

NOT FOR PUBLICATION

INSTITUTE OF CURRENT WORLD AFFAIRS

PBM - 19 (attached)

Johannesburg, South Africa  
March 17, 1954

Dear Mr. Rogers,

Here is PBM - 19 about a very important change in the policy of one of the important South African political parties. I'm afraid I've gone over the three or four-page limit I mentally set for myself after PBM - 17, but the change may have such a lasting effect on life in the Union in the long-term future that I felt it deserved full coverage. If 1948 marked the beginning of strict apartheid, then February, 1954 may well mark the beginning of anti-apartheid and a struggle for practical cooperation and partnership in South Africa.

I think the Federation experiment to the north has had a great deal to do with this switch from strict segregation. South Africans are vitally interested in what is going on north of the Limpopo and although many of them pretend to shrug partnership off as a "silly experiment," there is a feeling of watchfulness in the air--as though thinking South Africans are expecting partnership to fail but are hoping desperately that it will work. In conversations South Africans are thirsty for news of what is "really going on in Rhodesia" and "is it really different from what we have here?" I have listened to a member of the African National Congress, a Mr. Oliver Temba, give several speeches on the Western Areas Removal Scheme and his speeches all point to one thing--if you keep trying to legislate against the natural growth of a people, you can only expect one thing--trouble.

Last night another African asked Temba point-blank "Do you think that there will be bloodshed when the Africans are moved from Sophiatown and do you think the bloodshed will do any good?" Temba answered very frankly--that there may well be bloodshed since it is really the only way that Africans have left to protest--and that it will not do any good because he is convinced that the Government would welcome bloodshed as a way of proving that the Africans are still savages and do not deserve the rights and privileges of civilized men.

There were many Europeans at the meeting last night--and they listened very, very intently to what was said about the possibility of bloodshed. It is for this reason--that Europeans are becoming more and more aware of the tension in Johannesburg (and all of South Africa, for that matter) that people are watching the Federation so carefully. If there is serious trouble here between European and African and a lack of serious trouble in the Federation between European and African, the swing should be quick and decisive towards the United Party and its recognition of economic and political integration.

The move from Sophiatown to Meadowlands has been scheduled by Dr. Verwoerd for the end of April. I intend to be on the spot--or at least nearby when the move begins. I'd like to do a descriptive newsletter on the transfer by force.

On March 31 our landlords return from their vacation and we will be moving to 101 Alteryn Court, Corlett Drive, Illovo, Johannesburg.

My best to you--and thanks for your last letter--

Pete



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INSTITUTE OF CURRENT WORLD AFFAIRS

PBM - 19  
Economic Integration

128 First Avenue  
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Johannesburg  
March 15, 1954

Mr. Walter S. Rogers  
Institute of Current World Affairs  
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New York 36, New York

Dear Mr. Rogers:

At present the United Party is giving a splendid imitation of Livingstone catching his first glimpse of the Victoria Falls. The United Party has "discovered" that Native Africans are essential to the economic life of the Union of South Africa and they are calling this discovery "economic integration." Economic integration, like the Victoria Falls, is not new. But it seems to be new to the United Party and its members are just beginning to realize that it is the antithesis of, and therefore the obvious answer to, apartheid. In its essence it means that approximately 67 per cent of all the unskilled workers and 16 per cent of the skilled workers in "European" industrial areas are Native Africans and are indispensable. Like the Victoria Falls, economic integration is slowly eating away the solid rock of segregation that lies beneath the surface of life in the Union.

Until this idea crystallized in the minds of its leaders, there were obvious signs that the United Party was coming apart at the seams. Indeed, only a month before their leader, J. G. N. Strauss, publicly accepted economic integration in Parliament, two United Party M. P.'s announced that they were withdrawing from their party caucus in order to form a separate Parliamentary group. In doing this they had plenty of company--five other United Party members had already left the caucus and were sitting in Parliament as independents. Some of these so-called Independent United Party members said they left because of the United Party native policy. Others said they left because of a lack of native policy. Whatever the cause, the United Party was blundering foggily around the House of Parliament in Cape Town like a psychologist's rat in an unfamiliar maze.

