloured labour; therefore it means that we should have to find the cheapest class of unskilled white labour that would be

prepared to compete. That means subsidising labour, in other words bringing it into this country from all the sources of Europe."

To the introduction of cheap white unskilled labour from Northern, Eastern, and Southern Europe, there were two conclusive objections in the minds of the leaders of the gold industry. It would have lowered the standard of the European community as a whole, and thereby have caused grave political and social dangers to a country where the black population was four or five times as numerous as the whites; and it would have displaced the (mainly British) skilled European workmen, "many of whom were here before the war, and bore the brunt of the very anxious times that" they and the mine-owners had gone through; since such unskilled labour would very soon have become skilled labour, and competed against the existing white employees of this class.¹ Sir George Farrar then gave the reasons why he was personally convinced that the only suitable and adequate supply of unskilled labour was that which could be obtained from China, and explained the legal provisions by means of which it would be made impossible for the Chinese coolies, if they came to the Rand, to compete with white skilled labour, or to settle in the Transvaal after the period of their contracts had expired.

"This question," he said in conclusion, "will not be decided in a day, but it will be discussed up and down the

¹ Sir George Farrar fought through the war with distinction, obtaining the D.S.O. As a matter of fact Italians were employed on a small scale on two occasions, by Mr Creswell in 1902, and again in November 1903. In both cases the experiment resulted in a strike on the part of the skilled British miners. Of the opportunities of obtaining cheap European labour, Sir Lionel Phillips writes: ". . . The employers might, when the hubbub about the importation of Asiatics was at its highest, have secured a number of men from Scandinavia, Italy, Portugal, and other countries in Europe, who would have been ready to engage under contracts at wages only slightly, if at all, in excess of those paid to Chinamen. From them there could have been gradually drawn, no doubt, men who would have displaced the highly paid skilled men of to-day, with the possible result that the final working costs would have been lower than they are under the present system. Large numbers of Europeans were offered to them under contract at incredibly low rates of pay, and the only reason that they steadfastly refrained from making an experiment in that direction was that they desired to see the Transvaal developed upon lines which they considered consistent with the true prosperity of the country, in accordance with which the white and black men respectively are kept in their proper spheres."—"Transvaal Problems," 1905.

reef for many months to come, but I should like before closing to say to you that I always consider that my first duty is to my own men, and to the residents of this district who are so closely interested with us.”¹

On the following evening (1st April) a mass meeting, organised by the Central Branch of the White Labour League, was held at the Wanderers' Club, Johannesburg, to protest against the proposal now openly advocated by Sir George Farrar. At this meeting only two persons, out of an estimated attendance of 5,000, were bold enough to give a vote in favour of the proposed measure. The grounds upon which the importation of Asiatic labour was condemned in the impassioned speeches then delivered resolved themselves into three main objections: (1) it was unnecessary, since African labour could be obtained from countries north of the Zambesi, if not from South Africa itself; (2) the Chinese would displace European skilled labour and settle in the country permanently; and (3) they would be an undesirable and an unprofitable population.

(1) “North of the Zambesi and south of the equator,” said Mr Advocate Hutchinson, “. . . there are probably 100,000,000 negroes and Kaffirs available for recruiting among.”

And again :

“The payment of Chinese . . . including travelling expenses, policing, etc., . . . will not exceed 25s. per month, as against 45s. to the Kaffir. This is the inducement . . .”

In short, according to this speaker the shortage of African labour was to be attributed solely to the reduction of native wages in force on the mines up to the end of 1902; and the mine-owners, finding that they could not maintain this reduction, now desired to introduce Chinese labour, not because they were unable to increase the supply of African labour, but because Chinese labour would be cheaper than African labour.

(2) The second ground of objection was one which lay at the root of nine-tenths of the agitation against the measure,

¹ Cd. 1895.

whether in South Africa, Australia, and New Zealand, or in the United Kingdom.

“When once we get the Chinamen in,” said Mr Quinn,¹ “no amount of contract can get them out again. . . . For my own part, . . . I would a thousand times rather walk out of the country for ever, than see one Chinaman brought in.”

And Mr Hutchinson :

“I make bold to say that, at the end of the first twelve months, there will not be a white man working underground, unless it is a few shift bosses, and not many overground either. It is absurd to say the Chinese will only be employed in unskilled labour. Once they are imported, they will be employed in skilled labour, if they become proficient. . . . The sealed compounds will become China towns, and the Chinese will be living better than the white people. . . . We shall have 300,000 Chinese, as many as the whole white population put together. . . . Sir George, you will remember, has a long list of callings or occupations, some 39 in number, in which he says it will be penal to employ these unskilled Asiatics. The list begins with carpenters and ends with holders of explosive certificates. Sir George Farrar makes a great point that the introduction of Asiatics should be accompanied by such prohibitions as these . . . it is simply absurd to suppose that we are going to have Asiatics in this country, and be able to prevent them from following any trade.”

(3) The anti-social qualities of the Chinese as a race figured largely in the agitation carried on against the measure before the Chinese coolies were introduced. In the subsequent agitation for the removal of the Chinese from the Rand, conducted in England in 1905-6, the alleged immorality of the whole transaction provided the rhetorical embellishments which enabled the political opponents of the Unionist Government to gain the ear of influential sections of the British public, who would otherwise have paid scant attention to their arguments; and the supposed

¹ Mr J. W. Quinn, baker and provision merchant, afterwards served on the Transvaal Labour Commission, and with Mr Percy Whiteside signed the Minority Report. When the Chinese coolies were at work on the mines Mr Quinn changed his opinion and made a handsome acknowledgment of his error.

degradation of the Chinese was execrated as the result of the conditions of employment permitted by the Unionist Government, rather than as an originating source of moral contamination. At this early stage, and on the Rand itself, it was their good qualities, and not their bad ones, that were feared. It was the material, and not the moral, injury which the Chinese would do to the European community—still less the moral injury which the Chinese themselves would suffer at the hands of their employers—that occupied the minds of the opponents of Asiatic labour.

“Centuries of recession [? retrogression] has debased them, has made them servile and cruel,” said Mr Hutchinson. “The constant and ever-increasing pressure of population, has cheapened their life, so that the Chinaman can be backed to overreach and undersell any other person brought into contact with him. They are industrious, they are frugal to a proverb, they are diligent, and it may be said, ‘Why, then, object to them coming here?’ It is because they are on a different footing to us. . . . They will be in sealed compounds at the several mines, and will be of no use whatever to the traders of the town. Their miserable food and clothing will be indented for from a distance, and not one article will be obtained in the city.”

And Mr Quinn was equally emphatic :

“The Chinaman will spend nothing here,” he said ; “he will actually deny the earth the benefit of his mortal remains.”

The expressions¹ thus used at the Wanderers’ Hall meeting have been given for two reasons. In the first place, having once stated the arguments of the White Labour League with some precision, it will be unnecessary to repeat them in relating the later action of the Transvaal opponents of Chinese labour ; and in the second, a definite knowledge of the nature of the original objections urged by the local opponents of the measure (who were the parties directly concerned in the matter) will enable us to realise how materially these objections differed from the fictions

¹ The speeches are given in full in Cd. 1895.

by which the subsequent agitation in England for the removal of the Chinese was chiefly sustained.

As regards the arguments themselves, where conclusive answers to them are not to be found in the information already laid before the reader, they may be sought in the terms of the Asiatic Labour Importation Ordinance, in the actual working of the provisions of the Ordinance, and generally in the results produced upon the gold industry and the colony at large by the supplementary supply of labour thus obtained—all of which are matters which will be dealt with in the subsequent course of the narrative. But apart from this appeal to the logic of facts, we shall have occasion to notice certain specific replies, which were given by Lord Milner to some of these objections, as we follow the further phases of the great controversy, the issues of which were now fairly joined.

On 2nd June, a deputation from the White Labour League laid their case before Lord Milner. The arguments employed against Chinese labour were in substance a repetition of those put forward by the speakers at the Wanderers' Hall meeting; they were, however, expressed with greater restraint, and showed a greater regard for the actual facts of the economic situation. Even so the High Commissioner had occasion to correct more than one gross misrepresentation of ascertainable facts, and many wholly unwarranted assumptions in respect of the objects and motives of the advocates of the proposed measure. As regards his own attitude on the question, he told the deputation that he awaited the verdict of the great central body of the community, and this verdict would

“ultimately be determined by its judgment on a question of fact. That question,” he continued, “is whether the development, which this country so sorely needs, and upon which the increase of its white population depends, can be proceeded with—I do not say at full speed—but at anything like a reasonable pace without the assistance of indentured Asiatic labour. Should that question be answered in the negative, I think public opinion would end by favouring the importation of such labour, if we could get it.”

In answer to the question, “Why should we not go on

as we are?" Lord Milner replied that the small and gradual increase of native African labour only obtained "by a great rise in wages, by greatly increased expenditure in every direction, and by immense and ubiquitous activity in recruiting," would, at its present rate of progression, take many years to make this labour supply sufficient for the "actual present requirements" of the colony, "to say nothing of the question of entirely new enterprises, of which there would, if labour could be found for them, undoubtedly be many." It was the immediate expansion of the gold industry that was all-important. What was wanted was a labour supply—and the revenues which it would create—not five years hence, but at the present moment.

"When I talk of development," he said, "I am not thinking of anything distant and speculative. I am thinking only of those immediate and urgent wants, without the satisfaction of which the Transvaal for years to come may just sit and look at its vast potential wealth. I am weary of reiterating that this country wants almost everything in the way of material equipment that a civilised country ought to have. Johannesburg alone, though it is far better off in this respect than any other place, wants immediately a large amount of labour for tramways, for drainage, for public buildings. Every other centre of population is in a much worse plight. The other growing towns along the Rand and the country towns have, for the most part, not even a proper water supply, and they have nothing else. Town and country alike want railways, and the districts which cannot have railways must at least have decent roads. How are we going to get all this work done with anything like reasonable expedition. We are already threatened with a dead lock over the very first item of our programme—I mean railways. We have to face the fact that we must either compete against the mines or other nascent industries for native labour, or bring in other forms of labour, or abandon or modify our railway programme. . . ." ¹

As regards the fear that white labour would be displaced by Asiatic labour, he said:—

"Of all the extraordinary things about this muddled

¹ This necessity for the immediate renewal resources which the gold industry could alone provide was subsequently stated more definitely by Lord Milner in the doctrine of the "over-spill." See forward p. 321.

controversy the strangest is that white labour and Asiatic labour should be regarded as mutually exclusive. The strongest argument, it seems to me, in favour of unskilled Asiatic labour is that it will open up a field for the employment of a vastly increased number of whites, and of well-paid whites. From that point of view it appears to me that the regulated use of Asiatic labour should not only not encounter hostility, but obtain the enthusiastic support of the White League. I for one do not desire that the wages of the white man—the real wages, I mean—should be lower than they are to-day. Our welfare depends upon increasing the quantity of our white population, but not at the expense of its quality. We do not want a white proletariat in this country. The position of the whites among the vastly more numerous black population requires that even their lowest ranks should be able to maintain a standard of living far above that of the poorest section of the population of a purely white country. . . .”

Of the sources of labour supply other than the, as yet untried, Asiatic sources, Lord Milner said:—

“Is Central Africa going to help us out of our difficulty? All I can say is that so far, though tapping at every door, we have met with little but discouragement. With the single exception of British Central Africa, from which we may in a year or so get an appreciable though not large number of labourers, there are so far nothing but vague hopes, which dissolve as you try to grasp them. . . . We have approached the Government of India to find out whether they would be willing to let us have a certain number of Indian labourers with the understanding that they should be repatriated at the end of their time of indenture, so that we might make at least one of the new [railway] lines exclusively with Indian labour. The Government of India is not very responsive, owing to our general attitude to its subjects, and the British Government not only sympathises in that respect with the Indian Government, but is doubtful whether, in view of public opinion here on this question, the Legislatures of the new colonies would approve of such a proposal. My own feeling is that it is always better to assume that one's fellow creatures will be rational until they have proved positively that they are not. And the proposal to get a work of urgent public importance done by workmen from abroad, who will neither interfere with any of us while they are here, nor remain to compete with us when they are no longer wanted,

rather than to leave that work undone, seems to me such absolute common sense that I for one should be surprised if it met with opposition even from those who, in a general way, are averse to Asiatic labour.”¹

Not quite a fortnight later (13th June) another deputation came to the High Commissioner. Its purpose was to ask for the appointment of a commission to enquire what amount of labour was necessary for the industrial requirements of the Transvaal, and how far it was possible to obtain such labour from Central and Southern Africa. The request was granted, and the Transvaal Labour Commission, duly constituted by 10th July, reported, with the conclusions already set before the reader, to Sir Arthur Lawley² on 19th November. In the meantime—*i.e.*, early in August—an organisation, named the Labour Importation Association, was formed for the purpose of spreading correct information on the labour question, and generally of combating the arguments and efforts of the White Labour League. Under the auspices of this Association, a number of meetings, at which resolutions approving of the proposed introduction of Asiatic labour were passed, were held from this time forward to the end of the year both up and down the Rand district and in other places—Heidelberg, Klerksdorp, Potchefstroom, and Standerton—in the Transvaal. On 14th August a deputation representing the Chamber of Mines, the Chamber of Commerce, the Chamber of Trade, and the Witwatersrand Native Labour Association, went to Sir Arthur Lawley with a request which serves to indicate the increasing strain thrown upon the industrial system of the colony by the shortage of labour. These leaders of the industries and commerce of the Rand asked for nothing less than that

“all new construction of railways in the Transvaal and Orange River Colony should be postponed for the present, as the drain on the native labour involved therein would be against the interests of the entire community at the present time.”

¹ See Cd. 1683, and p. 324.

² Lord Milner was away on leave from 5th August to 19th December in this year (1903). The Reports of the Commission, and the evidence taken, were presented to Parliament in January 1904 in Cd. 1894.

Six weeks later (29th September) Sir Arthur agreed "with great reluctance" that new construction works upon all but "open" lines should be postponed for the present. At the same time the Transvaal Government endeavoured to reduce its demands upon the native African labour supply in other respects.

"I feel," he wrote, "that by postponing the undertaking of new construction, by reducing the number of 'boys' upon the roads, and in the Repatriation Department, and by utilising prison labour on 'open' lines, the Government is doing its utmost to assist the various industries of the country, as far as it legitimately can, bearing in mind the urgent demand which exists for the early improvement of railway facilities."¹

A week before the sanction of the Government was thus obtained to the temporary withdrawal of African labour from the railways and other State undertakings in favour of the mines, Mr Ross Skinner's Report, showing that an adequate supply of unskilled labour could be obtained from China, was presented to the Chamber of Mines. On 3rd October a meeting constituted of over 300 representatives of 14 scientific and technical societies was held at the Wanderers' Hall, Johannesburg, at which a resolution in favour of Chinese labour was carried with only six dissentients. On 18th November a draft of the Asiatic Labour Importation Ordinance, prepared by the Attorney-General, Sir Richard Soloman, was forwarded to England for the consideration of the Home Government; and a week later it was followed by the text of the Labour Commission's Report, the findings of which, however, had been cabled to the Colonial Secretary on the 19th inst., the day on which it reached Sir Arthur Lawley. On 21st November the failure of the British navvies employed on railway construction was reported by cable to Lord Milner, and his permission to terminate their contract, in the circumstances already noticed, was asked and subsequently obtained.

