

*ECONOMIC DEVELOPMENT OF AFRICA,*  
*1880-1939*

GENERAL EDITOR  
David Sunderland

ADVISORY EDITOR  
Godfrey N. Uzoigwe

Volume 4  
*Non-Agricultural Development*



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## MINING

Mining was most dominant in South Africa where gold, diamonds, coal and a variety of other minerals were mined (see Chaplin, *Address Delivered by ... President of the Transvaal Chamber of Mines* (1906) and Hatch, *The Past, Present and Future of the Gold-Mining Industry of the Witwatersrand, Transvaal* (1911), both below). The nature of the gold mining industry was determined by the nature of the reefs worked. In South Africa, the reefs were thin, comprised relatively low-grade ore, and were many miles long, gradually dipping thousands of feet below the surface in relatively complex formations.<sup>1</sup> The early miners worked the outcrops, the reefs close to the surface, by digging open trenches. As little investment was required, the companies involved were small and numerous; in 1886–9, around 500 firms were operating in the sector.<sup>2</sup> As the exposed reefs became exhausted, however, more deep-shaft mining occurred, and by the Boer War most of the outcrop mines had disappeared.<sup>3</sup> As discussed in the general introduction to this collection, the shaft sector was dominated by large mining houses, including the Transvaal Gold Exploration and Land Company, Consolidated Goldfields, the Corner House Group and the Anglo-American Corporation. By the 1920s, the industry produced almost half of the world's output of gold, and, in the 1930s, a third, and throughout the period gold made up between 50 and 75 per cent of South Africa's exports.<sup>4</sup>

Other minerals mined in South Africa were diamonds, coal and asbestos. Diamonds were discovered in 1867 in Griqualand and in 1870 in Kimberley, and by 1871 the country was the world's largest producer. At first, the diamonds were dug by independent miners and small companies, who worked outcrop seams and sold their finds either to local dealers or agents of British and other European diamond firms. As with gold mining, over time these seams became exhausted, the open pits were replaced by deep-shaft mines and the industry began to consolidate until in 1899 it was controlled by just one company, De Beers Consolidated Mines Ltd, the history of which is described in the general introduction to this collection.<sup>5</sup>

Of the other mining activities, coal was largely excavated in Natal and Transvaal. Each colony had different geologies, ownerships and owners' organizations

and the output was largely used by the railway, shipping companies and the gold mines, where it was used to power water pumps, with only a small amount being exported. Copper and tin mining were similarly small-scale. Copper mining commenced in the North-West Cape in 1852 and also occurred in the Transvaal, but developed slowly. Production in the 1890s was worth £397,000 and in 1913, £420,700. Tin was worked in Central Transvaal and only became significant after the First World War, though the industry's growth was restricted by the unpredictable nature of the deposits.<sup>6</sup>

Away from South Africa, mining was on a far smaller scale. Until the turn of the century, mineral rights were awarded by chartered companies and the local colonial authorities (see *Report of the Committee on Mining Legislation* (1933), below). Thereafter, in colonies under the direct control of the imperial government, awards were decided upon by the Colonial Office and the Crown Agents. Applicants were either individuals, syndicates or companies that intended to work the concession themselves, or company promoters who once they had obtained the concession raised the capital required to exploit it through the flotation of a new company. To ensure that they had sufficient funds to carry out the intended operations and to protect the British shareholders who would invest in the firm, the Crown Agents investigated the financial and commercial backgrounds and nationalities of all applicants, preference being given to British individuals and companies; checked any shareholder prospectus that was to be issued; and set capital investment requirements. If successful, the concessionaire was required to deposit with the Agency substantial securities that were forfeited if the concession was abandoned or the annual rent remained unpaid.<sup>7</sup>