The Nationalist Party, firmly in the driver's seat, was complacently introducing measure after measure in its implementation of apartheid. It was apparent that apartheid meant different things to different cabinet ministers, but there was one phase on which all were agreed--it was time to remind Africans that they are nothing but temporary migrant labor and as such they are not to be allowed to take up permanent residence outside the Native reserves.

This was the situation on Monday, February 15, when the Part Appropriation Bill was read for the second time. The Bill itself is unimportant. It provides for an amount of ~~7~~80,000,000 on the Revenue and Loan accounts to enable the Government to continue with the approved services of the country for a period of three months until the end of June. But when a bill of this sort is introduced, the limits of debate are stretched far beyond the ordinary--members can discuss almost anything they want.

On that Monday the debate began with the report of the Minister of Finance on his doings at the Commonwealth Finance Ministers Conference held in Australia in January. While the Minister (N. C. Havenga) was in Australia, a rumor circulated through South Africa that the South African pound was to be devalued during the course of the conference. For a combination of reasons, the rumor was widely believed. J. Maurice Hines, local manager of Barclay's Bank in Pretoria, told me at the time

that he was snowed under by applications of South Africans rushing to exchange their funds for British sterling. In all, said Hines, about £10,000,000 (\$28,000,000) left the country.

South Africa can hardly afford to lose that amount of money, and when Mr. Havenga returned from Australia he flatly stated that anyone who helped spread the devaluation rumor had committed sabotage. During the February 15 debate the devaluation rumor was mentioned, bringing up, in the natural course of argument, a discussion of the economic position of the country. United Party members said the economic position must be bad--for how could such a silly thing as the devaluation rumor cause such panic if there were not a fundamental precariousness in the economy of the country? It was then that the United Party member of Parliament for Edenvale, Prof. I. S. Fourie, got up and made a clear, reasoned speech that startled Nationalist Party hecklers into comparative silence. The subject of his speech was economic integration. The substance of the speech follows:<sup>1</sup>

There would be no rumors about devaluation if there were no grounds for such rumors. We must face facts and we must look at the economic foundation of our people. When I study our history I find that this country's economic policy has always been a history, not of economic apartheid, but of integration. It is not a question of integration, yes or no. It is a fact. It has existed for the past 300 years. Let me say that we are in an extremely difficult position in this country today, and that is so because of the policy of our present Government. This Government's policy today is apartheid. (In other words) you must drive apart that which the natural economic factors want to bring together.

I do not blame our present Government for the tremendous increase in integration which has taken place in the past six years. What I do blame the Government for is that it has happened, that they have been unable to stop it, that in actual fact it has been and is in the interest of the people and that they have misled the people by pretending that it is a process detrimental to the people of this country and that the process should be steered in an opposite direction. To continue in a selfish manner to make use of the services of the non-European when he can be of service to us, when he can save us trouble and make life easier for us, and then, when he is a burden to us, to want to drive him off, is not a solution for our problems of the future. The time has now come when the non-European will have to be recognized as an end in himself, and if we approach the subject from that point of view, then I say that the policy which is being followed today is one of the greatest dangers not for the non-white, but for the future of the white man in South Africa.

The facts are that in the course of years we have given the non-European, through the economic process of cooperation, certain powers, just as we have given them to the whites. It is clear to me that economic power also lays for us the foundation of political progress. The choice before our country today is either to abandon the process of the past 300 years--or to face the fact that economic progress demands a certain degree of participation in the political sphere. If we don't want to concede that, then there is only one way out--and that is that from now on we must stand fully and completely for total apartheid. In other words we must stand for an unrealistic idealist impossibility.

I am one of those who are convinced on the facts which we find throughout the history of the world that one cannot support economic integration--the basis of political power throughout the history of the world--and imagine that one can

1. I have read through the speeches of Prof. Fourie and Mr. Strauss several times and have cut them to the bone. I use the exact words they used, but such drastic cutting cannot be called quoting and I therefore present their speeches in precis form.

forever maintain political disintegration or political apartheid. If the Minister of Native Affairs were to succeed in disintegrating people who are today integrated in our industries, in agriculture, in secondary industries, in mining and in trade and commerce, then I prophesy a reverse to poverty and the redevelopment of a new poor white problem.