On 2nd December, the Witwatersrand Chamber of Mines formally, and by a unanimous vote, approved of the proposal

¹ Cd. 1895.

to introduce Chinese labour. Two days later the Chamber of Trade recorded its approval of the measure without any dissentient voice; and on the 15th the Chamber of Commerce rescinded its former adverse resolution by a large majority. On the same evening a mass meeting, convened by the African Labour League to protest against the proposed employment of Chinese coolies in the mines, was held in the Wanderers' Skating Rink. This meeting—or rather group of meetings—afforded remarkable evidence of the degree in which public opinion had changed on this question since the meeting of 1st April was held in the same place. The purpose of the meeting was “to urge the Government to hold a Referendum on the question of the importation of Asiatics”; but while a resolution to this effect was declared to have been carried, the speakers who supported it had the greatest difficulty in obtaining a hearing. At the same time, a still more numerous meeting¹ was held in the open air, at which a resolution calling upon the Government to publish “as soon as possible” a draft Ordinance, providing for the importation of Asiatic unskilled labourers, was declared to be carried by a large majority. And at a third meeting, consisting of persons who had left the Skating Rink, a resolution in favour of Chinese labour was carried unanimously.

In the meantime Sir Arthur Lawley had cabled (6th December) to the Colonial Secretary to ask him for instructions regarding the first instalment of the war contribution loan. As arranged by Mr Chamberlain, payment of this £10,000,000 was due on 15th January 1904; but, in view of the financial position both in the Transvaal and in England, the question of postponement had been brought before the Home Government, and the matter was allowed to remain in abeyance for the present. And finally a motion affirming the principle of the Asiatic Labour Importation Ordinance was proposed by Sir George Farrar in the Legislative Council. It was debated during almost continuous sittings on the three days, 28th to 30th December; and on this last day was carried by a majority of 18; the votes being ayes, 22; noes, 4.

¹ The attendance at the inside meeting was estimated to be between 5,000 and 6,000; that at the open air meeting at 7,000. Cd. 1895.

Lord Milner's¹ analysis of the division lists and his comments thereon were telegraphed four days later to the Secretary of State.

"The unofficial members of the Legislative Council are really representative men, who have from the first shown themselves independent of the Government, while sensitive to public opinion. Of these non-official members, 14 in number, 9 voted for the motion, while 4 voted against it, and 1 did not vote. Of the 9 supporters, 4 were Boer members, who all spoke as well as voted for the motion. The fifth Boer member took no part. Of the other 5 non-official supporters of the motion, 2 are mining men, 2 are leading men of business, and 1 is a British farmer who has lived in the country for years and possesses in an exceptional degree the confidence of both Dutch and British. Four of the 9 supporters are from Johannesburg, and the other 5 are from the districts of Heidelberg, Potchefstroom, Rustenburg, Carolina, and Zeerust—that is, from the most diverse parts of the Transvaal. The minority was composed of 2 members from Pretoria and 2 from Johannesburg, all of British race.

"One of the latter is a leading member of the Trade Council, and his vote, no doubt, reflects the feeling of a section of the working class, though not, I think, of the majority. On the contrary, there is every indication that the white miners are now preponderantly in favour of Asiatic labour, while the rest of the artisan class is divided. It is a strong minority of the working class generally, with a number of small traders and a few score of professional and commercial men, who at present constitute the active opposition amongst the public. But they are dwindling in numbers, and show nothing like their former keenness.

"With regard to the Boer members of the Council it may, of course, be said that they only represent a section, as the most prominent of the Boers who fought to the end did not accept seats on the Council. But on the present question Boer opinion is not divided on at all the same lines as it was on the political question. The one Boer member of Council who belongs to the 'late surrender' class—and he is very typical of his fellows—supported the motion quite as strongly and on the same grounds as his colleagues who surrendered at an earlier stage of the war.

"All the official members supported the motion, it being

¹ He had returned to Johannesburg on the 19th December. The telegram is given in Cd. 1895. Mr Alfred Lyttelton was then Colonial Secretary.

distinctly understood that they were absolutely free to vote according to their individual convictions. An attempt was made beforehand to discount them as being out of touch with local feeling and lacking in experience of the country. As a matter of fact two of them are born South Africans, four others are permanent residents in the country, and the average residence of those not born in the country is seven years."

This vote marked the conversion of the industrial population of the Transvaal to the unwelcome expedient of Chinese labour. An appeal to the white inhabitants of the colony as a whole produced a scarcely less decisive result. A petition in favour of the importation, circulated in the months of November and December was signed by 45,000, out of the total of 90,000, adult white males; while the attempt to secure a counter-petition was abandoned. As the Boers generally were neutral, and 15,000 Government employees, included in the above total, were excluded from the canvass, it may be concluded fairly that the number of adult whites still opposed to the Ordinance was very small. The resolutions in favour of the importation subsequently passed by public bodies afforded further, and in some respects even more emphatic, evidence of the same fact; but these subsequent expressions of opinion had a different object. They were designed to assure the people and Government of the United Kingdom, and the various oversea British communities, and not the Transvaal Administration, that the supply of unskilled labour from China was now recognised by the great majority of the people of the colony, both Dutch and British, as an economic necessity. The request for the postponement of the war contribution loan was evidence that the commercial and industrial depression created mainly, though not exclusively, by the shortage of unskilled labour was exercising a direct and disastrous effect upon the revenues of the Transvaal. It was also rapidly reducing the white population of the colony. It was known at the time that an appreciable exodus of British from the Rand was taking place. But the full extent of the loss was not revealed until the South African census was held in the following April. The returns then obtained

showed that the departures, due to the stagnation of the gold industry in the preceding six months, had cancelled the gain of population, estimated at 30,000, afforded by the white immigrants who had entered the Transvaal in the months immediately following the declaration of peace. But the further discussion of this aspect of the situation, as it had developed by the end of the year (1903), and the consideration of the actual financial difficulties by which the administration of the new colonies was confronted in the opening months of 1904, must be postponed for the moment, since they are more directly connected with the events of the last stage of the struggle for industrial salvation. In this final stage the legislative, administrative and diplomatic arrangements necessary to legalise the importation had to be carried through by the Transvaal and Imperial Governments acting in conjunction ; and then, when this laborious process was accomplished, it was at length open to the leaders of the mining industry to put into operation the machinery of recruitment and transport, which in the meantime they had diligently brought to completion. Thus it was not until six more anxious months had passed that the first shipload of Chinese coolies reached the Rand.

CHAPTER XIII

LORD MILNER AND CHINESE LABOUR

THE introduction of Chinese coolies to work on the mines of the Rand is the cardinal act of Lord Milner's reconstruction of the new colonies. Around it there has gathered a mass of conflicting opinions—favourable, unfavourable, and doubtful. What, however, will not be called in question, is the statement that no one but Lord Milner could have induced Mr Balfour's Ministry to sanction a proposal which evoked so fierce a storm of opposition as did this measure—an opposition not confined to South Africa, but manifested even more generally in the United Kingdom and in Australia and New Zealand. To him, therefore, belongs the praise or blame attached to a measure regarded on the one hand as an act ill-judged to the verge of political immorality, and on the other as the crowning instance of that determination to do the right at all costs, which has made his statesmanship a vital force in the development of the British Empire. But whether he be regarded as the evil genius of the mine-owners, or as their dupe, or simply as a disinterested and far-sighted administrator, every one will desire to know what Lord Milner actually thought and did at this critical period of his administration. It is, therefore, of no ordinary interest to follow the working of his mind upon the labour question, and to trace the degree and character of the influence exercised by him upon the progress and final shaping of the events which enabled the gold industry and thereby the new colonies, and in a lesser degree South Africa as a whole, to emerge successfully from a situation of unprecedented economic difficulty.

There is another reason for returning to Lord Milner at this point. In the desire to present a connected account of the circumstances in which the importation of the Chinese coolies came to be regarded as necessary by the industrial population of the Transvaal, his name has been allowed to drop out of the later narrative. The explanation lies in the fact that he left the Transvaal on leave of absence on 5th August, and returned to Johannesburg on 19th December. In the course of these months there occurred an event of cardinal importance. In September Mr Chamberlain left Mr Balfour's Ministry on the issue of Tariff Reform, and the office of Secretary for the Colonies was offered to Lord Milner, who was at the time (20th September) taking the baths at Karlsbad. The circumstances in which this offer was made, and the considerations which led him to decline it, will be referred to subsequently; for the moment it is sufficient to note that when Lord Milner's decision was found to be irrevocable, the Colonial Secretaryship was offered to Mr Alfred Lyttelton, and accepted by him early in October. In the middle of the same month Lord Milner returned to England after only six weeks of broken holiday on the Continent, and the scene of his subsequent action in support of the importation was, therefore, London and not Johannesburg.

The shortage of African labour was one of the urgent questions set down in the memorandum from Lord Milner which met Mr Chamberlain upon his arrival in South Africa. At that time it had come already to be regarded as a serious menace to the prosperity of the Transvaal; and the remarks which Mr Chamberlain made on this subject at the Johannesburg banquet (17th January 1903) may be taken to represent not only the fruits of his own study of the local conditions, but the joint conclusions formed by himself and Lord Milner in conference. On this occasion, then, Mr Chamberlain first denied with emphasis the rumour, current in London, that there had been a "bargain" between himself and the mining industry—he, on behalf of the Imperial Government, consenting to the introduction of Chinese labour, and the representatives of the industry on their part agreeing to pay the war contribution. He next discussed at some

length both the problem itself and the methods of solution suggested: the possibility of stimulating the natives to offer their services by economic pressure; the recruitment of labour in Central Africa; and the employment of white men as manual labourers. After thus reviewing the situation, he advised his audience

“to bring to bear all their intelligence to obtain a solution of the problem, by developing the present supply of African labour, and increasing the efficiency of the white labour employed.” He continued, “And, gentlemen, it is not until you have exhausted these solutions, which are the nearest to you, that it would be reasonable that you should turn to that other more drastic remedy of introducing Asiatic labour.”

And from these words he proceeded to set out the difficulties which the adoption of this remedy would entail. The overwhelming popular opinion of the Transvaal was opposed to the importation of Chinese. The other great colonies and the Mother Country would regard it as a retrograde and dangerous step. And even when this mass of adverse opinion had been converted, there would still remain “serious practical difficulties in the way of obtaining a trustworthy supply of labour from the sources which had been suggested.” On the other hand, Mr Chamberlain was no less emphatic in declaring that if the majority of the people of the Transvaal did desire Chinese labour, the Imperial Government would respect their decision. A Royal Commission on the labour question, appointed by the Imperial Government, would be able to make a complete enquiry, and its verdict would carry great weight; but the drawback to this proposal was the “mischievous” delay which it would entail.

“But, gentlemen,” he concluded, “make no mistake. The conditions of this colony are altogether exceptional; they are recognised by the Imperial Government, and it is our duty and our desire that in every act of legislation we shall follow the trend of that underlying public opinion, which should govern the actions of a self-governing colony.”

These, then, it may be assumed, were the views on the question of Chinese labour which Lord Milner held at the beginning of the year 1903. For the supreme economic

importance which the importation subsequently acquired in his mind, we must look forward to a passage in the address which he delivered at the opening of the extraordinary session of the Inter-Colonial Council in March 1904. In it he states what may be called the doctrine of the "over-spill"; and under this figure he exhibits the supplementary supply of manual labour from China as being not only a necessity to the gold industry, but an indispensable factor in that reconstruction of the new colonies upon a higher plane of civilisation, which was the immediate task of British statesmanship in South Africa. The passage begins with a reference to the heavy fall in the railway revenue—a fall directly caused by the stagnation of the gold industry and the consequent industrial depression of the Rand.

"My point is that, even in these bad times, there is still a big traffic, and a big industry attracting that traffic, and that it is not absolute destitution which is the matter with us or which is the cause of our present gloom. It is the paralysis of the progress which ails us, a paralysis all the more galling to a community which has always been used, and having regard to its resources, and, in all but one respect, its capacities, is fully entitled to expect, to be ever moving forward. The way in which that paralysis affects the Government is this: The Government has means enough to carry on its ordinary business. But in a country situated as the Orange River Colony and the Transvaal at present are, that is not nearly enough. All young communities need the help of Government in the development of their resources. These colonies, for reasons which it would take too long to go into, but which can easily be expanded, need that help in an exceptional degree, even for young communities. They are extraordinarily deficient in those aids to the development of their natural resources which, in the absence of great stores of private wealth, such as exist only in an old country, the Government has alone the power to supply. At the same time they are, for physical and other reasons, exceptionally in need of such assistance. Under these circumstances, it is peculiarly foolish for the wise-acres over-sea who know our business so much better than we know it ourselves, to say: 'Oh! it does not matter whether you get out your gold quickly or slowly. It won't run away.' It does matter enormously, at what pace we get it out. Conceivably, if there were not so much of it, we might get it out too fast. But

under the actual circumstances, we cannot get it out too fast, because in any case the supply will last for many years, and that being so, the faster we get it the greater is the over-spill, if I may use that word, over what is in any case necessary to remunerate the capital invested, and it is that over-spill which benefits the local community and fills the coffers of the State, and can be used for the general advantage of the country. And by the general advantage I mean especially the development, aye and the creation, of those other resources, which should make and keep South Africa a great and flourishing country when the gold is gone. The faster the gold is won, the sooner will you be able to build up those permanent sources of wealth which will make you independent of the gold, and which, if you won the gold too slowly, you might never have the means of building up at all. From a business point of view, the difference between £10,000 a year for the next hundred years and £20,000 a year for the next fifty years is enormous. It is especially great where capital is rapidly reproductive, and it is mere foolishness to say that it does not matter whether you get the one or the other.

“The curse of the present position is not that we cannot pay our way. It is that we have nothing to spare, with which to do more than pay our way. I do not forget that the two colonies have liabilities to the Mother Country in respect of the war, which, I believe, no honourable man would dream of repudiating, and that the discharge of these liabilities will compete with the demands of the colonies themselves for reproductive expenditure in the division of any future surplus of public revenue over the cost of necessary establishments. But this consideration, I own, does not greatly trouble me. Great Britain has treated the new colonies with singular generosity so far, and I do not think her disposition will alter. Only let us see the surplus, and I do not believe a fair division will be difficult to arrive at. But before that surplus is apparent, either for the one purpose or the other, a great change will have to come over the present economic condition of the new colonies.”

By the side of this passage may be placed the letter given in the preceding chapter, which shows how Lord Milner regarded the labour question, when viewed in its broadest aspect, and as a matter with which all South Africa was concerned. At the time that this letter was written, 15th April 1903, he held the opinion that the ultimate solution of the problem was to be found “in the increase of

the white population and in getting rid of the idea, as with an increased white population we shall get rid of it, that the white man cannot, or ought not to, work with his hands in this country." But he realised that before this solution could be expected, the social and economic conditions of South Africa must be materially altered, and that many years must elapse before the changes involved in these necessary processes of re-adjustment had been completed. For practical purposes, therefore, the ultimate solution had to be dismissed; since what was required was a means of solution which could be applied under the then existing conditions of the country, and not fifty years, or even five years hence. At the same time a supplementary supply of Asiatic unskilled labour, though in itself a temporary expedient, would provide a scaffold by means of which the fabric of the permanent solution could be erected.

"But, in order to get that white population at all," he continued, "we must make things move in the immediate future, and, certain as I am that African labour, with every improvement we can make, will not be sufficient to supply our wants in the near future, I think we must call in the aid of the Asiatics. I look upon this as a temporary expedient, but for the time being essential."

