

Border Industries

By JACQUELINE BECK

This paper was presented to the National Conference of the Black Sash in October 1967

ON 2nd JUNE 1960 Dr. Verwoerd announced that a permanent committee for the location of industry and the development of border areas would be appointed. He defined "border areas" as "those localities or regions near the Bantu areas, in which industrial development takes place through European initiative and control, but which are so situated that the Bantu workers can maintain their homes and family life in the Bantu areas and move readily to their places of employment".

In the event this definition has been considerably extended. Now border industries don't have to be anywhere near the so-called homelands and they don't have to employ Africans. By the end of 1965 the Government had decided that border area benefits should be extended to the George and Knysna districts, and the Upington and Heilbron areas for the employment of Coloured people and to Maritzburg, Verulam, Tongaat and Stanger for the employment of Indians. And as to proximity to "homelands", border industries can be established anywhere within 30 miles of such areas. The concept "homeland" has also acquired surprising elasticity. Thus textile mills at Harrismith are a border industry by virtue of their proximity to Witzieshoek where all of 11,000 Africans live. Now Bloemfontein businessmen are keen to have their city declared a border area. It is, after all, not much further from Thaba 'Nchu where nearly 40,000 Africans live. And there is of course the claim, dismissed with contumely by the Government, that Johannesburg's proximity to Soweto, where half a million Africans live, gives it every qualification to be a border area.

The 30 mile distance allowed from home to industry certainly weakens the force of Mr. Blaar Coetzee's dictum that "these Bantu labourers (in border industries) are happy — they sleep with their families every night". For "every night" substitute "some weekends".

But to return to the original concept put forward by Dr. Verwoerd. Repeated assurances were given that the border industry scheme would be completely voluntary. "No compulsory measures will be applied to force intending industrialists to establish themselves in border areas", said Dr. Verwoerd when he announced details of the scheme in September 1960. In November of that year Dr. S. P. du Toit Viljoen, then Vice-Chairman of the Board of Trade, told the Federated Chamber of Industries — "I can assure you that no factories will be forced to move".

In November 1963 Dr. Viljoen, now Chairman of the Permanent Committee for the Location of Industry, was still assuring the Federated Chamber of Industries that "no resort to mandatory measures, such as licensing, is contemplated".

No compulsion. In order to encourage industrialists to set up factories in border areas, inducements were to be offered — the provision of basic services such as water, power and transport and *lower wages*, anything from 20 per cent to 50 per cent lower.

These inducements were not effective so more and more were offered — tax concessions, provision of complete factories at low rentals, concessions on railway rates, establishment of fully planned industrial townships, assistance in provision of housing for white personnel (housing for African workers being already the responsibility of the Department of Bantu Administration and Development), facilities for mortgage loans and so on.

Still the vast majority of industrialists preferred to be guided by sound business principles rather than by ideological obsessions about turning back the "black tide" by 1978. So in 1967 the assurances of 1960-65 were swept aside by the Physical Planning and Utilization of Resources Act.

The achievements under the voluntary scheme were indeed small. During the period 1960-66 border industries gave employment to some 57,000 persons of whom about 44,000 were Africans. South Africa's estimated total labour force in 1965 was 4,750,000 of which nearly 3,500,000 were Africans. This puts border industry employment at less than 1 per cent of the total employment.

The employment of these 57,000 persons (of whom 44,000 are Africans) in border industries involved a total direct investment of an estimated R220-million plus a Government investment of a further R106-million. The cost per worker was

therefore over R5,700. Estimates by the Johannesburg Chamber of Commerce (Commercial Opinion — March, 1967) show an investment in industry of R940 per worker (white and non-white) during the period 1956-63. A 1961 estimate by a group of international economists of the cost of establishing industries in under-developed areas amounted to R1,430 per worker. Obviously our border industries, though they are allowed to employ "cheap" labour at low wages, are not cheap.

Why then border industries? Who benefits? Not the African worker who earns from R6 to R14 a week in these industries but could earn R18 to R33 a week if he was allowed to go to the established industrial areas where there is work for him. And not the worker in the established areas who works under the constant threat of having his wages depressed or of losing his employment opportunities to the border areas — a threat enormously increased by the passing of the Planning Act.