The most important minerals mined were copper, gold and tin. Copper mining (see Geddes, *Memorandum Prepared by Rhokana Corporation Limited on the Copper Mining Industry of Northern Rhodesia* (1932), below) largely occurred in Northern Rhodesia and again had a long history – Africans having worked the copper deposits for centuries to produce crosses and bars that were used as currency. Prospecting began in the 1920s, prompted by the 1923 decision of the British South Africa Company to grant exclusive prospecting rights over large areas of land and the extension of the railway from Broken Hill to the Congo border. The discoveries, however, were disappointing. There were only relatively small surface deposits and these comprised oxide ore from which copper could only be extracted through an expensive leaching process. Apart from small-scale mining at Kansanshi and in the hook of the Kafue, therefore, only one significant mine, at Bwana Makubwa, was opened and this proved unprofitable and closed in 1930.<sup>8</sup>

The industry took off in the 1930s. The main reason was that advanced prospecting techniques had revealed the existence at moderate depths of huge deposits of sulphide ores, from which the copper did not have to be leached, but

merely extracted through smelting. At the same time, the price of copper rose, owing to the growth of the electrical and automobile industries, and technical developments further reduced processing costs. The result of these developments was that by the late 1930s four new mines were operational – Mufulira (established in early 1930), Roan Antelope (1929), Nkana-Kitwe (1923) and Nchanga (1936). In 1938, these were producing 213,000 tons of copper per annum, over 13 per cent of the non-communist world's supply, the largest producer being Nkana-Kiwe and the smallest Nchanga.<sup>9</sup> European rearmament and an international agreement to restrict production had caused prices to soar, and, in the same year, sales totalled £9m and provided 90 per cent of the territory's exports (by value).<sup>10</sup>

Gold (see Junner, *An Address ... on the Gold and other Mineral Resources of the Gold Coast and Sierra Leone* (1933) and Kitson, *The Gold Resources of the Gold Coast* (1932), both below) was mined in Southern Rhodesia, the Gold Coast in Adansi and southern Asante; northern Nigeria around Sokoto, Ilorin, Kabba and Ife Ilesha; Sierra Leone; south-west Uganda; from 1931 around Kakamega, Kenya; and in south-west Tanganyika.<sup>11</sup> In Southern Rhodesia, the sector accounted for between 36 and 66 per cent of the country's exports from 1924 to 1938.<sup>12</sup> Elsewhere, production took off in the 1930s when the abandonment of the gold standard by Britain in 1931 and by the United States in 1933 caused the price of gold to soar. In Sierra Leone, Uganda and Kenya, the gold took the form of alluvial deposits and was panned, but elsewhere it occurred in reefs and was shaft mined. In Tanganyika, where both alluvial and reef gold were present, it was panned until the 1920s and thereafter mined. The organization of the industry varied from country to country. Alluvial panning tended to be undertaken by individuals and shaft mining by companies. In Nigeria and Southern Rhodesia, after hopes of large gold deposits were dashed, the mining companies tended to be small; in Southern Rhodesia in 1909, 500 mines were being worked, and in 1929, 290 mines. Alternatively, the Tanganyikan ores were mainly exploited by large companies, often with pan-African operations, and the Gold Coast sector was dominated by Consolidated Goldfields.<sup>13</sup>

Tin (see Nigeria Mines Department, *Nigerian Minerals and Mining* (1924) and *The Report of a Committee ... Interested in the Production of Tin in Nigeria* (1933), both below) was excavated in the Bauchi plateau in Nigeria, and to a lesser extent in the Gold Coast, and in the 1930s in Southern Ankole, Uganda.<sup>14</sup> In Nigeria, where the tin deposits were 200 miles long and 100 miles wide, commercial mining began in 1909, though the industry dated from the sixteenth century when unrefined tin was sold to trans-Saharan traders.<sup>15</sup> Growth was driven by the increased world demand for the metal caused by its use in the food packing and automobile industries; the failure of the industry in the Gold Coast, which prompted many firms to transfer their operations to Nigeria; and



the completion of the railway from Zaria to the tin fields.<sup>16</sup> By 1929, Nigeria was the world's fourth-largest producer of tin, although production then fell owing to an international scheme to restrict production to which the British government subscribed in 1931 on behalf of the colony.<sup>17</sup> As little capital was required, the sector was dominated by a large number of expatriate companies (105 with a total capital investment of £4m in 1912 and 48 with a capital investment of £7.598m in 1930), mainly British or allied with British concerns. From 1902 to 1927, Africans were largely excluded from the industry, as their involvement was not conducive to large-scale mining, though a number subcontracted, buying mining rights from expatriate firms to which they sold the tin obtained at below market prices.<sup>18</sup>