The importation of Asiatic labour, therefore, necessary as it was primarily to prevent an industrial deadlock which would endanger the whole programme of the reconstruction, was also necessary to bring about that increase of the white population which was the only means of freeing European South Africa permanently from its economic dependence upon the native African races.

In another letter, written a few days later, Lord Milner, after mentioning the large attendance at the Wanderers' meeting of 1st April, expressed the opinion that, in spite of this unmistakable display of hostility to Chinese labour, a large and comparatively silent section of the general public of the Rand, if not actually converted to Asiatic labour, were more and more turning that way in their thoughts.

"Not that anybody wishes it," he continued. "That is quite clear. But the position of the majority of thinking men

to-day, which, I believe, will be the position of the majority of the whole population presently, is that, if other resources have been fairly tried and failed, we should not reject Asiatics altogether, but devote all our ingenuity to how we can regulate their labour in such a manner that they will not flood us in other industries and trades than mining."

As regards his own action he wrote that the question was one upon which he deemed it right to maintain an "attitude of neutrality," being "ready to lend assistance to any reasonable experiment but carefully abstaining from any attempt to force public opinion one way or the other." Applying Mr Chamberlain's principle that the Transvaal, though a Crown Colony, should be treated wherever possible as self-governing, he regarded this as just one of those questions which the people must fight out for themselves, and in which the Government should only take action when the trend of public opinion was quite unmistakable. In the meantime he was still prepared to favour any reasonable measure for the introduction of white labour, and to give every facility for getting coloured labour from other parts of Africa. The mines, he believed, "would succeed very shortly in getting back to their old numbers, perhaps in somewhat increasing them, but only at the expense of other people." Every other industry, including agriculture, would presently "begin to feel the pinch, and then the advocates of Asiatic labour would be reinforced from wholly unexpected quarters."

Thus Lord Milner was by no means certain at this time that China was the only, or the best, available source from which the additional labour supply could be obtained. He believed that there was "no one solution," but that recourse must be had to every possible source of supply. He was watching the cost of the English navvies imported for railway construction; and if the difference between them and native labour had not proved to be too enormous, he had intended to ask the Home Government for permission to increase their number. While he was practically satisfied that little or nothing could be expected from Africa, other than South Africa, with the one exception of British Central Africa, he took care that no stone should be left unturned to develop this one possible source of additional African labour. Details

of the rate of wages to be offered, the accommodation to be provided, and of an arrangement whereby the interests of the British trading community in Central Africa would be protected and its opposition dispelled,¹ were arranged accordingly by Mr Sharpe, the Commissioner for the Central African Protectorate, in consultation with the Native Labour Association, and duly communicated to the Colonial Office. But, although Mr Sharpe himself was fully satisfied with these arrangements, Lord Milner was by no means sure that difficulties might not be raised by the Foreign Office (under which the British Central African Protectorate was administered), and he, therefore, urged the Colonial Office to exert its influence in order that the fullest possible trial might be given to this new and promising source of African labour.²

At the same time Lord Milner made a definite proposal for the employment of imported Indian labour on the railways. The coolies were to be exclusively employed by the Transvaal Government; they were to be brought over under indenture, and returned to India upon the expiration of their period of contract. His views on this subject were embodied in the following document:—

“What I have to suggest is this: Why should not the Government, in the first instance, make the experiment? We might construct, let me say, one of the new lines entirely by indentured labour from India, as the Uganda line has been constructed. It is of course possible that the Indian Government would refuse to let us have coolies on the condition of their returning to India at the end of their period of service. If so, this source I am afraid is closed to us, and the industrial outlook is greatly clouded here in consequence. But I cannot believe that the Indian Government, if the matter was properly put before them, would take what I

¹ The Central African native earned 3s. a month; he was to be paid 1s. 2d. per day, exclusive of food, etc., and free transport to the Rand and back again; 6d. a day was to be paid him while on the Rand, and a lump sum at the rate of 8d. per day on his return home. By this means more than half of the wages earned would be spent in the Central African Protectorate, and not in the Transvaal.

² Eventually the Foreign Office did give its consent to the recruiting of a limited number of labourers; but these Central African natives (as we have already noticed) have proved to be too susceptible to the cold of the Witwatersrand uplands, to make them altogether suitable for work on the mines.

cannot help regarding as so unreasonable a line. If they imagine that by refusing to let us have coolies on the condition of repatriation, they can force us to admit Indians into South Africa without any restrictions—that is to say, to give up the policy of restricted immigration which has been adopted by the Cape Colony and Natal—they are, I am quite sure, making a miscalculation. The feeling against a large influx of Asiatics as permanent inhabitants of this country, whether as traders or settlers on the land, is simply intense. The European population of both races is solid in regard to it, and they would even be prepared to see industry seriously hampered rather than go ahead at full swing with the aid of Asiatics, if that implied the permanent settlement of a large Asiatic population in South Africa. But why should the Government of India, because it is unable to force us to take some of its surplus population, therefore prevent that surplus population from making money by coming here for a time? Surely, if they cannot get rid of their coolie population, it is better that they should be rich than poor. The sums which the Indian labourers would take home would be so large, compared with the rate of wages in that country, as to represent a substantial addition not only to their own means of subsistence but to that of all those connected with them. It must be an advantage to India, with so vast a population of very poor people to have a constant supply of money brought into the country and going directly to the maintenance of the very poorest class.

“Where I do sympathise with the Government of India is in their natural desire to see their emigrants well treated. Now on this point we should be able to give them every possible assurance. That seems to me the advantage of the Government making the experiment, at any rate in the first instance. I am prepared to give every pledge that, if we import a number of coolies for one or more of our railways, their contracts would be observed to the letter, and the greatest possible care would be taken of their health and comfort while here. It is our manifest interest to leave nothing undone to secure these. Our new construction engineer, Mr —, himself a man of long Indian experience, has no doubt whatever of the success of such an importation, if the Government of India would consent to it.”

This proposal, as we have already seen, met with Mr Chamberlain's approval, and was laid before the Government of India. The request was, however, refused on the grounds

which Lord Milner had anticipated, and thus India, the natural source of Asiatic labour, was definitely closed to the Transvaal.¹

On 2nd June Lord Milner received the deputation from the White Labour League, and publicly defined his own attitude on the Chinese importation question as being one of "awaiting the verdict" of the white population of the colony. Two days before he wrote:—

"The position is unaltered. S. Africa cannot supply the necessary labour, and other parts of Africa show so far little sign of coming to the rescue. More white labour may help to some extent, but not very much. We must either get, for a period at any rate, Asiatics (Indians, Chinese, or Japanese), or put up with a considerable shortage of supply. This does not mean that we shall lose ground, but that we cannot gain much, and that the great increase of British immigration, on which I had much relied to solve the political problem, will not come off at present. Among thinking men the necessity of Asiatic labour is becoming generally recognised. . . . At the same time I must reluctantly admit, that the unreasoning crowd appears as much opposed to the Asiatics as ever."

But six weeks later he wrote that this latter statement was no longer true.

"If you polled the 'men in the street' now," he then said, "you would find an enormous change of opinion. A mass meeting against Asiatic importation is no longer possible. A mass meeting in favour of it may be possible very soon. . . . For this and other reasons, it is sincerely to be hoped that the Chinese—since they are now our only hope—may come, and come quickly. The mines have exhausted their efforts, by higher wages, better recruiting, and *much better arrangements on the mines in every respect*—food, clothing, sanitation, etc.—to get natives, but, though they have got some thousands more, there are not nearly enough. The fact is *they do not exist*—not in these numbers."

¹ The substance of the telegrams which passed between the High Commissioner and the Viceroy, and the terms of the Government of India, communicated through Mr Chamberlain to Lord Milner, are given in Cd. 1683. The virtual refusal of the Government of India was communicated by Mr Chamberlain in a despatch to Lord Milner of 23rd May 1903.

It was when matters had reached the stage which had brought him to this conclusion that Lord Milner, in pursuance of the arrangements made during Mr Chamberlain's visit, returned to Europe on long leave.

After a brief visit to the Orange River Colony, he left Johannesburg on 5th August, and, travelling by Delagoa Bay and the East Coast route, reached Trieste on 2nd September, and then proceeded *via* Vienna to his immediate goal, Karlsbad, where he arrived early on Monday morning (the 7th). Here he at once saw his doctor, engaged rooms, and that same day began to drink the waters. On Friday the 13th, and before the second week of the "cure" was completed, a stir of excitement was caused among the English visitors by telegrams from London bringing reports of Mr Chamberlain's intention to retire from Mr Balfour's Ministry. On the following morning, with the arrival of last night's *Neue Freie Presse* from Vienna, came definite news of the Cabinet resignations,¹ and two days later Mr Balfour's letter, with the offer of the Colonial Office, reached him by King's messenger. Lord Milner wrote his reply that same night. While he was very sensible of the magnitude of the honour which had been done him, he declined the proposed office on the ground that he could not leave his work in South Africa. Subsequent endeavours, made both by the Prime Minister and Mr Chamberlain to induce him to reconsider this decision, left him unshaken in his determination to see the new colonies through their present difficulties; and when on 13th October he came to England for the last six weeks of his leave of absence, he spent almost the whole of his time and energy in work at the Colonial Office and in the discussion of South African questions with statesmen of both parties.

The situation in the Transvaal, as revealed by communications from Sir Arthur Lawley, the acting Governor and High Commissioner, which emphasised the financial and other anxieties of the Administration, was

¹ Beside Mr Chamberlain, Lord Balfour of Burleigh, Mr Ritchie, and Lord George Hamilton left the Government. The Duke of Devonshire resigned a little later.

becoming increasingly grave. Mr Chamberlain was opposed to the importation of Chinese labour, and had definitely anticipated that the measure would arouse strong antagonism among the industrial classes in the United Kingdom. Mr Lyttelton inherited the unfavourable disposition of his predecessor, but was at length persuaded with the greatest difficulty to withdraw his opposition. And, apart from his long and frequent conferences with Cabinet Ministers and other officials, Lord Milner made the fullest use of every opportunity presented by social converse to explain the difficulties of the labour question, and to remove misunderstandings on this and other matters affecting the new colonies and South Africa. Among the many influential men with whom he thus discussed the proposed importation were such leading members of the Opposition as Mr Asquith, Mr (afterwards Lord) Haldane, and Sir Edward Grey. As, however, it was not realised as yet that this question was destined to prove an immense asset to the Liberal Party, or, indeed, that it was to acquire any importance at all in the field of English politics, Lord Milner found in these quarters only a very faint interest in the subject. Nor did the remarks of these statesmen afford him any warning of the bitter hostility to the measure which their party subsequently displayed—a hostility which at this time probably they themselves neither felt nor foresaw. But in spite of all discouragement his own invincible resolution, and his now firmly established conviction that this expedient, unwelcome as it was, afforded the sole practical method whereby the financial and economic salvation of the new colonies could be secured, prevailed; and before he left London he had succeeded in impressing the gravity of the situation upon the Government, and obtained from the new Colonial Secretary a promise that if it were found impossible to carry on the work of reconstruction without Asiatic labour, he would give his support to the measure.

Lord Milner sailed for South Africa on 28th November. The sea proved unusually rough, and the *Dunottar Castle* was several hours behind time at Madeira. Cape Town was reached on 15th December, and two days later Lord Milner left for Johannesburg, where he arrived on the

afternoon of Saturday, the 19th. At the station he was received by the representatives of the municipality and a guard of honour, and at the Wanderers', where a still greater crowd had assembled, many addresses of welcome were presented to him. His experience on shipboard served to decorate his brief reply with an apt metaphor. When the ship was in a storm, he said, the captain could not leave his post upon the bridge. He must remain until he had taken her, if not safe into port, at least into smooth waters. Hence, in spite of the pressure brought upon him to accept the Colonial Office, he had thought it to be his duty to return to guide the Transvaal ship of State through the stormy waters by which it was now surrounded.

CHAPTER XIV

THE SOLUTION OF THE LABOUR PROBLEM BY THE IMPORTATION OF CHINESE LABOUR

LORD MILNER'S metaphor was not exaggerated. At the end of 1903 the Transvaal ship of State was labouring heavily, and the six months which followed his return to South Africa brought greater and more continuous anxieties than any that he had borne since the first few months of the war. Apart from the shortage of unskilled labour and the threatened collapse of the financial settlement, he had other causes of disquietude. The Irregular Corps, recruited mainly from the British population of the Rand, which had shown such admirable fighting qualities during the war, had been virtually re-embodied in the Transvaal Volunteer Force established by proclamation in July 1902, and a system of cadet training had been introduced in connection with the colleges and schools in both the new colonies, but there was no volunteer force in the Orange River Colony. A proposal to reduce the number of the Imperial troops to 15,000 put forward by the Secretary for War (Mr Brodrick, afterwards Lord Midleton) was defeated; but it was decided in July 1903 that the South African garrison should be reduced from its original strength of over 30,000 to an establishment of 25,000. Lord Milner disapproved strongly of this, and still more strongly of the further large reduction of the South African garrison upon which the War Office, under Treasury pressure, had now determined; and he had reasoned against it both in despatches and in his recent conferences with Cabinet Ministers in London.¹ It was not that he feared

¹ The news of the "large reduction" of the garrison appeared in the South African papers in February (1904); and the disquieting effect of the

a rising of any dimensions among the Boers, but he wished to have a force in South Africa, which, in conjunction with the South African Constabulary and the Volunteers, would make the bare idea of armed resistance seem impracticable to the mind of the most ignorant or irreconcilable of the back-veld burghers. His own proposal was that the regular troops in South Africa should be treated as part of the Home establishment; and he believed that the extra cost of maintenance in South Africa, as against maintenance in the United Kingdom, would be compensated by the strategic advantages offered by the greater proximity of the former country to India, combined with the superior opportunities for training and manœuvres provided by its wide and sparsely populated areas. His arguments, however, had failed to win acceptance either at the War Office or the Treasury, and it only remained now to see that the best possible disposition of the regular forces, which were to constitute the future South African Command, was made by the War Office. This was the first matter to which he applied himself, when once the necessary business of "settling down" after his long absence had been accomplished; and in consultation with General Lyttelton he prepared recommendations, calculated to secure the object in view, for submission to the War Office authorities.

Lord Milner next attacked the financial situation. The results of his investigations, in which he was assisted by Mr Duncan¹ and Sir Arthur Lawley, were compressed into the following telegram to the Secretary of State which was despatched on Sunday, the 28th. It contained, as will be observed, a formal statement of the necessity for the postponement of the payment of the first

contemplated withdrawal of British troops was enhanced by the circumstance that the public announcement followed closely upon the accounts of the outbreak of the Russo-Japanese War.

¹ While Lord Milner was in London he sanctioned the acceptance by the Transvaal Government of the resignations of Mr Davidson, the Colonial Secretary, and Mr Wybergh, the Commissioner of Mines. Mr Duncan, formerly Treasurer, became both Treasurer and Colonial Secretary, until a year later Mr Hichens, Treasurer to the Municipality of Johannesburg, was appointed to the former office. The Commissionership of Mines was not filled up until two years later, when Mr Weldon, up to that time Acting-Commissioner, was appointed to the post.

instalment of the war contribution, due in the following January.

“Since my return I have been engaged in a careful study of the financial question. The position will, I hope, be made as clear to you as it is to myself, by a despatch which is being prepared. I think, however, that it is desirable to let you know the main features at once.