Dr. Strauss thought this over for a few days--then decided to turn economic integration as presented by Fourie into official United Party policy. He did so as follows in Parliament on February 18:

I am proposing to say exactly where the United Party stands with regard to integration of the non-Europeans into the economic life of the country and where we stand with regard to the consequences that will inescapably flow from this process. I hope that my honorable friends will realize that we are dealing here with the most fundamental and important question as far as our future as South Africans is concerned.

The question, whether there is to be a continuation and even an acceleration of the process, as there is now, of economic integration, or whether we are going to turn that process back, is fundamental to any approach to the non-European question. I am going to tell the House at once that the United Party has recognized all along and accepted as a fact this process of economic integration. We appreciate that South Africa's best interests demand that this process of economic integration shall proceed. Either we do accept this process and we handle it with a sense of realism and wisdom and statesmanship, or we proceed to undo what has been done in this country over the last 300 years; in other words, to reverse the trend of economic integration; to follow the only other alternative, which is complete territorial segregation.

First of all, Mr. Speaker, as far as the economic consequences are concerned, I need do no more, surely, than to mention them and say that they have been vastly to the benefit of South Africa as a whole. One of the most valuable assets this country has is this vast, useful, cooperative and almost submissive labor force. The high standard of living that we enjoy in this country is based very largely on this economic integration. The non-Europeans benefit in improved conditions of work and pay, a better system of social and educational services and an easing of the strain on our over-populated and over-grazed Native reserves.

The social consequences are undoubtedly stark and ugly. They are lack of housing and overcrowding, the disruption of Native family life and the consequent deterioration in their moral standards. It is not a picture which need depress us. To lesser or greater degree, every country in the world that has passed through this period of industrialization with this tremendous influx of population from the rural areas to the urban areas has experienced these conditions. I say that the test is whether we are willing to face up to it; whether we are willing, whilst on the one hand picking the beneficial fruits of integration, to tackle the difficult problems that flow from it.

There is no point in any responsible person or party evading the inescapable political consequences that flow or will flow or have flowed in every country where economic power has been gained. History teaches us very plainly that economic power is the forerunner to claims for a say in the political set-up of the country. We are prepared to take steps concerning the political rights of the non-Europeans. These steps are that we are prepared in regard to the Natives Representative Council, which unfortunately this Government has abolished, to re-establish that Council but not to leave it as a mere talking shop, as my predecessor called it in 1947. We are prepared to give that body a measure of responsibility and executive power. We stand also for giving the non-Europeans increased responsibility in their

parallel townships, and we stand for giving them increased responsibility in the reserves. We are prepared to watch with interest the experiment that is now taking place on our borders in the Central African Federation.

At the present time there is a steadily increasing concentration of power in the hands of a complete dictator, namely, the Minister of Native Affairs (Dr. H. F. Verwoerd), who in the opinion of many is nothing but a madman and a menace to the future welfare of our country. We are not amongst those who say, like some of my friends opposite, with their heads in the sand: We have got apartheid; we need not examine the situation; we have a policy and we will go through with it.

As I see the position, no matter whether you have total apartheid or this kind of drift which you have today, the economic power will still increase in the hands of the non-Europeans and the demand will come from them for a voice in the political set-up of the country.

Dr. Strauss, as leader of the United Party, is the bellwether of the party's policy. It is apparent that the policy of the United Party from now on will support the principle of economic integration as the opposite of apartheid. The effect of this on the party itself has been startling. There has been new enthusiasm and a unity of purpose that has been lacking for the past few years.

The results of this new United Party solidarity were shown concretely yesterday when Dr. Strauss released a United Party report on the Western Areas Removal Scheme (PBM - 17 and 18). The report rejects completely the theory behind Nationalist Party race-zoning and withdraws United Party support for the Western Areas Scheme. Strauss said that the Natives Resettlement Bill<sup>1</sup> is "so viciously autocratic that, so far from any cooperation being possible, it calls for vigorous and determined opposition." Before the economic integration speech, Strauss and the United Party were willing to compromise.

The United Party will fight the bill by listing its reasons in a motion to be introduced preceding the second reading of the bill. The motion, which if passed would automatically kill the bill, will request that the second reading be postponed until "this day six months."<sup>2</sup> According to the political correspondent of the Rand Daily Mail, "this is almost as strong as opposition can be."