The mining process involved removing the soil or residue covering the tin deposits by hand or by mechanical means and then extracting the tinstone with jets of water. The work was performed in 1912 by 41,206 and in 1930 by 28,904 Africans, both locals and migrants, who were either employed by the mine on piecemeal contracts or by headmen. The latter agreed to supply labour to the mine owner in return for a fee and obtained a given amount of money for each worker supplied. There were also tribute labourers who were employed on an hourly basis generally by the smaller companies and by the larger concerns when there was a sudden need to increase production or a headman had failed to provide sufficient hands. Working conditions were poor. Miners laboured in an unhealthy environment, there were few medical, sanitary or recreational facilities, the living accommodation provided was overcrowded, and headmen often paid employees less than the amount they received from the mines, supplementing their incomes with high-interest loans.<sup>19</sup>

Other minerals exploited outside South Africa were coal, diamonds, iron, zinc, vanadium, asbestos and chrome. Coal was mined from 1909 in Eastern Nigeria at Udi, and from 1904 in Southern Rhodesia at Wankie. In Nigeria, the government constructed a railway to transport the output to Port Harcourt and operated the mine. By 1926, the colonial authorities had invested £7.2m in the industry, which in 1930 employed 2,086 Africans and produced 331,000 tons of coal; most, apart from some exports to the Gold Coast in 1917–29, being used domestically.<sup>20</sup> Diamonds (see *Agreement for Grant of a Licence for a Term of 99 years from the 1st July, 1933 for Diamond Mining in the Colony and Protectorate of Sierra Leone* (1934), below) and iron ore were mined in Sierra Leone. Of the two sectors, diamond mining was the most successful; diamonds were discovered in 1930, production began in 1935 and by 1937 the country was exporting one million carats every year.<sup>21</sup> Zinc and Vanadium, meanwhile, were extracted from Northern Rhodesia's Broken Hill mine, and asbestos (see Frew, *Asbestos Mining in Rhodesia* (1936), below) and chrome were worked in Southern Rhodesia, which by 1929 was the world's primary source of the two minerals.

Production largely came from just three mines and fell in the 1930s, though both sectors returned to growth after 1935.<sup>22</sup>

Finally, a number of minerals – oil, brown coal, bauxite, and limestone – although surveyed in the period remained relatively unexploited. Exploration for oil in Nigeria began in 1903 and was undertaken by the British-owned Nigeria Bitumen Corporation, which found deposits in the Niger Delta in 1908. Unfortunately, no production occurred owing to the challenging Nigerian environment that required costly technology and the less-than-enthusiastic support given by the colonial administration and the Colonial Office. Further exploration by Shell and Anglo-Iranian (late British Petroleum) occurred in the late 1930s, but again failed to lead to drilling.<sup>23</sup> Brown coal (see Wilson, *Brown Coal in Nigeria* (1924), below), a fuel whose characteristics place it somewhere between coal and peat, was discovered in Nigeria in 1903. The development of the black coal industry at Udi, however, caused the vast deposits that extend in a belt 20–40 km wide from Oriu to Adiase-Uti to be commercially ignored. A similar fate befell the limestone and bauxite sectors (see Gethin Jones, *Memorandum on the Lime Resources of Kenya Colony* (1932) and Dixey, *Bauxite Deposits in Nyasaland* (1925), below). Despite a large demand for lime from agriculture, the limestones of Kenya, which are 20 m thick and extend approximately 180 km from Malindi to the Tanzanian border, remained unexploited.<sup>24</sup> So too did the bauxite that was discovered in the Mlanje district of Nyasaland in 1924; the Anglo-American Corporation obtained an exclusive prospecting licence in 1934, but failed to begin production.