“The immediate prospect is very bad. There is a complete stagnation in commerce and enterprise owing to the labour difficulty, and it affects almost every branch of revenue, especially the railways. The falling off in the gross traffic of the railways is aggravated by high expenditure due to temporary causes which the despatch will explain.

“The result is that taking the Transvaal and Inter-Colonial budgets together we must be prepared for a deficit, which in the present financial year may be as much as £350,000. The Orange River Colony is all right, and will be able to make both ends meet, besides contributing its proportion of the increased deficit on the Inter-Colonial budget due to the falling off of railway revenue.

“As regards the year 1904-5 we cannot in the absence of a complete change in the state of business make our collective budgets balance except by introducing severe retrenchments in the Transvaal estimates, and by reducing the strength of the South African Constabulary.

“I think it is a matter for the serious consideration of His Majesty's Government, whether it would not be better to defer for a year the raising of the first instalment of the war loan. No one could possibly contemplate such a postponement with greater reluctance than I contemplate it, but it would in my judgment be a grave financial and political mistake to raise the loan before the country is able to pay the interest on it. It would greatly damage our credit, as the terms on which we shall have to borrow in the present crisis would be out of all proportion to our real financial capacity, and all parties in the colony would be united by it in a protest which might in the end go much further than the immediate question. There is, I am perfectly convinced, a strong feeling here in favour of fulfilling the obligation to contribute the thirty millions, even at a considerable sacrifice. Although there will always be some popular opposition and grumbling, that opposition would not, in my opinion, be serious or alienate the loyal section of the population, if the burden were imposed

gradually as we became able to bear it. If, however, His Majesty's Government insist on the obligation being carried out at once without regard to the serious, and in itself wholly unforeseen, crisis which has arisen since the obligation was undertaken, it will, I fear, while putting a formidable weapon into the hands of those already disaffected, permanently injure the strong attachment which undoubtedly exists among the loyal population to the Mother Country. If, on the other hand, His Majesty's Government was to take the initiative itself in postponing the loan, the consideration thus shown for the embarrassments of the country would strengthen the desire of the well-affected to discharge the obligation so soon as the means were available, and would, I consider, increase the likelihood of its ultimate discharge in full and without a quarrel.

"I am as convinced as ever of the ability of the colony, under normal conditions, to fulfil all its obligations. I mean by 'normal conditions' the power to use its present equipment for the production of gold without any question of further expansion. But by that is meant our obtaining at least 50,000 labourers, and I can see no prospect of doing that for another twelve months, or even of materially increasing our present number in that time. We have reached the end of our local resources, and even if the prohibition of foreign coloured labour were removed at once, it would take several months before we could obtain a single man, and much longer before we could get more than a few thousands. A diminution rather than an increase of revenue is in the immediate prospect, and I do not believe that any considerable recovery can be shown by the revenue before the latter part of the next financial year, even assuming that everything is done to hasten the turning of the tide."¹

The disastrous effects of the shortage of labour were most immediately apparent in the falling off of the railway earnings. The figures for the first five months showed that on the same basis the net revenue for the current financial year (1903-4) would be £1,200,000 as against the £2,150,000 set down in the estimates submitted to the Inter-Colonial Council in last July. To what extent could this threatened deficit of £950,000 be reduced by retrenchments in the remaining seven months, and how could the irreducible minimum

¹ Cd. 1895.

of deficit, which would still remain in spite of all possible economies, be provided for? These, Lord Milner saw, were the practical questions to be considered; and he set himself to the task of finding how they could be answered by a personal examination of the accounts of the railway administration.

In the meantime the debate on Sir George Farrar's motion, in favour of the importation of Asiatic labour, was going on in the Legislative Council (28th to 30th December). The result of the division—ayes 22, noes 4—came through the telephone from Pretoria, late on the night of the 30th. On the following day—the last of the year 1903—Lord Milner met Sir Arthur Lawley and the Executive Council in conference, and the Transvaal Government finally decided, subject to the sanction of the Home Government, to make legislative provision for the importation of Asiatic indentured labour for the mines. The decision was reported to the Secretary of State in the following telegram, which was despatched by Lord Milner, after further consultation and the revision of the original draft of the Ordinance, on 3rd January 1904.

“I have conferred with the Lieutenant-Governor and the members of the Executive on the situation created by the vote of the Legislative Council on Sir George Farrar's motion. They are all unanimous in thinking that the Government ought without unnecessary delay to introduce legislation on the lines laid down in that motion, and I have agreed to their doing so. A draft Ordinance in English and Dutch will therefore be published and widely circulated next week, and will be introduced in the Council when it meets again. The Council has adjourned to the 18th.

“I realise the gravity of this decision, but have no shadow of doubt as to its wisdom. There are no signs of an adequate amount of labour being obtained from existing sources of supply. The consequent depression in every kind of business is increasing daily, the revenue is falling off, many people are out of work, and if the situation does not soon change a considerable exodus of the white population is inevitable. On the other hand there is nothing wrong with the mines except insufficiency of labour. They are fully equipped for a production at least 60 per cent. above

the present, and plenty of capital for further development is assured, if only labour is forthcoming. It appears unjustifiable to refuse to try any remedy not in itself intolerable for a state of things which is causing grave distress to all classes of people in this colony and affecting the whole of South Africa. No one, indeed, any longer supposes that the experiment of Asiatic labour, even if successful, can do more than supplement the local supply, or would justify any relaxation in the immense efforts being made to develop the latter. Anything like a sudden and very abundant influx of Asiatics is out of the question. But in the opinion of the best judges we may hope gradually to obtain an amount of labour from Asia which will substitute steady and substantial progress for the present complete stagnation. . . .

"The vote in the Legislative Council, in my opinion, faithfully reflects the present state of public opinion and the great change which has come over it. A year ago Sir George Farrar's proposal¹ would have found very few supporters in the country. When I left here in August, though opinion was rapidly changing it was still almost equally divided. To-day I consider the scale has turned decisively in favour of imported labour. . . .

"Significant as the vote is, the debate itself was even more important, and has made a deep impression on the public. I never remember a discussion in which the weight of argument was more completely on one side. The debate turned almost wholly on the evidence given before the Labour Commission, which several of the speakers had thoroughly mastered. That evidence has for some time past been steadily influencing public opinion, but the cumulative effect of it as brought out in the debate is overwhelming, and virtually leaves no room for doubt that the choice lies between a prolonged stagnation of industry and agriculture and a resort to imported labour. It is the recognition of this fact alone which in my opinion has transformed public opinion. There is no change in the

¹ The motion was: "That the attention of the Government be called to the report of the Transvaal Labour Commission; that the Government be requested to introduce a draft Ordinance providing for the importation of indentured unskilled coloured labourers for the purpose of supplementing the supply of labour on the mines within the Witwatersrand area under such restrictions as will ensure their employment as unskilled workmen only and their return to their native country on the completion of their contracts; and that, in order to secure full consideration of the important issues involved, such draft Ordinance be published in English and Dutch for a reasonable time before being introduced into this Council." The debate is given in full in Cd. 1895.

general aversion to Asiatics as permanent residents. But those who carry this aversion to the point of refusing to admit Asiatics as indentured labourers under condition of repatriation, even in the face of a proved insufficiency of other labour, are a small minority both among Boer and British. They were reinforced at first by thousands who were honestly convinced that there was plenty of labour to be had in South Africa if it were only properly recruited, and that Asiatics, if once introduced, would swarm over the whole country in enormous numbers, invading every trade and acquiring a permanent hold on the land. The former idea is now seen to be a delusion, while the proposed legislation will guard against the latter evil. Even before the debate the change of public opinion was evident. On 1st April a great mass meeting held in Johannesburg condemned Asiatic labour with hardly a dissentient voice. A similar meeting held on 14th December was a complete fiasco, and the opponents of Asiatic labour were obliged to fall back on a ticket meeting of 200 people in a small hall. The decision of the Council has been received with loud approval and a general sense of relief, and I see no signs of active opposition to it, least of all in the country districts. Efforts originating from outside the colony have, indeed, been made to work up an agitation against it amongst the Boer farmers, but so far they have met with little success."¹

¹ Cd. 1895. As regards the rest of South Africa, although there were in all the Colonies "a number of men of unquestionable sincerity who were opposed in principle to imported labour under any circumstances," it was only in the Cape Colony that the opponents of the importation were able to make any appreciable impression upon the public mind. At the time—*i.e.*, during the months of January and February 1904—the first general election held after the war was in progress; and adverse references to the proposed importation of Chinese into the Transvaal were common in the speeches of those candidates of both parties who were standing for constituencies in which the 'coloured vote' was a considerable, or dominating, factor. The artificial character of the outcry thus raised against the Importation Ordinance on the part of a colony which not only possessed a long established Malay population of its own, but actually employed Chinese labourers in its ports, and had more than once proposed to import Chinese labour for work upon the farms, has been already noticed. And a striking evidence of the inconsistency of some individual critics of the Transvaal measure was afforded by the fact that an official return of the convict labour employed by the Cape farmers, made at this time, showed that both Mr Merriman and Mr Sauer were among the proprietors by whom such labour was used in the cultivation of their farms. But in any case, whatever practical basis existed for misgivings on the part of the native labourers and white artisans of the Cape was removed by the prompt enactment, by the Progressive majority, of a measure which stringently prohibited the entry into this colony of any Chinaman coming from the new colonies.

On the next day (the 4th) the draft Ordinance, as thus amended by the Executive Council, together with the full statements of the financial position of the colony promised by Lord Milner in his telegram of 28th December, was sent by mail to the Secretary of State. But before this could reach him, Mr Lyttelton telegraphed on the 16th, in reply to Lord Milner's cabled despatch, that

“His Majesty's Government in view of his earnest advice, and the information by which he had supported it, would not withhold their sanction to the introduction of the Ordinance.”

He then made certain observations upon the original draft, and concluded with the statement that—

“it will be necessary to ascertain the views of the Chinese Government in order that His Majesty's Government may be assured that that Government will accept the provisions of the Ordinance as the basis of the regulations, which they desire to be drawn up in concert with the Chinese Ambassador in London.”

Two days later (the 18th) Mr Lyttelton telegraphed :—

“His Majesty's Government have come to the decision, after careful consideration of the very serious state of things described in your telegram of 28th December, that there is no alternative to postponing the issue of the ten millions war loan.”

With reference to the deficit anticipated in the budgets of this and the next financial years, the despatch concluded :—

“You will fully appreciate the grave objection to asking Parliament to impose a further addition to the burdens of the British tax-payer, by whom large sacrifices have already been made. His Majesty's Government, therefore, look to you still further to diminish expenditure, and to secure an equilibrium next year at any rate, if you cannot secure it this year. . . . I rely upon you to find means by which the necessary economies may be effected.”

Lord Milner's reply to Mr Lyttelton's announcement of the Home Government's consent to the introduction of

the Labour Importation Ordinance was cabled on the 20th. It ran:—

“The Ordinance was introduced yesterday. The second reading will be taken to-day and the Committee stage next week. You will have received by mail a copy of the Ordinance as introduced. . . . I proceed to deal *seriatim* with your suggestions. . . . I trust, with reference to your concluding paragraph, that the reference to the Chinese Government will not involve much further delay. The situation here is of increasing strain, and I foresee that our financial difficulties will be greatly aggravated unless we can begin recruiting soon. An absolute reduction in the number of native labourers was shown last month for the first time. This month, up to date, is even worse.¹ An unprecedented number of claims have been abandoned this month, which shows the financial straits of a large number of claim-holders, and involves a further loss of revenue.”

To Mr Lyttelton's telegram reporting the postponement of the first instalment of the war contribution loan, he replied two days later, that the Government's decision “relieved him greatly.” As regards next year's estimates, he said,

“a deficit can and must be avoided. To further demands on the British tax-payer I am totally averse. But to avoid a deficit some reduction in the Constabulary is indispensable. . . . I have arranged with the Inspector-General for such a gradual reduction. In the present year the saving will not be great; but it will make a very appreciable difference next year.”

But perhaps the best impression of the seriousness of the financial position to which the shortage of labour had reduced the Transvaal is that to be gained from the opinions expressed by the permanent officials of the Colonial Office after the postponement of the war loan had been accepted by the Home Government. To these able men, who were, of course, far more intimately acquainted with the details of the financial circumstances of the new colonies than the newly appointed Secretary of State, it seemed that even now the

¹ This was due to the falling off of Mozambique natives. Their reluctance to leave their kraals was caused by an exceptionally abundant harvest—a circumstance which provided more work, and at the same time more abundant food.

most that could be expected was that Lord Milner might "by some kind of miracle" be able to avoid a deficit in the current financial year, and the Home Government thus escape the necessity of asking Parliament to vote a portion of the interest on the £30,000,000 of the Guaranteed Loan already issued. While, therefore, the Colonial Office, no less than Lord Milner, saw in the postponement of the war loan a "great relief," it was prepared for the disagreeable necessity of asking the British tax-payer to make further sacrifices for the new colonies.

In addition to the settlement of these two primary questions of policy, Lord Milner was endeavouring to obtain decisions from the Home Government upon two other matters each closely connected with the financial prospects of the Transvaal. With the Colonial Office as his medium of communication, he was continuing the conflict with both the War Office and the Treasury in which he had been engaged in London. With the former he was fighting against the "preposterous claim" for £1,250,000 for capital expenditure upon the railways during the period of military control, which was advanced a year ago as part of the terms of the financial settlement;¹ and with the latter, to overcome its refusal to allow the badly needed balance of the Guaranteed Loan—£5,000,000 in amount—to be issued until the first instalment of the war contribution loan (now postponed) had been raised. As the terms of the Financial Settlement left the colony free to choose its own time for the payment of the £30,000,000 war contribution, this refusal of the Treasury was in effect a breach of the agreement. And, more than this, as the Colonial Office pointed out, it was bad finance; for the purpose of the Guaranteed Loan was to enable the Transvaal to develop its resources, and thereby obtain the increased revenue necessary to provide for the service of the war contribution loan.

Together with this struggle with the War Office and the Treasury, Lord Milner was continuing his personal investigation of the affairs of the railway administration, and devising the methods by which the required retrenchments could be effected without sacrificing work essential for the

¹ See chap. viii. p. 186.

improvement of the existing railway system and for the construction of the most urgently needed of the new lines. The details of these matters and the constitutional developments to which they gave rise, must be reserved for consideration in the separate account of the railway administration which will be presented in due course. For the moment it is sufficient to notice that Lord Milner was confronted by an exacting and difficult departmental enquiry at a time when the labour question would, in itself, have absorbed all the time and energy that could be spared from the fulfilment of his ordinary official duties.

An incident which broke the routine of these latter must, however, be mentioned, since it touches the central conditions of the reconstruction. On the 21st Lord Milner left Johannesburg by special train for Bloemfontein, where he remained until the 25th. The occasion of his visit to the Orange River Colony capital was this. The drought, which had prevailed in the new colonies for two years, infinitely increasing both the labour and the cost of the repatriation, had at last broken. On the 17th torrential rains had changed the little river—normally scarcely more than a brook or “spruit”—which flows through Bloemfontein, into a mighty flood. All along its course men and cattle were swept away and their habitations destroyed, and in the town itself the whole of the riverside quarter was utterly wrecked. The Bloemfontein disaster called forth the active sympathy of European South Africa, but nowhere else was the assistance rendered so prompt or so generous as that of Johannesburg. In spite of the fact that Lord Milner was in the thick of his telegraphic correspondence with the Secretary of State on the labour question, he at once arranged to divert the despatches, and to make Bloemfontein his headquarters for a few days. In this way he was able to visit the devastated area, to aid the sufferers by his presence and advice, and to inspire the municipal authorities with the determination not merely to repair the injury, but to take the necessary measures to prevent the recurrence of any similar disaster in the future.