The committee which produced the report was organized several months ago to draw up general recommendations concerning the Western Areas Scheme. At first it could not agree on a unanimous attitude. But after a request by Dr. Colin Steyn<sup>3</sup> for "wide concessions" to the non-Europeans followed by Strauss's speech on economic integration, the committee closed its ranks and voted unanimously to oppose the Scheme.

In releasing the report yesterday Strauss said (and this will gladden the heart of Father Huddleston): "First, it is clear that the Government has departed in fundamental respects from the principles of the . . . United Party policy . . . which put forward healthy proposals for urbanization and the proper direction of the

1. Referred to as about to be introduced in the second part of paragraph two, page one, PBM - 17.
2. In the British House of Parliament the passing of a motion to "postpone the reading of the bill until this day six months" kills the bill automatically through Parliamentary tradition. The tradition has been carried over to South Africa.
3. Former United Party Minister of Justice and Minister of Labor under Prime Minister Smuts.

of the economic integration of our non-European labor resources. Secondly, the Government is seeking to remove the present elements of stability for Native residents in the towns by depriving them of their existing rights of freehold title and of opportunities for long-term tenure. The principle has been adopted by the Government of forced removals and transfers of lawfully settled persons, without consultation or any effort to secure cooperation. The Government's plans will inevitably interfere with the urgent requirements of the present Native housing situation, which include slum clearance and the provision of homes to catch up with the existing backlog. They necessitate vast unnecessary expenditure which must ultimately be borne by the ratepayers. Certain statements of the Mentz report (on African resettlement around Johannesburg) coupled with recent utterances by the Minister of Native Affairs, appear to lay down that industrial development must be artificially controlled. This is based on wholly untenable theories of arbitrary dispersal of industries to the fringes of the reserves. Finally, the intended forcible implementation of such proposals as those contained in the Mentz report would intensify the present state of racial friction."

Three nights ago I had dinner with Mr. Colin Steyn, mentioned above, who is now a private citizen and one of the leaders of the United Party in the Orange Free State. Yesterday I spent the day at the home of Mr. Jack Patten, an editor of the Johannesburg Star, and an observer of politics in the Union for many years. I asked Steyn and Patten almost identical questions about economic integration. Their answers were almost identical also.

For instance, when I asked whether Strauss's acceptance of economic integration was an important and significant move, both said yes. When I asked why the acceptance was important and significant, the answers were strikingly similar. The frankest answer came from Patten who is under no political obligations. Boiled down, it amounts to this: Until now, there has been little actual difference between the United Party policy of segregation and the Nationalist Party policy of apartheid. The only major difference lay in the fact that under apartheid all African Natives are ultimately intended to return to the reserves--the United Party is not quite sure what is to become of the Africans. The United Party was becoming more and more weak because it had nothing concrete on which to base its opposition. The acceptance of the fact of economic integration and its natural result that Africans, as permanent residents in European urban areas, will demand increased political rights, sets the United Party poles apart from the Nationalist Party and gives a solid foundation for opposition.

When I asked what the results of the United Party's acceptance would be, both men became less specific. The immediate results, I gathered, will be a strengthening of the position of the United Party. Doubtful elements will be weeded out. Indecision and doubt will be replaced by strong opposition with an end in view, witness the decision on the Western Areas Scheme. Steyn avoided making any comment on long range results. Patten said that in the long run the United Party will eventually find itself again called into power. In time, he feels, the impossibility of legislating a fact out of existence according to an impractical ideology will push the Nationalist Party so far out on its limb that it will break irreparably.

Both men agreed that the acceptance was the most important step taken by the United Party since long before its defeat in 1948. Both men agreed that the acceptance came none too soon--that further delay would have resulted in a weakening of the United Party to a point of almost no return.

To me, the important fact is that there is for the first time a strong political party in the Union of South Africa which admits that there is something to consider in Native Affairs besides segregation--which admits that African Natives might, after all, be human beings with a definite place in the economic, political and social scheme of things. The reference to the Central African Federation is not without significance--the Nationalist Party seems more and more like the Confederate Party of Percy Newton and Dendy Young. More important still, the United Party seems to have started along the road towards Sir Godfrey Huggins' "partnership."

Economic integration seems a real turning point in South African politics.

Sincerely,



Peter Bird Martin

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