#### Notes:

1. J. Teisch, “Home is Not so Very Far Away”: Californian Engineers in South Africa, 1868–1915, *Australian Economic History Review*, 45:2 (2005), pp. 139–60.
2. R. V. Kubicek, ‘Mining: Patterns of Dependence and Development 1870–1930’, in Z. A. Konczacki, J. L. Parpart and T. M. Shaw (eds), *Studies in the Economic History of Southern Africa, Volume 2: South Africa, Lesotho and Swaziland* (London: Frank Cass, 1991), pp. 64–78, on pp. 68, 73.
3. P. Richardson and J. J. Van Helten, ‘The Development of the South African Gold Mining Industry, 1895–1918’, *Economic History Review*, 37:3 (1984), pp. 319–42.
4. Wrigley, ‘Aspects of Economic History’, p. 89.
5. Kubicek, ‘Mining’, p. 67.
6. Kubicek, ‘Mining’, p. 66; P. Alexander, ‘Challenging Cheap-Labour Theory: Natal and Transvaal Coal Miners, ca 1890–1950’, *Labor History*, 49:1 (2008), pp. 47–70; G. Nattrass, ‘The Tin Mines of the Waterberg (Transvaal), 1905–1914’, *New Contree*, 26 (1989), pp. 5–12. See also G. Nattrass, ‘The Tin Mining Industry in the Transvaal 1905–1914: Some Social and Economic Implications and Perspectives’, *South African Journal of Economic History*, 6:1 (1991), pp. 91–120; and B. Guest, ‘Financing an Infant Coal Industry: The Case of the Natal Collieries’, *South African Journal of Economic History*, 3:2 (1988), pp. 40–60.