Other questions there were that each in turn took clamorously its share of Lord Milner’s time in these crowded

months: the Cape elections,¹ the enlargement of the Inter-Colonial Council, financial expedients, taxation, the first beginning of the new cry for self-government, parleyings with the Boer leaders on the education question, the plague, Boer unrest, the Volunteers, the Premier Mine, and Swaziland. But these, interesting and important as they are, must stand aside until it has been seen how the all-important labour supply for the mines was won, and thus the great primary economic need of the Transvaal was at length satisfied.

The position in which the draft of the Asiatic Labour Importation Ordinance was left by Mr Lyttelton's telegram of the 18th was this. The Ordinance had to be passed by the Legislative Council of the Colony in a form which would, (1) satisfy public opinion in the Transvaal; (2) allow Ministers at Home to defend it successfully from Opposition attacks in Parliament and in the country; and, (3) be accepted by the Chinese Government as the basis of the "Regulations" to be drawn up, concurrently with the passing of the Ordinance, by the Chinese Ambassador in London in conference with the Foreign and Colonial Offices.

To harmonise, and then embody in the provisions of the Ordinance, demands so various and conflicting, full and constant telegraphic communication was maintained between Mr Lyttelton and Lord Milner. But much more than this elementary convenience of rapid communication between London and Johannesburg was required. The Colonial Secretary was the "transmitter," so to speak, of a mass of amendments based upon criticisms, which ranged from the wildest denunciations that fanatical hostility or Boeotian ignorance could exhale, to the natural protests of the Australasian Governments, or the friendly advice of colonial administrators, who were themselves experienced in Chinese labour as employed in other quarters of the Empire. He was also the guardian of the reputation and electoral interests of the Unionist Party. Chinese labour was disliked by the rank and file of the Government's

¹ They resulted in the return of a small majority of Progressive candidates, and this party then took office with Dr (afterwards Sir Starr) Jameson as Prime Minister.

supporters in the House of Commons; it was exceedingly unpopular in the great working class constituencies. Mr Lyttelton had no illusions on this aspect of the question. "You were right and I was wrong as to the amount of trouble you were likely to have over (the Labour Ordinance) in Parliament," Lord Milner wrote to him on 21st February. "All the more cause have we to be grateful to you for making so strong and successful a fight." Ten days later he said¹ humorously in Johannesburg, "Knowing that, if need were, there was in other countries than Africa abundant and super-abundant labour ready to come to us, it never occurred to me that half the world would unite, for the most absurd and self-contradictory reasons, to try and prevent our getting it." And on 14th April, when the Ordinance had run the gauntlet of the House of Commons successfully, Mr Lyttelton wrote, "We should all lose our seats just now over the Chinese, but I am not in the least down-hearted about the matter." Moreover almost the entire burden of defending and justifying the Ordinance in the House of Commons rested upon his shoulders, since Mr Arthur Balfour had no intimate knowledge of South African conditions, and in debate could only enforce the arguments with which Mr Lyttelton's speeches provided him. In ordinary circumstances Mr Chamberlain could have been depended upon to render powerful assistance: but, as we have noticed before, on this question he found himself at variance with the judgment of Lord Milner. The Radical Opposition was pledged to offer a resistance *à outrance* to the measure. This was only to be expected, but what was hardly anticipated was that Mr Asquith, Sir Edward Grey, and other Liberal Imperialists, with the exception of Mr Haldane and, in a lesser degree, Lord Rosebery, should have shown themselves almost as bitter and unrestrained in their denunciations of the measure as Sir Henry Campbell-Bannerman himself.

On all these grounds Mr Lyttelton could not afford to take any risks. He had to make the Ordinance so technically perfect from the Unionist Government's point of view that

¹ President's Address at the special Railway Session of the Inter-Colonial Council, which met at Johannesburg on 1st March.

hesitating supporters could not complain that the pledges, by which their dislike had been overcome, were not fulfilled to the letter. He had to conciliate the House of Commons as a whole, and to soften the asperity of individual opponents, by asking for meaningless enquiries and futile statistics, and by suggesting "safeguards" in the Ordinance and Regulations, which were sometimes quite unnecessary, and sometimes so maladroit that they would have invited the very evils which they were intended to prevent.

Nor was this all. As if it were not enough to have all the cranks and faddists in the United Kingdom let loose upon him, early in March the Chinese Government unexpectedly assumed an attitude that opened up an endless vista of blackmailing diplomacy and wearisome procrastination. The decision to require a brand new convention, to regulate Chinese emigration, not merely to the Transvaal but to all British colonies, under the treaty of 1860, was believed to have been inspired by Sir Halliday Macartney, the European Secretary of the Chinese Embassy in London. However this may be, the demand not only complicated the negotiations, but presented an opportunity for the insertion of a provision requiring the regulations for indentured emigrants to any particular colony to be submitted to the Chinese Foreign Office by the British Minister at Peking, and await the approval of this formidable institution before the emigration could commence. In the present case the insertion of such a provision would have put it in the power of the Chinese Government in Peking to have nullified by frivolous objections and endless delays the entire result of the London negotiations. Fortunately Lord Lansdowne was quite alive to this danger; and, while assenting to the drawing up of the new Convention, he claimed that this document should be a final agreement, and as such contain in itself all that China considered essential to the protection of her subjects. Accordingly Article I. of the Convention runs:—

" . . . it is hereby agreed that on each occasion when indentured emigrants are required for a particular British Colony or Protectorate . . . His Britannic Majesty's Minister in Peking shall notify the Chinese Government . . . the Chinese Government shall thereupon, without requiring further

*formalities, immediately instruct the local authorities at the specified Treaty Port to take all the steps necessary to facilitate emigration."*¹

The Johannesburg demonstrations of impatience at the delay in bringing the Ordinance into effect, useful as they were in helping the Government to get the measure approved by the House of Commons, only served to whet the appetite of the Chinese authorities for diplomatic bargaining. Infinite labour, real skill, and above all a genuine desire on the part of Lord Lansdowne to assist the Transvaal Government in its difficulties, were needed in these circumstances. They were all forthcoming, and in the end they prevailed. But the obstruction of the Chinese Government remained a "terrible anxiety" to Mr Lyttelton up to the very day—13th May—when at last the Convention was signed.

In the foregoing circumstances is to be found the explanation of the rain of telegrams from the Secretary of State, which poured down upon Lord Milner during the months of February, March, and April. So much of them as were made public are to be found in the Blue-books,² where they fill the space of a respectable volume. Happily there was a cool head to read them. And Lord Milner himself had at his right hand two of the ablest of the very able group of officials whom he had gathered round him for the service of the new colonies—Sir Richard Solomon and Mr Patrick Duncan; while the best brains of the mining industry were at his disposal to work out the intricate details of fact and figure without which some light-hearted questioner in the House of Commons would have remained unanswered. As we read the Blue-books to-day, the garrulous inquisition of Westminster seems little more than a harmless foil to set off Johannesburg's perfect mastery of fact and figure. But, nevertheless, the strain of constant telegrams, involving more often than not a hasty summons of one or more of the Executive, with or without conferences with half a dozen experts or leaders of the mining industry, would have passed the limits of human endurance, had not Lord Milner felt

¹ Cd. 1956.

² Cd. 1898, 1899, 1941, 1986, 2026.

assured—in spite of the falsetto of the wires—that the Prime Minister and Lord Lansdowne were giving him loyal and earnest support, and that Mr Lyttelton, with an almost heroic devotion to duty, was working heart and soul to secure the passage of the Ordinance.

And then to crown all, just two days before Sir Henry Campbell-Bannerman moved his vote of censure in the House of Commons, the plague broke out in the Indian coolie location at Johannesburg. Never before in South Africa had the bubonic plague penetrated so far inland as Johannesburg. In conjunction with its appearance the proposed importation of Chinese constituted at first sight a double menace. Some—not many—but some of the European population fled from the Rand. The new labourers would multiply ten-fold the Asiatic population of the colony upon which the plague fed most eagerly. Coming from China, what more likely than that they should bring with them fresh seeds of the dread disease? In the first days of astonishment and alarm not only the opponents, but the most eager supporters, of the Ordinance saw in this unprecedented visitation the end of Chinese labour. Nor was it surprising that Mr Lyttelton should have sought, and obtained, for the House of Commons the assurance that competent medical opinion on the spot declared that there was no risk of the plague being extended through the advent of the Chinese, before he allowed the coolies to go on board the transports which were waiting for them at Hong-Kong.

The voluminous details of the struggle for the Ordinance, whether in London or in Johannesburg, cannot be transferred from the newspapers and the Blue-books to these pages. But even the bare enumeration of the principal incidents in their chronological order, which is all that can be attempted here, tells something of the anxious work, of the fluctuations between hope and dismay, of the gathering impatience, and of the final glow of renewed vitality, that marked Johannesburg in the months that it waited for the coming of the Chinese.

In the Transvaal Legislative Council the Asiatic Labour Importation Ordinance passed Committee on 26th January, and its third reading on 10th February. Between 28th

January and 5th February the whole of the amendments were cabled *in extenso* to Mr Lyttelton, who was thus able, by incorporating them into the draft transmitted in Lord Milner's despatch of 4th January, to present the actual text of the Ordinance to Parliament directly it had been passed by the Transvaal Legislature.¹

On 4th February the draft Ordinance was sent by Lord Lansdowne to the Chinese Ambassador ; and on the 11th it was accepted by the latter, subject to certain alterations, as the basis of the Regulations, which he was authorised by his Government to draw up with Lord Lansdowne for the supervision and protection of the Chinese immigrants, as provided for in Article V. of the Treaty of Peking (1860).²

On the 12th the Ordinance in its final form was forwarded by the Colonial Office to the Foreign Office for transmission to the Chinese Ambassador ; and on the 15th the Colonial Office informed the Foreign Office that the Chinese Ambassador's suggested alterations had been telegraphed to Lord Milner, and intimated that, as any alterations of the kind required could be embodied in the Regulations, the proposed Conference of the Foreign Office, the Colonial Office, and the Chinese Ambassador for the drawing up of these Regulations should meet at the earliest possible date. On the 20th Lord Milner telegraphed to Mr Lyttelton that Mr Evans³ had arrived in Johannesburg, and that he and the Attorney-General (Sir Richard Solomon) would set to work upon the Regulations at once. He added :—

“ I have had a complete list made of your pledges and

¹ In Cd. 1898.

² The Chinese Government had been informed in the autumn by the British Minister at Peking that it was proposed to invite Chinese labour to serve in the Transvaal mines. Article V. runs :—

“ As soon as the ratification of the Treaty of 1858 shall have been exchanged, His Imperial Majesty the Emperor of China will, by Decree, command the high authorities of every province to proclaim throughout their jurisdictions, that Chinese choosing to take service in the British Colonies or other parts beyond the Sea, are at perfect liberty to enter into engagements with British subjects for that purpose, and to ship themselves and their families on board any British vessel at any of the open ports of China ; also that the high authorities aforesaid shall, in concert with Her Britannic Majesty's representative in China, frame such Regulations for the protection of Chinese, emigrating as above, as the circumstances of the different open ports may demand.”

³ Mr Evans (“ Chinese Evans”) had been in China, as the representative of the mining industry, to make the necessary enquiries and arrangements for the recruiting and transport of the coolies.

requirements as contained in the various telegrams received from you on the subject; and care will be taken to embody all of them. Meanwhile it would appreciably assist position here if you could telegraph assent to Ordinance."

On the 23rd a summary of the Regulations was telegraphed to Mr Lyttelton, who, on the 26th, authorised them to be prepared on the lines proposed.

On the 27th the actual text of the Ordinance, together with a report of the proceedings in the Legislative Council reprinted from the *Star*, was received by mail at the Colonial Office, and, in the course of the next few days, these and other documents were presented to Parliament in Blue-book, Cd. 1941. On 5th March the Colonial Office informed the Foreign Office that Mr Lyttelton had been in telegraphic communication with Lord Milner on the subject of the five points raised by the Chinese Ambassador, and set out the result of these communications for Lord Lansdowne's information. On the 7th Mr Lyttelton asked Lord Milner to telegraph to him *in extenso* the text of the particular regulations which embodied his "pledges and requirements"; and this was done on the day following. On the 9th Mr Lyttelton, who had now the material contents of the Regulations before him, telegraphed that he was prepared to sanction the Ordinance subject to the fulfilment of two conditions. He must receive an assurance that Lord Milner was satisfied that the arrangements for the reception and accommodation of the immigrants could be completed in the interval between their embarkation in China and their arrival in the Transvaal. And Regulation 33, which provided that immigrants could bring their wives and children with them, if they so desired, at the expense of the importing employer, must be so amended as to provide further that any immigrant who had not brought his wife and family with him in the first instance, but who wished, after his arrival, to send for them, should have every facility for so doing, and that the employer should in this case also bear the cost of bringing the wives and children from China. On the 10th Lord Milner telegraphed that he could give the required assurances on both points. It would, however, be necessary, in order

to prevent fraud, to require the married labourers to register the names and addresses of their wives and children before leaving China.

On the same day—10th March—a large deputation, composed of delegates from twenty-eight representative bodies and thirty-seven public meetings held on the mines, waited on Lord Milner at the Wanderers' Hall for the purpose of protesting against the Home Government's delay in sanctioning the Ordinance, and the misrepresentations to which that delay was so largely to be attributed. The composition and opinions of this deputation furnish information of the highest evidential value upon the two aspects of the Chinese labour controversy upon which correct knowledge is most material—the degree in which the people of the Transvaal themselves approved of the Importation Ordinance, and the light in which they themselves regarded the statements upon which the anti-Chinese agitation in England was based. The reader will not complain, therefore, if we turn aside a moment to consider its proceedings.

The significance of the attendance of the delegates from the mines lay in the fact that the meetings which had appointed them were public meetings of white workmen employed on the mines, and that these meetings covered practically the whole area of the gold industry on the Rand. These white workmen, who a year ago were bitterly opposed to the bare idea of Chinese imported labour, now by the speeches of their delegates protested in the strongest terms against the delay in giving effect to the Ordinance, and showed indignation at the slanderous statements current in England, which, as they considered, reflected upon themselves no less than upon any other section of the British community in the Transvaal.

“The misrepresentations taking place at Home,” said one of these working miners, “are unbearable. I have read the speech of a man who is called ‘Honest John,’ and who knows all about the requirements of the Transvaal, though he lives thousands of miles away. This gentleman says that the reason we cannot get labour is that the natives are inhumanly treated. I will give that statement

the lie direct. I maintain that there has been a great improvement in the treatment of the natives. I am sure that every one here who has worked in the mines knows that the Kafir's day's work is not in any extra way laborious. If he shows anything in the way of frugality, at the end of a year's service he can walk away with £30 or £35 in his pocket. Where is the British unskilled workman who can do that?"

And another :

"The unanimous feeling of the mines in the district from which I come is for imported labour. It has been said that this is a capitalistic question, but I consider it is a working man's question. The working men are suffering enough from not being able to get work. We believe that if labourers can be brought from China and the mines started, it will be a great deal better for all hands—for the working classes, not only on the mines but in the towns, for the farmers, and every one."