The cost of creating employment in border industries as compared with established industries does not suggest that the former are advantageous to industrialists. The tax concessions and other inducements provided by the Government to encourage border industries have to be paid for and as always, by the taxpayer.

Governments have a knack of referring to "government sources" and "government funds" as though they provide these monies from their own pockets. But as it is in fact the taxpayers who provide these funds they, the taxpayers, are surely entitled to ask what their money is to be spent on and why.

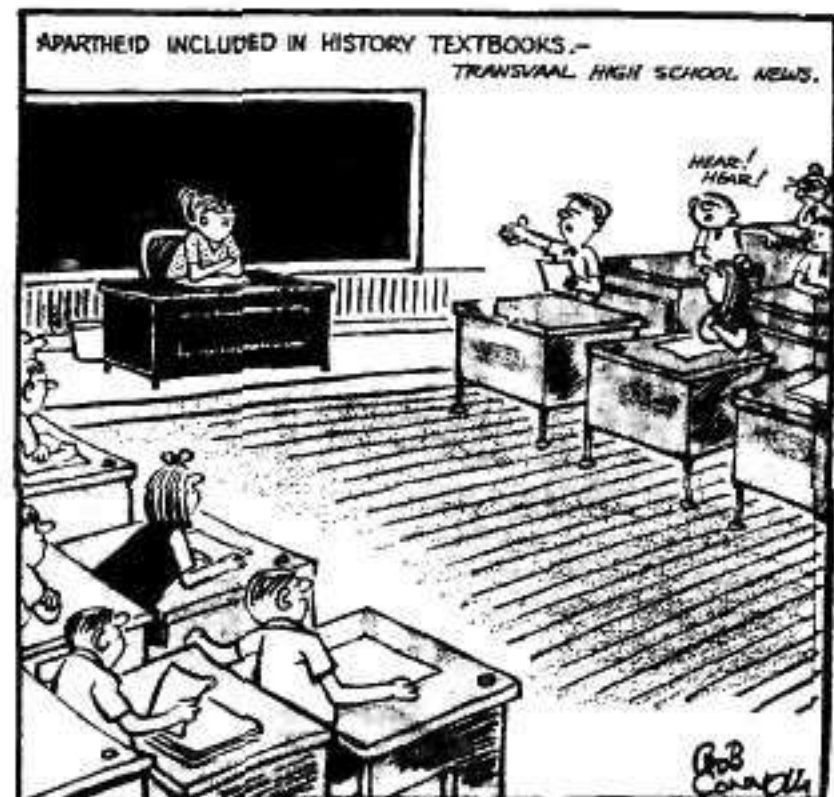
That it is not being spent on the development of the Bantustans is painfully clear. The border industries remain on the white side of the border, under "European initiative and control". It is significant that during the past year or two we have heard less and less about the development of Bantustans and more and more about making the "white" areas whiter. The 5 per cent annual cut-back on African employment in these "white" areas is now the great goal and the Tomlinson Commission Report has gone to that limbo where governmental promises and assurances so often go.

In 1960 the assurance was that the border areas were to be developed "on economic grounds and not purely for the sake of an ideology."

Some reference to the economics of border industries has already been made in this paper. Add to it the Chamber of Commerce estimate that to achieve an annual displacement of 5 per cent of 1.5 million African industrial and commercial workers would require an annual increase in the present rate of capital investment of more than R75 million. To achieve the Economic Development Programme target of a 5½

per cent annual growth rate as well would require a capital investment of about R100 million per year. Bear in mind that this estimate is based on a capital investment cost of R940 per worker, whereas the actual cost per worker in border industries has been R5,700. What a price to pay for apartheid. And when the price has been paid there will still not be apartheid or even "separate development", but still an integrated economy with Black labour under "European initiative and control". The only change will be that we will no longer be "mixed and rich", we will be "mixed and poor."

Classroom of the Future? by Bob Connolly



"Within ten years the public will insist that any person in South Africa who dares to say anything in conflict with separate development, or in conflict with the maintenance of the colour line, should be subjected to criminal proceedings."

Mr. M. J. van den Berg in Parliament.

Mr. Coertze made it clear that the move was voluntary and not compulsory. If the Africans did not wish to board the truck they did not have to do so. The squatters would however find themselves open to prosecution if they did not.

The Star, 29 January, 1968.