7. D. Sunderland, *Managing the British Empire: The Crown Agents for the Colonies 1833–1914* (London: Royal Historical Society and Boydell & Brewer, 2004), pp. 237–42.
8. J. McCracken, 'British Central Africa', in Roberts (ed.), *The Cambridge History of Africa, Volume 7*, pp. 602–48, on p. 626; R. E. Baldwin, 'The Northern Rhodesian Economy and the Rise of the Copper Industry', in Z. A. Konczacki and J. M. Konczacki (eds), *An Economic History of Tropical Africa, Volume 2: The Colonial Period* (London: Frank Cass, 1977), pp. 60–76, on pp. 64–5.
9. Baldwin, 'The Northern Rhodesian Economy', p. 65; McCracken, 'British Central Africa', p. 625; L. J. Butler, *Copper Empire: Mining and the Colonial State in Northern Rhodesia, c.1930–64* (Basingstoke: Palgrave, 2007); J. Utzinger, 'The Economic Payoffs of Integrated Malaria Control in the Zambian Copperbelt between 1930 and 1950', *Tropical Medicine and International Health*, 7:8 (2002), pp. 657–77.
10. McCracken, 'British Central Africa', p. 629.
11. The sector was most important in Southern Rhodesia where it accounted for between 36 and 66 per cent of the colony's exports in 1924–38 (I. R. Phimister, *An Economic and Social History of Zimbabwe, 1890–1948* (London: Longman, 1988), p. 177). Production in Kenya in 1940 was worth just £640,000 (C. C. Wrigley, 'Kenya: The Patterns of Economic Life 1902–45', in V. Harlow, E. M. Chilver and A. Smith (eds), *History of East Africa, Volume 2* (Oxford: Clarendon Press, 1965), pp. 209–64, on p. 249).
12. Phimister, *An Economic and Social History of Zimbabwe*, p. 179.
13. B. Ndoma-Egba, *Foreign Investment and Economic Transformation in West Africa, 1870–1930 with an Emphasis on Nigeria* (London: Lund, 1974), p. 74; R. Oliver and A. Atmore, *Africa since 1800* (Cambridge: Cambridge University Press, 2004), p. 53; D. C. Dorward, 'British West Africa and Liberia', in Roberts (ed.), *The Cambridge History of Africa, Volume 7*, pp. 399–459, on pp. 406, 444–5; A. D. Roberts, 'East Africa', in Roberts (ed.), *The Cambridge History of Africa, Volume 7*, pp. 649–701, on pp. 698, 692; McCracken, 'British Central Africa', p. 605; A. D. Roberts, 'The Gold Boom of the 1930s in Eastern Africa', *African Affairs*, 85:341 (1986), pp. 545–62; Wrigley, 'Kenya', pp. 248–9.
14. Roberts, 'East Africa', p. 696.
15. A. O. Anjorin, 'Tin Mining in Northern Nigeria during the Nineteenth and early part of the Twentieth Centuries', *Odu*, 5 (1971), pp. 54–67; Ndoma-Egba, *Foreign Investment*, pp. 75, 81.
16. D. Matthews, 'Serendipity or Economics? Tin and the Theory of Mineral Discovery, 1800–1920', *Business History*, 32:3 (1990), pp. 15–48; Anjorin, 'Tin Mining in Northern Nigeria'. In 1918 and 1930 the sector accounted for respectively 18.9 per cent and 9.3 per cent of the colony's exports (Ndoma-Egba, *Foreign Investment*, p. 88).
17. Wrigley, 'Aspects of Economic History', p. 92.
18. Ndoma-Egba, *Foreign Investment*, pp. 75, 84–5, 88; Dorward, 'British West Africa', p. 410. From 1909 to 1912, the market for Nigerian tin was manipulated by British and American financiers in the City of London (I. Phimister, 'Corners and Company-Mongering: Nigerian Tin and the City of London, 1909–12', *Journal of Imperial and Commonwealth History*, 28:2 (2000), pp. 23–41).
19. Ndoma-Egba, *Foreign Investment*, pp. 77, 86.
20. W. Kolia, *Coal, Capital and Labour in Colonial Zimbabwe 1894–1954* (Johannesburg: Witwatersrand University Press, 1994); Ndoma-Egba, *Foreign Investment*, pp. 92–4; Dorward, 'British West Africa', p. 407; J. O. Ahazuem, 'The Nigerian Coal Industry and

- the Dilemma of a Shrinking Market for Coal', *Transafrican Journal of History*, 17 (1988), pp. 139–51.
21. I. Smillie, L. Gberie and R. Hazleton, *The Heart of the Matter* (Ontario: Partnership Africa Canada, 2000), p. 13.
  22. Dorward, 'British West Africa', p. 445; McCracken, 'British Central Africa', pp. 625, 627.
  23. P. Steyn, 'Oil Exploration in Colonial Nigeria, c. 1903–58', *Journal of Imperial and Commonwealth History*, 37:2 (2009), pp. 249–75; Wrigley, 'Aspects of Economic History', p. 94. The colonial government in 1913 refused to provide the funds required for deep-level drilling (Wrigley, 'Aspects of Economic History', p. 94). Oil and gas operations finally commenced in 1956.
  24. C. J. R. Braithwaite, 'Depositional History of the late Pleistocene Limestones of the Kenya Coast', *Journal of the Geological Society*, 141:4 (1984), pp. 685–99, on p. 685.



F. D. P. Chaplin, *Address Delivered by ... President of the Transvaal Chamber of Mines at the Annual General Meeting of Members, held at Johannesburg, on 22nd February, 1906* (Johannesburg: Transvaal Chamber of Mines, 1906).

ADDRESS  
DELIVERED BY  
Mr. F. D. P. CHAPLIN,<sup>1</sup>

PRESIDENT  
OF THE  
Transvaal Chamber of Mines<sup>2</sup>

AT THE  
ANNUAL GENERAL MEETING  
OF  
MEMBERS,  
Held at Johannesburg,  
ON  
22nd February, 1906. /

The Chairman, in moving the adoption of the Report, said:—

Gentlemen, — I have much pleasure in moving the adoption of the Report of the Executive Committee of the Chamber covering the twelve months ended the 31st December, 1905.