In addition to the thirty-seven mines, the public bodies represented were: the Town Council, the Chamber of Trade, and the Chamber of Commerce, of Johannesburg; the Rand Pioneers, the Transvaal Landowners' Association, the Municipality of Germiston, the Municipality of Boksburg, the East Rand Vigilance Association, the Prospectors' and Claimholders' Association of the Transvaal, the Mine Managers' Association, the Committee of the Johannesburg Stock Exchange, the Licensed Victuallers' Association, the Transvaal Society of Architects, the Urban District Board of Springs, the Boksburg Chamber of Commerce, the Boksburg Licensed Victuallers' Association, the Salvation Army, the Johannesburg Cabmen's Union, and the Builders' and Contractors' Association.

The scientific societies and associations of professional men sending delegates were: The South African Association of Engineers, the Mechanical Engineers' Association, the Chemical and Metallurgical Association, the Geological Society, the Institute of Chartered Accountants, the Institute of Mine Surveyors, the Society of Architects, the Society of Accountants and Auditors; and the Institute of Land Surveyors.

The Mayor of Johannesburg, in introducing the Deputation, read a telegram in which the Bishop of Pretoria, as representing the Anglican Communion in the Transvaal, stated his regret at his inability to be present on the occasion, and his belief that "the importation of unskilled Asiatic labour under Government regulations was the only solution of the present difficulties." He also said that he had been authorised to make known to the Deputation and to the public, that the Witwatersrand Church Council had sent a message by cable to the Annual Conference of the Evangelical Free Churches then in session at Newcastle in England.

"The Witwatersrand Church Council at a meeting, held yesterday, embracing representatives of the Baptist, Congregational, Presbyterian and Wesleyan Churches of Johannesburg and district, resolved the following by vote of 30 to 1: That while expressing no opinion on the economic questions involved, this meeting strongly deprecates your agitation against Chinese labour, and thinks that fuller knowledge will modify your views as to the conditions of service which are voluntary. Similar conditions have long prevailed in South Africa. We suggest that your utmost efforts be directed to securing perfect freedom for Christian work among Chinese. Please read at annual Conference and publish."

The resolution which had been passed by the delegates representing these various bodies was this:

"We desire most earnestly to impress on His Majesty's Government:

- "(a) That it is the interests of the whole white community of this Colony that are at stake, and more especially of the British population engaged in commerce and industry which is dependent on an adequate supply of coloured labour.
- "(b) That so far from the importation of unskilled labour diminishing the employment of whites, it must necessarily augment it.
- "(c) That failing the immediate giving effect to the Ordinance, an increasing number of white workers will find themselves without the means of livelihood, and the present acute financial and industrial depression will be intensely aggravated."

Lord Milner, in his very brief reply, assured the deputation that he would not fail to report telegraphically to the Secretary of State the terms of the resolution, and the substance of the speeches by which it had been supported. With reference to the two allegations—that the conditions under which the Chinese would work would amount to slavery, and that the real purpose of the employment of Chinese labour was to exclude or limit fresh British immigration—upon which the political opposition in England to the Ordinance was based, he said :

“ It is a cruel thing that a white British population of this country, standing on the same level of humanity and civilisation, animated by the same profound love of justice and of freedom as their fellow-countrymen at Home, should be wrongly and absurdly accused of a desire to introduce slavery into their midst. I say that it is a monstrous abuse of language to apply that term to the arrangements which it is proposed to introduce here, arrangements which are identical with those which have been introduced, identical with the system which prevails, and has prevailed for years, with the full knowledge and approval of the British Government and people, in many other colonies of the British Empire. And if it is not equally slanderous, it is equally untrue to say that any one, either the Government or the mine-owners, or any of the many important public bodies who are represented here to-day are desirous of substituting coloured for white labour, or of cutting down the opportunities for the employment of white labour in its proper sphere in this country. The very opposite is the truth. This is a misrepresentation which comes home very near to me personally. If there is one thing which is a more intense object of desire to me than any other—if there is one paramount object of my endeavours—it is to increase the white population of this country—not by underpaid labour, but to increase the opportunity of white men to earn a good, adequate wage, and to bring up white families in prosperity and in comfort in this land, which, under proper conditions will present such extraordinary opportunities for doing so. I am perfectly satisfied that an increase in the supply of coloured labour is necessary, under the present economic conditions, not only for the prosperity of the whites already here, but it is an essential preliminary condition for the introduction of any larger number. Unless you can obtain

that coloured labour, the depopulation of the country, the white exodus which has already commenced, will go on. If you do obtain coloured labour in any adequate quantity the prosperity of the country will gradually return, and there will be employment of a good kind not only for many whites who are idle here to-day, but for many more who will come here. On the one hand you have stagnation and depopulation; on the other hand you have a prospect of a gradual return to prosperous conditions and a large increase in the population of working whites. I reckon, and I stake my reputation on the correctness of the reckoning, that for every 10,000 coloured labourers you can obtain in addition to your present supply, you will, within three years, have 10,000 whites—men, women, and children—added to the population of this country.”¹

This demonstration produced an appreciable effect both in England and in Australia and New Zealand.

“Short of a telephone between the Wanderers’ and the House of Commons,” wrote the *Star*,² “it is difficult to conceive what more could be done to make the mind of this community known to England than was done yesterday. . . . In the absence of the machinery of representative Government, nothing more could have been done, than was done, to make the deputation which waited upon Lord Milner an effective instrument for the representation of the mass of the English population of the colony. The message of the meeting to the people of England was the more eloquent of meaning for the brevity and restraint of the proceedings.”

The text of the resolution, with a short account of the character of the deputation, reached Mr Lyttelton late the same night, and on the afternoon of the next day (11th March) he sent the following telegram to Lord Milner:—

“The Regulations set forth in your telegram of 8th March, No. 1, subject to alteration of Regulation No. 33, as agreed in your telegram of 10th March, No. 2, satisfactorily fulfil my pledges; and you are therefore at liberty to act under the suspending clause and to proclaim in the Gazette

¹ See forward, p. 367, for effect of Chinese labour on the increase of the white population of the Transvaal.

² Johannesburg, 11th March 1904.

that it is His Majesty's pleasure not to disallow the Ordinance."¹

The announcement of the Royal assent did much to relieve the tension on the Rand, but before any coolies could be embarked it was necessary that the Chinese Government should approve the Regulations and authorise the Chinese Ambassador in London to sign the new Convention. The text of the Regulations was forwarded by mail on the 21st and reached the Colonial Office on 9th April. Thus, the two events which, as already noted, fell out with such dramatic juxtaposition—the outbreak of the plague, and the Opposition vote of censure—took place in the interval between the Royal assent and the commencement of the final stage in the negotiations with the Chinese Government.

The official statement that cases of the bubonic plague had occurred in the Indian coolie location at Johannesburg was published in the Transvaal newspapers of Monday, 21st March, and on the same day Sir Henry Campbell-Bannerman moved his vote of censure in the House of Commons. This latter, which was in effect a vote of "no confidence" on the ground that the Government had sanctioned the Labour Importation Ordinance, was negatived by 299 to 252 votes; while a similar motion, brought forward by Lord Coleridge, was rejected in the House of Lords by 97 to 25 votes. The drop in the Government majority affords a measure alike of the unpopularity of the Labour Ordinance in England, and of the courage and loyalty with which Mr Balfour's Ministry supported Lord Milner in this grave crisis. Whether it be held that Chinese labour was necessary or unnecessary, nothing can rob the Unionist Ministry of the supreme merit of having, perhaps for the first time in the history of South Africa, refused to allow the realised risk of defeat in Parliament and in the country to deflect them from carrying out a policy which they believed to be essential to the well being of a British colony. The principle which in this matter guided the leaders of the Unionist Party, inspired as they were by the wider knowledge and the more splendid ideals of recent years, was definitely placed on record by

¹ Cd. 1986.

Mr Lyttelton in a letter written to a correspondent, and published in the English papers a few days before the date of the Chinese labour debate. In answer to the question, Did he not know that the support of the Transvaal Labour Importation Ordinance would have a bad effect upon the prospects of the Unionist Party in the Constituencies, Mr Lyttelton wrote :—

“ I am aware that the Government’s decision will probably cost the party many votes ; but a Government which flinched from what it knew to be necessary in the interests of another part of the Empire in order to avoid losing some supporters at Home would not deserve to retain the possession of power.”¹

The appearance of the plague placed the labour supply once more in jeopardy just at the very moment when the Parliamentary barrier had been successfully surmounted. How grave was the danger may be understood from the fact that, although the Convention (which embodied the Regulations) was telegraphed on 18th April to the Chinese Government at Peking, and formal notification of their approval of the text was received on the 22nd, between these two dates Mr Lyttelton had sent this disquieting telegram to Lord Milner :—

“ In connection with questions in Parliament, I shall be glad to know what is the view of your medical experts as to the probable risk of the extension of the Plague epidemic through the importation of the Chinese, and how they would propose to diminish this risk.”

Happily the opponents of the Ordinance in England did not realise that the outbreak of plague at Johannesburg had provided them with a new and well-founded argument against the importation, until all practical danger of the spread of the disease had disappeared. Indeed it would be difficult to find any recorded instance of a similiar visitation in which the risk of an epidemic was so urgent, and at the same time the plague itself was so promptly

¹ Quoted in the leading article of the *Star* of the morning following the debate (22nd March 1904).

and successfully overcome. This fortunate result was due to the fact that the health authorities in the Transvaal were perfectly prepared to meet the emergency. In 1901 Cape Town had been subjected to a severe visitation of the plague. In December 1902 a dangerous outbreak had occurred at Durban, and in spite of the prompt action of the Natal Government the disease had spread to Maritzburg before it had been stamped out. To provide against the contingency of the plague spreading from Natal to the Transvaal on this occasion the medical authorities of the Transvaal had constructed a properly equipped plague hospital at Rietfontein, eight miles from Johannesburg. During the last twelve months plague-infected rats had been discovered at intervals in Johannesburg, and the Town Council had decided to expropriate the quarter which contained the Indian, Malay, and native locations, as being an "insanitary area," and remove the inhabitants to suitable sites outside the town. When, therefore, the plague appeared, the machinery for fighting it was at once put in motion, and so completely was this dangerous scourge checked and controlled from the very outset, that after the natural alarm created by the first official announcements and bulletins had died down, the public of Johannesburg showed scarcely any consciousness of the grim visitant, which lingered none the less for some three months in their midst.

The episode is one which reflects credit upon Dr W. C. C. Pakes, the Government Analyst and Bacteriologist, who in the absence¹ of Dr Porter, was appointed Acting Medical Officer of Health for the Transvaal, and upon Dr Mackenzie, the District Surgeon for the Rand, and their subordinates; and this credit must be shared by the Government of the colony, by the Municipality of Johannesburg, and by the inhabitants of the town—both Europeans and natives²—all of whom contributed within their several spheres to the prompt suppression of the disease.

At 7.30 P.M. on Friday, 18th March, it was reported to the District Surgeon that there were cases of pneumonia in

¹ Through illness.

² A mass meeting of natives was convened by the Native Affairs Department, at which the nature of the plague, and the remedies against its spread, were explained.

the Indian coolie location. Early on the following morning the location was visited by Dr Pakes, and the patients were removed to a temporary hospital in the town, while seven coolies who had died were taken away for a post-mortem and bacteriological examination. Late in the evening the police were informed that the examination showed that in three out of the seven cases the cause of death was the plague. That same night the location was surrounded by a cordon of police, which prevented either ingress or egress; the patients were removed to hospital, and their houses were disinfected. On the next day, Sunday, the 20th, an informal meeting of the Town Council was held at half-past nine in the morning, the plague hospital at Rietfontein was opened, and all patients capable of being moved were carried there from the temporary hospital in the town. On Monday, the 21st, a special meeting of the Town Council was convened, a Plague Committee was appointed, the bye-laws of the Public Health Act relating to the prevention of epidemic disease were brought into force, and it was decided to remove the locations in the "insanitary area" at the earliest moment that suitable sites could be found for them outside the town. Until this last decision could be put into effect, the whole of the "insanitary area" was put into quarantine, and its inhabitants, some 3,000 Indian coolies and Kafirs, were fed at the public expense. But so prompt and effective was the action of the Plague Committee that before the first week had passed these inhabitants had been deported to new locations, eight miles distant from the town, and the process of destroying the houses and buildings, preparatory to the final purification of the whole area by fire and disinfectants, had begun.

In these circumstances the Home Government's offer to send out medical men had been gratefully refused, and when Mr Lyttelton raised the question of postponing the importation in his telegram of 20th April, Lord Milner was able to make a perfectly satisfactory reply.

"Your question," he telegraphed on 25th April, "is capable of two interpretations, viz. :—

"(1) That there is danger of the Chinese bringing the

plague with them. In reply to this the medical experts point out that the immigrants will be under observation at least twenty-five days before their arrival, will be medically examined at Durban, and will be picked men specially selected for their health and strength. It seems certain that the plague, if it exists, must be discovered before their arrival on the Rand.

- “(2) That the increase in the number of Asiatics on the Rand may increase the chances of the plague spreading. The reply to this is (a) that the Chinese are not more but probably less susceptible to plague than the Indians; (b) that given the assurance that the Plague Committee continues and does not relax its vigilance, the increase of the number of the Asiatics does not increase the risk; (c) that every possible arrangement is being made on the mines to make and keep clean the premises destined for the reception of the Chinese. The mine-owners are of course vitally interested in preventing all risk of plague. It should be remembered in this connection that fifty deaths occurred on the first outbreak of the plague in the Indian location. The whole population of over 3,000 were then moved to a new site, where only one death occurred during the first period of incubation, and none since.¹ This seems adequate proof of the vigilance and knowledge of the plague authorities. They are of opinion that the plague will very soon die out, but their vigilance will in no case be relaxed.”

In addition to the difficulty presented by the plague a harassing delay was occasioned at the eleventh hour by Mr Lyttelton, who, in order to fulfil his Parliamentary pledges to the very letter, insisted upon certain alterations in the Regulations, even after the Convention had been accepted by the Chinese Government. The purpose of the most important of these amendments was to insure that the Chinese labourers should not be used to displace, instead of merely supplementing, native African labour. With this

¹ There were a few deaths among the Europeans, but all of these were cases in which direct contact with the Indian patients could be traced—*i.e.* contact before the disease was known to be the plague.

object in view, Mr Lyttelton at first insisted upon 1s. 6d. per day being inserted in the contract as the minimum wage payable by the employer. As against this, however, the agents of the mine-owners in China pointed out that no coolie would work even half-power for a minimum wage, while, on the scale of wages fixed by the Chamber of Mines, any man who was prepared to work would easily earn at piece-work 50 per cent. more than the proposed minimum of 1s. 6d. In deference to these practical considerations Mr Lyttelton accepted a compromise proposed by Lord Milner. If within six months of arrival on the Rand the average coolie pay did not equal £2, 10s. per month of thirty days—a rate which exceeded the average rate of wages paid to the natives before the war—then the mine-owners would raise the minimum day's pay from 1s. to 1s. 6d.

While communications were passing upon this and other matters—which included the most minute details of the dietary, medical attendance, and general accommodation to be provided for the Chinese labourers on the Transports—Lord Lansdowne and the Chinese Ambassador, who had now received the necessary authority from his Government, signed the Convention on 13th May. Five days later Mr Lyttelton was able to telegraph to Lord Milner that he was at length satisfied with the arrangements for the conveyance and reception of the immigrant labourers, and that he was prepared to allow the Transvaal Government to take the responsibility of permitting their introduction in spite of the plague. “You are, therefore, at liberty,” he concluded, “to allow the embarkation from China and Hong-Kong to take place, as soon as you are satisfied that all necessary preliminary conditions have been complied with.”