As I have explained at the Special Meeting which has just been held, our expenditure during the year exceeded our revenue by £3,118 15s. 2d., the receipts from all sources having amounted to £19,038 14s. 8d., and the expenditure to £22,157 9s. 10d. Full particulars are given in the Report and Accounts which have already been circulated, and I do not think it is necessary for me to go into this question any further.

The work of the Chamber has certainly by no means lessened during the past year, as is shown by the figures already given as to the number of meetings which have been held. During the past year sixteen companies have been added to the list of members and four have been withdrawn. At the close of the year there were among the members of the Chamber 67 producing gold mines, namely, 61 in the Witwatersrand and 6 in other districts, while the stamps represented by companies, members of the Chamber, were 7,080 as against 5,645 a year ago. Gold was also produced in the Transvaal by 255 stamps run by 9 Companies not members of the Chamber. In addition to the 67 producing Gold Mines, our membership includes 63 non-producing Gold Mining Companies and 8 Colliery Companies.

Full particulars as to Native Labour have been given you month by month in the reports of the Executive Committee, which are summarised in the Annual Report, and also at our monthly meetings. Comparing the statistics of 1905 with those of the previous year, you will find that at the 31st December last, according to the figures given by the Government Mines Department, there were employed on the gold mines of the Transvaal 93,831 natives, including contractors' boys, as against 83,639 on the 31st December, 1904. The highest point attained was in April last, when the number so employed reached 107,787. Since that date there has been a gradual shrinkage, until at the end of December, 1905, the number was, as I have already stated, 93,831. Taking separately the figures in regard to natives employed on Gold Mines only which are members of the Witwatersrand Native Labour Association, it appears that at the end of December, 1904, there were, including contractors' boys, 74,604, at 30th April 95,384. and at 31st December last 79,484, thus showing a falling off since April last of 15,900 boys, or including all members of the Witwatersrand Native Labour Association<sup>3</sup> at the end of December, 1904, there were, including contractors' boys, 82,572 employed, as against 87,673 at the end of December last, equal to an increase of 5,101. Even this result has only been obtained by unremitting exertions and heavy expenditure on the part of the Association, which body has spent during / the year under review no less than £273,778 7s. 7d. in recruiting operations, the total expenditure incurred from March, 1901, to the end of 1905 having been £952,278, besides capital expenditure bringing the total to just a million pounds. The operations of the Association have been carried out in the Transvaal, Cape Colony, Basutoland, the Province of Mozambique, Zambesia, British Central Africa, North-Western Rhodesia, Nyassaland, and German South-West Africa. The Association recruited 101,524 natives during the year, as compared with 87,893 in 1904; the wastage due to discharges, desertions, and deaths was 93,112, as compared with 74,579 in 1904. Of this number 82,604 natives took their discharge, equal to 88.7 per cent.; 5,979 desertions were reported, equal to 6.4 per cent. (which I might add in passing compares very unfavourably with the percentage of desertions among the Chinese coolies); and 4,529 deaths took

place, equal to 4.85 per cent.; the percentages being in each case calculated on the total of 93,112.

It will thus be seen that to increase the total native labour strength of the members of the Association by 5,101, that is from 82,572 at the end of 1904 to 87,673 at the end of 1905, 101,524 natives had to be recruited by the Association, or in other words, to add one unit to the labour force, 19.9 natives had to be brought here.

It appears that out of the total number recruited, 40.895, or say 40 per cent., were obtained from Portuguese territory, as compared with 31,701, or say 35 per cent., during the preceding year. All the information at our disposal goes to show that the comparatively large influx of natives which took place in February, March, April, and May was due to exceptional causes, the natives having come from certain districts, chiefly in Cape Colony, which as a rule supply surface labour only. The general depression throughout British South Africa, resulting from the stagnation of the Mining Industry owing to scarcity of labour in 1903 and 1904, led to widespread retrenchment in public and private enterprise. The natives, thus finding their ordinary fields of employment closed, and having at the same time to face unusually bad harvests, were obliged to come to the Mines for work. In order, however, to encourage as far as possible a permanent supply of natives from Cape Colony, arrangements are now being made with the Government of Cape Colony whereby that Government will, to some extent, undertake the task of recruiting, being represented on the Rand by its own agent. The net result of all our labours and inquiries appears to be that we shall do well if we maintain as an average the number of natives at present employed. Even this would seem to be somewhat problematical, since it would appear from the communications we have received from the Government that it is by no means unlikely that recruiting in tropical territories, from which we have at present some 10,000 boys on the Rand, will in future be prohibited. As you are aware, under existing arrangements and by permission of the various Administrations concerned, we recruit in the territories of British Central Africa, North-Eastern Rhodesia, and Mozambique, N. of Latitude 22 deg., during the summer months, when the change of climate for natives coming to the Rand is not so marked. Even so, the death rate amongst such natives, owing to the change, is high. We hope, however, that before any definite decision is taken on the matter, due consideration will be paid to the death rate among / those natives from the territories above mentioned who have arrived on the Rand during the present summer, seeing that the arrangements which were instituted at the beginning of the summer for their selection and medical examination were far more stringent and effective than in previous years. Generally the greatest care continues to be taken in the selection and medical examination of recruits prior to their being despatched to Johannesburg, and this, as well as the practice



of delaying the allotment to mines of those natives who arrive here from tropical areas, and other natives who appear in need of rest and treatment, for ten days or a fortnight, in order that they may recover from their long journey, is done with the object of decreasing the sickness and mortality among them, the number so detained having been for the year 1905, 10,960, or 16,809 since the institution of the system in July, 1904.

On the whole it may be said that the efforts made and the expenditure incurred in recruiting, together with the results obtained, are fair indications first of the desire of the mining companies to exhaust all possible means of obtaining Kaffir labour before resorting to the importation of Chinese, and secondly of the justice of the conclusions arrived at by the Transvaal Labour Commission in 1903; that the progress of every industrial enterprise in the Transvaal is arrested by want of labour; that the expansion of South African industries has far outstripped the labour supply; and that the belief that was so generally and confidently entertained that there is in Central and Southern Africa an ample supply of native labour for all our needs, and that only organisation and capital are necessary to secure it, has been completely dispelled.

These findings, as you will remember, were entirely endorsed by the South African Native Affairs Commission,<sup>4</sup> which was appointed in September, 1903, and issued its report early in last year.

In view of the fact that, as already stated, 40 per cent. of our total native labour supply at the present time comes from Portuguese territories, and that these natives are generally acknowledged to be the most suitable for underground work, the negotiations which for many months past have been proceeding with the Portuguese Government in regard to the Agreement for a *Modus Vivendi* of December, 1901, have occupied the serious attention of the Executive. In July last it was proposed that a joint deputation of representatives of this Chamber, the Chamber of Commerce, and the Chamber of Trade, should submit to His Excellency the High Commissioner certain considerations which, in the opinion of the Executives of the three Chambers, should have weight in determining the policy to be adopted. As, however, it was felt that such a deputation, which must almost necessarily have been public, might be inconvenient during the progress of the negotiations, it was decided that a joint letter should instead be written to His Excellency. After considerable discussion, the joint letter was accordingly handed to His Excellency on the 26th July. As the negotiations are not yet concluded, it is not possible at present to publish the letter or specify exactly the points raised. The Chamber may, however, rest assured that, while expressing a desire for the adoption of a sympathetic and friendly attitude towards the other British Colonies in South Africa, particularly at a period of depression and difficulty such as that through which the country has of late been passing, the letter so far as possible safeguarded the interests both of the Industry and generally /