The Ordinance came into operation on the following day, 19th May. The first immigrant ship, the *Tweeddale*, left Hong-Kong on the 25th, and reached Durban on 18th June. Here the Chinese immigrants were first examined on board ship by the Medical Officer of the harbour, and then disembarked and taken to the comfortable depôt erected for their accommodation.

The actual arrangements made for the transport of the

coolies from the coast to the Rand, and for their housing on the mines, were such as to satisfy the most exacting of the pseudo-humanitarian critics of the Ordinance. The popular imagination in England, as fed by the anti-Chinese agitation of the Liberal Opposition, pictured the Chinese labourers toiling in a sad procession, if not actually driven by the lash, to the Transvaal border. In sober fact, after a short delay in Durban, during which their contracts were registered and identification passports issued, they entered the special trains ready to convey them to the mines. Each train held about three hundred men, and suitable arrangements for rationing, and for securing cleanliness, during the journey were provided. The trains ran through to the mine sidings, and the immigrants were detrained on the respective mines in which they were to work. Both the examination of the coolies by the Port Officer of Health at Durban and the entrainment were supervised by Mr Evans, the "Superintendent" of the Chinese, and the representative of the Transvaal, and (under the Convention) of the Chinese, Government.¹ And in point of fact, the arrangements then made for the reception of the Chinese coolies at Durban were more complete and efficient than those which had been made for the landing of the British troops at this port in the course of the war. In the quarters which awaited them on the Rand every necessary provision was made to secure health and comfort. On each mine the Chinese had a separate kitchen and eating rooms, and extra hospital accommodation was added. During the period of their contract the interests of the labourers were carefully guarded by the Transvaal Government. Mr Evans and his inspectors made frequent visits of inspection to the compounds, their pay and their time sheets were periodically examined, and the conditions under which they worked were completely supervised.

On 2nd July the first contingent, 600 in number, of Chinese began work upon the New Comet Mine. From this time onwards, so efficient were the arrangements made by the mining companies both in China and in South

¹ It was Mr Evans who figured subsequently in the "Chinese Flogging" incident of 1906. See forward chap. xx. p. 360 vol. ii.

Africa, and so favourable was the impression produced in China by the terms of the contract, that an unbroken succession of transports, each carrying some 2,000 labourers, continued to arrive at intervals of a fortnight, until the complements of unskilled labour required by the several mines of the Witwatersrand gold industry were made up.

It remains to give a brief account of the Ordinance itself.

The characteristic features of the "Labour Importation Ordinance, 1904,"—to give the measure its authorised short title—were these:—

(1) The labourers were placed under supervision of the Transvaal Government from their recruitment to their repatriation. To give effect to this principle the Ordinance provided for the appointment of a superintendent of labourers and a staff of inspectors. Sections 2 and 3 of the Ordinance deal with the appointment, powers, and duties of these officials.

(2) The labourers undertook, by the terms of their contract, not to leave the area of the particular mine on which they were employed without a permit. This condition of the contract to be made between the importer and the labourers is expressed in section 19 of the Ordinance, which reads:—

"No labourer introduced under this Ordinance shall leave the premises on which he is employed without a permit in the form and containing the particulars prescribed by regulation signed by some person authorized thereto by the importer; provided that no such permit shall authorize the absence of such labourer from such premises for more than forty-eight hours from the time when it was issued."

This section of the Ordinance was effectuated by clause 4 of the "Contract of Service" taken together with the first schedule thereto.

"Each of the said labourers shall, so long as he remains in the Transvaal, be subject to the provisions contained in the Labour Importation Ordinance and the Regulations made thereunder, and more especially to such of the said provisions as are substantially set forth in the first schedule to this contract."

That part of the first schedule which refers to this condition of service commences,

“Every labourer shall always carry a passport which his employer shall obtain for him from the Superintendent.”

Then follows, *mutatis mutandis*, section 19 of the Ordinance which has been quoted above.

The schedule then proceeds :—

“Any person leaving the premises on which he is employed without such permit or having received such permit remains absent from such premises more than forty-eight hours or goes outside the Witwatersrand District shall be liable on conviction to a fine not exceeding ten pounds, and in default of payment to imprisonment for a period not exceeding one month.”

This is followed by further paragraphs setting out fully and clearly that the labourer must produce his passport, or permit, when required by a police officer or inspector of labourers, and the penalties which he will incur if he fails to do so.

It must be added that provision was made for bringing this particular condition of service, in common with all the other terms of the contract, within the full comprehension of the labourer before he signed his contract. This was effected by sections 3 and 4 of the Regulations issued by the Transvaal Government.

“The official mentioned [*i.e.* an official styled ‘Transvaal Emigration Agent,’ representing the Transvaal Government, and stationed at the ports of embarkation in China] shall, before any contract is signed by the labourers, explain to them in their own language the provisions thereof, and also the clauses set forth in the first schedule attached to the contract, and shall certify at the foot of the said contract that he has done so, and that the labourers who sign the contract did so voluntarily, and without any undue pressure or misrepresentation.

“No contract shall be registered at the office of the Superintendent not certified as aforesaid.”

And the next section provides that the contract must be

executed in duplicate, and that of the two originals, one must be kept by the Superintendent on behalf of the labourer, and the other by the employer; while to the labourer himself a certified copy of the contract, translated into the Chinese language, is to be delivered by the Emigration Agent.

It was the presence of this covenant in the Contract of Service that formed the main basis for the charge of re-introducing slavery into the British Empire, which was brought against Mr Balfour's administration by the Liberal Opposition. It is a matter of history that this charge gained some hundreds of thousands of votes for Liberal candidates in the general election of 1906. Yet it is difficult to understand how any educated man, with the text of the Ordinance, Regulations, and Contract of Service before him, could have countenanced, still less himself employed, so gross a misrepresentation of the facts. Not only was this condition of the three years period of service accepted voluntarily by every labourer, but it was specifically provided that he could terminate his engagement at will, and at any time, without incurring any penalty other than the payment of the expenses of his journeys to and from the Transvaal. This power, which in itself might have been deemed sufficient to remove any taint of "slavery," was secured to the Chinaman by section 6 of the Regulations, where it is defined in the most explicit terms.

"It shall be competent for any labourer to terminate his contract of service at any time without assigning any reason on tendering to his importer the expenses incurred in introducing him and his wife and children (if any) into the Transvaal, together with a sum sufficient to defray the expenditure necessary in returning them to the port at which they embarked."

But apart from the fact that such a provision completely removes any legal or logical justification for the charge of "slavery," this particular condition of service, with the accompanying undertaking to submit to the rules of the pass system,¹ was perfectly familiar and customary in South Africa. A South African would have been as much surprised at an Englishman who applied the word "slavery" to the

¹ For the working of this system, see vol. ii. p. 175.

restrictions placed upon the movements of native African labourers employed in the mines, as an Englishman would be if a South African characterised the restrictions placed upon the absence of soldiers from their quarters in barracks, or of assistant-masters from the premises of a public school, as "slavery." And in point of fact the Chinese were better and not worse off than a large section of the African natives in this respect. In Kimberley, where the special circumstances of the diamond industry made a rigid confinement to the mine premises during the entire period of engagement an absolute necessity, the quarters in which the natives live, in addition to lateral barriers, are enclosed overhead with wire netting. And at the end of the six months or other period of service, the natives are carefully searched — a process which includes, if necessary, the administration of an emetic—in order that any attempted theft of the minute but valuable stones may be detected and punished.

Moreover, the pass system was universally applied to native African labourers employed in industries of all kinds and in domestic service. Its necessity was universally recognised; its operation gave rise to no complaints and created no hardships. To say, then, that the Chinese were being treated like slaves, because they had submitted voluntarily, and with full knowledge, to restrictions imposed by law and custom in the like circumstances upon five out of every six of the inhabitants of South Africa, was not only to practise a gross fraud upon the electorate of the United Kingdom, but by implication to put upon the European inhabitants of South Africa a grotesque and injurious calumny.

(3) The Chinese labourers were to be returned without delay, and at the expense of the importer, to their ports of embarkation in China at the end of their three years' term of service, or, in the event of re-engagement, at the end of the new term. During their residence in the Transvaal they were not permitted to trade, or to acquire a lease or hold land, either directly, or indirectly through an agent or trustee. Nor was any person allowed to employ them on any work other than "unskilled labour in the exploitation of minerals within the Witwatersrand District." Any

infraction of the Ordinance in these respects either by the labourers themselves, or by any employer, or by any person aiding or abetting the labourers, rendered the offender liable to heavy penalties. The substance of the provisions of the Ordinance dealing with these matters, including a complete list of the forbidden occupations, were stated fully and plainly in the Contract of Service, so that in this, as in all other respects, the coolie knew precisely what lay before him prior to entering into his engagement in China.¹

(4) The fullest provision was made for the comfort of the labourers both on the mines and during their journey to and from the Transvaal. The suitability of their food and its preparation, their medical attendance and hospital accommodation, the due observance of the customary holidays and festivals of the Chinese year, the precise scale of wages to which they were to be entitled, and lastly their right to be accompanied by their wives and children, if they so desired—all of these matters were treated in detail in the Ordinance and the Regulations, and substantially set out in the Contract of Service. In a word, nothing was left undone either in the scope of the measure, or in the machinery created for giving effect to its provisions, to ensure that the contract into which the Chinese entered should be an equitable one, and that it should be carried out to the letter on both sides.

The inclusion of the provisions referred to in the above paragraphs (3) and (4), and the completeness with which all the essential conditions, rights, and penalties, attached to the service for which the Chinese engaged themselves were embodied in the form of Contract, made the Labour Importation Ordinance, as a piece of legislation, an appreciable advance upon any similar enactment hitherto placed upon the statute book of a British colony or possession. The principle that Asiatics were not to be allowed to compete with white men in a British colony was fully recognised and maintained; but at the same time every safeguard was introduced which was calculated to prevent misunderstandings, and a consequent sense of hardship

¹ These provisions are to be found in §§ 9, 10, 14, and 31 of the Ordinance, and in the Contract of Service.

or injustice, on the part of the imported labourers. The Chinese coolies were invited to come for the term of their contract, and not to settle in the Transvaal; to do unskilled work on the mines, and nothing else. If they did not wish to come on these terms, then they were told quite clearly that they would not be allowed to come at all. On the other hand, if they were prepared to accept these terms, they were assured of good treatment, comfortable quarters, and a scale of remuneration for their services, which would enable an industrious man at the end of his contract to take back a small fortune with him to China.¹

(5) The conditions of importation and service established by the Ordinance for the Chinese labourers resembled, *mutatis mutandis*, those regularised by the *Modus Vivendi* for the supply of native African labour obtained for the mines from the Portuguese possessions on the East Coast.

Thus, the *Modus Vivendi* provided for the appointment and powers of an official, styled the "Curator" of Portuguese natives, residing at Johannesburg, whose business it was to supervise these labourers and to protect their interests and those of the Portuguese Government. In particular he was to keep a register of all Portuguese natives imported into the Transvaal and of their places of employment; and the Transvaal Government undertook to give the Curator "every facility and assistance in its power" to enable him to carry out his duties in this respect.² The recruitment of labourers in Portuguese territory was carried on only by persons approved by both Governments; and the machinery for the registration of the labourers, for providing them with identification passports, and for securing their observance of the regulations of the pass system during their residence in the Transvaal, was identical in all essential particulars with the machinery created by the Labour Importation Ordinance in the case of the Chinese.³

The contract of employment was for one year's service—in the case of the Chinese labourers, who were brought from

¹ The text of the Ordinance and of the Convention is given in Cd. 2026. The Regulations, Contract, etc., are printed in Cd. 2183.

² Article III.

³ Articles II., VI., and VII.

a long distance, and were generally without previous experience in mining, three years was held to be the shortest practicable period—and at the end of this period they were to return to Portuguese territory. If a Portuguese native desired to renew his contract, he might do so, and in this case the Portuguese Government was entitled to a further fee. But the Transvaal Government undertook that the Portuguese natives “should be given their discharge at the expiration of the period of contract and that no pressure should be put on them to renew their contract.” It also agreed “to use its best endeavours to discourage and prevent the clandestine immigration” of these Portuguese native labourers.¹

The significance of this agreement in principle between the arrangements made by the Ordinance for the importation of Chinese labour and those already established under the *Modus Vivendi*, will be understood when it is remembered that at the time in question and under ordinary conditions the labourers thus imported from Portuguese territory constituted 85 per cent. of the total of native African labourers employed on the Rand gold mines. It also affords another and a striking proof of the degree in which sheer ignorance of South African conditions was responsible for the prejudice manifested in England against a measure in itself humane, effective, and of the highest practical utility alike to the country which needed labour and to the labourers who came forward to supply that need.

The immediate results of the additional labour supply obtained from China may be summarised in a few lines.

At the end of March 1904, the number of Chinese at work on the Witwatersrand gold mines was *nil*; at the end of March 1905, when Lord Milner left South Africa, it was 34,335.

At the former date the number of British workmen employed in the same industry was 10,240; at the latter date it was 13,255.

At the former date the number of African natives employed was (April) 78,825; at the latter date it was 105,184. For the importation, so far from displacing the

¹ Articles IX. and XII. The *Modus Vivendi* is given in Cd. 2104.

native, produced a directly opposite effect. With the perverseness of children, the natives, seeing that they were no longer indispensable, began to offer their services to the white man with increased readiness.

The output of gold for April 1904 was of the value of £1,305,431, or at an annual rate of production of the value of £15,500,000; for the month of March 1905 it was of the value of £1,699,991, or at an annual rate of production of the value of £20,000,000.

In March 1904 it was very doubtful whether the Transvaal Government would not have to seek financial assistance from the Parliament of the United Kingdom to enable it to meet the expenditure of the current financial year, which ended on 30th June 1904; on 30th June 1905, when the next financial year ended, the Transvaal Treasurer announced a surplus of £347,000.¹

There remains to trace the effect upon the European population. The census of 1904 showed that the gain of 30,000 which had accrued in the first few months after the Peace had been lost by the exodus of the six months—October 1903 to April 1904—immediately preceding it. Between 13th April 1904 (the date of the census) and the end of 1905 it was estimated that the *adult white males* of the Rand alone increased from 43,000 to 56,000. This estimate was conformed by (1) the voters' lists prepared for the Lyttelton Constitution, and (2) the fact that within this period the Johannesburg Municipality sanctioned the erection of new buildings of the aggregate value of £4,000,000, providing accommodation for 40,000 persons. The census of 1911 showed that the white population of the colony had increased by 123,554, since the date of the 1904 census—*i.e.* at a percentage of 41.56 for the seven years.

The months which passed between the arrival of the Chinese and Lord Milner's retirement from the High Commissionership were by no means free from anxiety; but from the moment that the uninterrupted expansion of the mines was secured the question of the financial solvency of the new colonies ceased to trouble him. The industrial development of the country might not proceed as rapidly as he had

¹ These figures are taken from Cd. 2593.

desired, but the ultimate triumph of the material agencies which he had brought into operation was no longer doubtful. The fabric of the material edifice being well advanced, he was able to turn his thoughts to the task of laying the foundations of a political edifice which should be no whit less shapely or stable.

APPENDIX TO CHAPTER V

[Based on Cd. 3028 and the chapter on "Compensation" in Mr Beak's "Aftermath of the War."]

THE DISTRIBUTION OF THE THREE FUNDS CHARGED TO THE BRITISH EXCHEQUER

I. *The ex-Burgher Fund, or £3,000,000 Free Grant.*

It is noticeable that the word "compensation" is nowhere used in Article X. of the Terms of Surrender in pursuance of which the sum of £3,000,000, constituting this fund, was granted. The grant is specifically mentioned as a "free grant," and the undertaking in respect of the notes of the Republican Government and the receipts given by Boer officers in the field, by which it is accompanied, is an undertaking not to pay for such notes and receipts but to accept them, if otherwise valid, as evidence of war losses—that is to say, of losses in respect of which the holders of these notes and receipts, if "unable to provide themselves with food, shelter," etc., would be entitled to claim a *pro rata* share in the grant, when distributed, in common with the rest of the necessitous ex-burghers.¹

As noticed in the text of chapter v., the sums of money distributed by the Repatriation Commissions were regarded as advances against the £3,000,000 grant. The scheme of distribution which was adopted by Lord Milner,² after long discussion on the point, was this:—

- (1) Every person who had proved that he had suffered war losses to the amount of £25, or less, was paid in full.
- (2) But in the case of persons who had received non-gratuitous relief from the Repatriation Commissions these grants up

¹ For the plea put forward at the negotiation of the Terms of Surrender, by the Boer representatives, for the recognition of these notes (of law 1 of 1900 of the South African Republic) and receipts, and for Lord Milner's refusal to allow this plea, see "Lord Milner's Work in South Africa, 1897-1902," p. 558.

² In March 1905. See chap. xviii. p. 298 note, vol. ii.

to £25 were used to pay off, or reduce, their debts to the Repatriation Departments.

- (3) The balance of the £3,000,000 grant remaining after the payments under (1) and (2) had been deducted, was distributed *pro rata* amongst the ex-burghers who had sustained war losses assessed in each case at more than £25.

It was found that if the assessments exceeding £25 in amount were reduced by 5 per cent., and the fund was supplemented by £4,053, 1s. 3d. the balance for distribution would amount to 2s. in the £ on the total of the assessed claims in excess of £25. This supplement was, therefore, made by the Colonial Governments and the whole cost of administration was borne by them.

As an example of the manner in which this scheme was applied assume that A. B. C. D. claim respectively £25, £50, £100 and £200.

A. would receive his £25 claim in full; B. would receive £27, 10s.—*i.e.*, £25 plus 2s. in the £ on the £25 balance, or 55 per cent. of his assessed claim; C. would receive £32, 10s., or 32½ per cent. of his claim; and D. £42, 10s. or 21¼ per cent. of his claim. The advantage of this system lay in the fact that the poorer and more necessitous of the ex-burghers received a proportionately larger share of the fund than their wealthier and presumably less necessitous comrades.

In the Orange River Colony 17,747 claims were investigated. Of these 615, amounting to £335,903, 18s. 4d., were rejected, and 17,132 were allowed in whole or in part. The total sum claimed under these latter was £17,827,932, 5s. 10d., and it was assessed at £8,432,533, 13s. And in the Transvaal the number of claims was much greater—upwards of 45,000, all of which were investigated with much the same results as those obtained in the case of the Orange River Colony. Payment of ex-burgher compensation began on 23rd October 1905. By September 1906 it was practically completed in both colonies.

The general disposal of the fund was as follows:—

Fund plus supplement added by Colonial Governments	£3,004,050	1	3
Paid to Natal on account of the ceded portion of the Transvaal	100,000	0	0
Paid to Transvaal ex-burghers	1,521,316	8	8
Paid to O. R. C. ex-burghers	1,382,733	12	7
	<u>£3,004,050</u>	<u>1</u>	<u>3</u>

II. The £2,000,000 Grant for British Subjects and Foreigners.

The number of foreign subjects who sent in claims for war losses was 2,015; and the total amount claimed was £1,494,931, 3s. 4d. Of this number only 695, claiming a total of £472,682, 6s. 6d., established both their neutrality and their loss. They were awarded £135,615, 8s. The British Government treated all foreign subjects, provided they could prove their neutrality, on the same footing as their own subjects.¹ No distinction in the methods of investigation or assessment was made between the two classes of claims, nor was any distinction as to priority in the losses themselves recognised, except that *bons de réquisition*, or receipts given by military officers in the field, were paid their assessed value in full. The grant was available in January, 1903; 6s. 8d. in the £ was paid out in April 1903, and a second 6s. 8d. in the £ in the July following. Subsequently a further 4s. in the £ was paid, thus raising the total payments to 17s. 4d. in the £, or 87 per cent. of the actual assessment.

The Colonial Governments defrayed the entire cost of collecting, etc., the claims made by British subjects, and added the sum of

¹ Of the 2,015 foreigners who claimed 595 were Germans. With this action of the British Government in South Africa, says Mr Beak (*Aftermath*, p. 244) we may usefully compare that of the German and French Governments after the war of 1870-71. "The French Government excluded from compensation German property holders in France who had suffered loss during the struggle. These property owners petitioned the German Government, and on July 2, 1871, Prince Bismarck in the Reichstag said: 'The citizen of a country who exercises his industry or profession abroad and suffers in consequence of a war cannot expect compensation. He ought always to remember that the greatest risks attach to the fact that he is working in a foreign country. This is a principle which particularly applies to distant countries where the law has not the power it has in the States of the Continent of Europe. Business carried on abroad is often more lucrative. It is more profitable, but it is more dangerous. In my view there is no obligation on the part of the Empire to assist a class of German citizens because war waged by the Empire has caused them loss, to which I will not say that we are accessories, although they were caused because we made war, for the losses are part of the calamity of war.'" And, "In 1871, while excluding Germans, France, for the purposes of compensation, admitted all neutral foreign subjects who were property holders to equal rights with French citizens." But the German Government in the case of Alsace-Lorraine provided that war compensation should be paid out of the French indemnity, subject to the limitation that "Compensation would be paid only to such claimants who at the time of the promulgation of the law (14th June 1871) were domiciled in Germany. If the claimants were not German citizens, then compensation would be paid to those only the Government of whose country promised reciprocity in similar cases." The British Government, Mr Beak adds, "did not; and no British subjects received compensation from the German Government."

£149, 13s. 5d. to the original grant. The grant, as thus augmented, was distributed as under :—

Amount of Fund	£2,000,149 13 5
Native Compensation	300,000 0 0
Paid 17s. 4d. in the £ to British subjects in the Witwatersrand	584,400 1 2
Paid 17s. 4d. in the £ to British subjects in the Orange River Colony	423,887 14 8
Paid 17s. 4d. in the £ to British subjects whose claims were investigated in the Cape Colony and Natal	20,357 11 4
Paid 17s. 4d. in the £ to Foreign subjects in the Transvaal, Orange River Colony, and in the portion of the Transvaal ceded to Natal	117,533 6 11
Amount paid to the Treasury in repayment of advances to British refugees	52,679 11 6
	<u>£2,000,149 13 5</u>

III. *The War Office payment of £4,500,000 to satisfy military receipts and the British Government's liability to the protected burghers.*

As against the forced contributions requisitioned by the French and German military authorities, the British Army in the South African war followed its traditional practice of paying for all supplies for the use of troops taken from the inhabitants of the country in which hostilities were in progress.¹ But when, with the extension of the area of the war, payment in cash became difficult, the South African Army Order No. 245, 5 was published, under which payments in cash for supplies were ordered to be suspended and receipts on a prescribed form substituted for such payments. While, however, the general effect of this order was to postpone payment for supplies requisitioned by the military authorities until the close of hostilities, certain departments, notably that of Ordnance, Supplies and Remounts, found it convenient to settle receipts during the continuance of the war.

But the payment of these military receipts was not the only liability incurred by the War Office. Two proclamations² were

¹ In this respect it may be observed, that the practice of the British Army anticipated the conclusions of Articles LII. and LIII. of the Hague Convention of 1899. The net result of these Articles was to modify the principle that "war must support war" to the extent of recognising that the "enemy state" and not the "enemy individual" must be called upon to bear the burden. In other words, while as heretofore public property might be appropriated without payment or recognition of indebtedness, property taken from individuals must be paid for in cash, or a receipt given entitling the owner to recover payment in due course. (Beak).

² The text of these proclamations is given in Cd. 3028.

issued by Lord Roberts on 14th and 15th March 1900, in which protection of person and property was guaranteed, with certain exceptions, to all burghers who surrendered and took the oath of neutrality. The ex-burghers who had availed themselves of these proclamations, and subsequently been subjected to war losses, were recognised as having a special and direct claim for compensation; and on this ground these "protected burghers," as they were called, were assigned an additional grant, which consisted, as will be seen, of the surplus remaining out of the War Office payment, after the military receipts had been discharged.

From the declaration of peace to January 1903 the work of examining and discharging the receipts was carried out by military officers, and an estimated total sum of £1,600,000 was thus paid out. At this date, and while Mr Chamberlain was in South Africa, an arrangement was made,¹ as between the War Office and the Administration of the two new colonies, under which the latter, in consideration of a sum of £3,000,000 (which with the sums already paid out by military officers since the declaration of peace ultimately made up a total of £4,500,000) undertook to settle all outstanding military receipts, and in addition to compensate the "protected burghers." In pursuance of this arrangement, and with a view of guarding against impositions, the services of some of the military officers previously employed in the payment of these receipts were retained by the Administration. And the claims of protected burghers were similarly subjected to the scrutiny of these officers in addition to that of the resident Magistrates, to whom as the representatives of the Colonial Governments, claims upon this, as upon the other two "compensation" funds, were brought in the first instance for examination and assessment.

The precise amount available for the protected burghers could not, of course, be known until the full liability for military receipts had been ascertained; but as a prompt distribution of the fund was very desirable, so soon as sufficient progress had been made with the military payments to show that the surplus remaining would provide approximately for the payment of 10s. in the £ on the approved claims of the protected burghers, payments at this rate were made to them on condition of their accepting such payments as a full discharge of their claims. As in the case of the other funds, however, the actual surplus was supplemented

¹ For the precise circumstances in which this arrangement was made, see chap. vii. p. 138, and chap. viii. p. 161 and p. 200 where the actual words in which Mr Chamberlain announced the arrangement at Bloemfontein (7th February 1903) are given.

by a sum of £7,850, 8s. 6s. contributed by the Colonial Governments. In this way it was found possible to proceed with the compensation of the protected burghers concurrently with the payment of the military receipts. This latter, which was carried out on the lines previously adopted by the military authorities, was accomplished by October 1904.

The distribution of the fund was then shown to be as under:—

War Office payment	£4,500,000	0	0
Supplement	7,850	8	6
<hr/>			
Paid for Military Receipts	2,563,623	16	7
Paid to protected burghers in the Transvaal	640,130	0	0
Paid to protected burghers in the O. R. C.	1,157,976	0	6
Paid to protected burghers in the part of the Transvaal ceded to Natal	66,666	0	0
Paid to protected burghers under awards of Western Districts Special Commission	30,183	15	0
Paid to Inter-Colonial Treasurer in repayment of part of the costs of investigating and paying military receipts and claims against this fund	49,270	16	5
	<hr/>		
	£4,507,850	8	6
	<hr/>		

APPENDIX TO CHAPTER VI

THE *MODUS VIVENDI* OF 18TH DECEMBER 1901

THE document is printed in Portuguese and English in parallel columns. Its provisions are (in substance) as under:—

Article I. The engagement of native labourers from the province of Mozambique for the Transvaal and Rhodesia shall be established from now, and shall be allowed by the Governor-General of the said Province while the present *Modus Vivendi* is in force or until the said *Modus Vivendi* shall be denounced by one of the parties in conformity with the terms of Article XIII.

Article II. The said engagement of native labourers shall be made in conformity with the procedure set forth in the Provincial Regulation of 18th November 1897, subject to such modifications as

may be agreed on between the parties now or hereafter. . . . (Then follow provisions referring to the "collectors of labour," and their guarantee deposit and license.)

Article III. (refers to the position of the Curator of Natives at Johannesburg, and contains an undertaking on the part of the Transvaal Government to give him facilities for the registration of these imported Mozambique natives).

Article IV. The combined tariffs and classification of goods on the Lorenzo Marques - Ressano Garcia and Ressano Garcia and Johannesburg lines, which were in force before the war, shall be re-established, and shall be in force as long as this *Modus Vivendi* shall exist, save for the modifications which may be made by agreement between the two parties. It is understood that should the tariffs or classification of goods be modified on the lines from Durban, East London, Port Elizabeth, and Cape Town to the Transvaal, during the existence of the *Modus Vivendi*, the classification and tariffs on the Lorenzo Marques-Johannesburg line shall be equally modified in proportion and in such a manner as to preserve the relation which existed between the tariffs prior to the war.

Article V. (deals with the allotment of truckage for civil traffic to the Lorenzo Marques line by the (then) Director of Military Railways in the British colonies).

Article VI. (The Transvaal Government official at the border (or elsewhere) is to pay 13s. for every immigrated native, and this sum is to cover all charges of the Mozambique Government, except the fee for re-engagement.)

Article VII. (The Lorenzo Marques Railway is to grant to the (then) Director of Military Railways the same facilities, etc., as before were granted to the Netherlands South African Railway.)

Article VIII. (The same railway rates are to be charged for natives up to the Transvaal border as are charged from the border to Johannesburg.)

Article IX. (The contracts of service are to be for one year or under; if there is a re-engagement (which must be entirely voluntary), then a further fee of 6d. per month must be paid to the Mozambique Government.)

Article X. The provisions of the Treaty of the 11th of December

1875,¹ will be observed by the Transvaal Colony and reciprocally by the Portuguese authorities. But notwithstanding anything to the contrary in the aforesaid provisions, alcoholic liquors manufactured in the Province of Mozambique may be subjected on entering the Transvaal to the same duties as, but no greater than, the duties imposed on similar alcoholic liquors manufactured in the Cape Colony and Natal.

Reciprocally alcoholic liquors manufactured in the Transvaal may be subjected to the same duties on entering Mozambique.

It is also to be understood that nothing in the above-mentioned treaty shall be held to prevent the entry of the Transvaal or of the Province of Mozambique, or of both, into the South African Customs Union, should such entry take place during the continuance of the *Modus Vivendi*.

Article XI. (During the existence of the *Modus Vivendi*) goods sent in transit from Lorenzo Marques on entering the Transvaal shall have equal treatment with, and shall pay no higher customs duties than, the same class of goods sent in transit from Durban, East London, Port Elizabeth, and Cape Town.

Article XII. The Transvaal Government will use its best endeavours to discourage and prevent the clandestine immigration of natives from Portuguese Territory.

Article XIII. The present *Modus Vivendi* shall be in force until the conclusion of a definite convention. It can, however, be determined by either of the parties by means of one year's notice. As soon as the *Modus Vivendi* is denounced by either of the parties, the engagement of natives in the Province of Mozambique will be *ipso facto* suspended.

[Signed, etc., by H. E. Manuel Raphael Goryao, Governor-General of Mozambique, and Colonel Crewe, British Consul-General at Lorenzo Marques, as representing the High Commissioner for South Africa.]

¹ Under this treaty the produce and manufactures of each country were to be admitted free by the Government of the other.

