# THE POLITICS, CAPITAL AND LABOUR OF RAILWAY-BUILDING IN THE CAPE COLONY, 1870-1885

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THESIS SUBMITTED FOR DEGREE OF DOCTOR OF PHILOSOPHY,

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## SHORT ABSTRACT

This study examines the ambitions and requirements of British financial, manufacturing and other business interests, of different territorial and economic sectors of the colonial settlement in the Cape, and of the men who laboured on the railway works, and analyzes the changing economic and political relationships between them, as manifested in the agitations and arguments leading to the decision to build railways when and where they were built and in the process of railway-building itself between 1870 and 1885. It is argued that this first, major export of British capital to South Africa after 1870, mostly for railway building

(a) formed part of a wider shift in the direction of British capital investment towards parts of the Empire other than India;

(b) had important implications for the constitutional development of the Cape and its political relationship with Great Britain;

(c) enabled those colonial interests exercising power in the political system to determine the use made of British investments in Cape government securities, against the wishes of other colonists;

(d) conditioned the relationships between British and Afrikaner colonists in the Cape; and

(e) implied a new dimension to the demand for wage labour there.

These developments and their implications are studied here in their inter-relation. The conclusions of the study are finally related to recent writing about the way in which Imperial economic and political interests were promoted through the collaboration of white colonial settlers.

# A B S T R A C T

This is a study of the political agitation and debate leading up to the decisions about the timing and direction of railway-building in the Cape between 1870 and 1885, and of the process of railway-building itself.

It was the Cape Government that first evoked a substantial flow of British, long-term capital to the Cape, most of it for railway-building. This fact gave new meaning to the question of who controlled the Cape Government, and had important implications for the Cape's constitutional history and for political alignments among the colonists. Because the state played such an important role in economic development, a study of the politics through which the railway ambitions of different groups of colonists were mediated forms an important part of this enquiry, and may put a number of familiar political and constitutional developments in a new perspective.

In order to study colonial interests and ambitions involved in railway-building, an exploratory attempt is made to distinguish between different groups of merchants, local traders, businessmen, property-owners and farmers among the settlers, and to analyze the character of their economic activities, what they wanted from railways, and the different sources of wealth and influence at their command. The focus then turns to a detailed exposition of the way in which

these different groups set about defining and promoting their railway interests, through local agitation and by forming tactical alliances inside and outside parliament with other local groups. One of the conclusions drawn from this analysis is that the dominant mercantile community in the Cape in 1870 - Port Elizabeth - could not develop the political strength necessary to achieve its ambitions in the age of railways. There was a mismatch between the distribution of mercantile and political power which underlay a good deal of political agitation in the Cape in the 1870s and finally left a permanent imprint on its economic geography.

The involvement of Afrikaner elites in railway agitations is also emphasized. It is argued that the gains to be won by co-operating with British colonists in promoting economic interests through the political system played a significant part in moderating the character and aims of Afrikaner political movements.

An analysis of the way in which capital was obtained for the Cape railways suggests the degree to which the colonists were dependent on the Imperial connection in their efforts to develop a new economic relationship with British financiers, investors and manufacturers. It therefore furnishes concrete examples of some of the 'informal ties' binding a self-governing colony economically and politically to Great Britain. Further, the financial and business operations of the Crown Agents for the Colonies and of the Cape's Agent-General are analyzed in detail, and illustrate some of the important mechanisms and relationships at work in the economic development of much of the

Empire. Particular attention is paid to the role of speculating stockbrokers and bankers in the City of London, who were indispensable middlemen between the colonial government and permanent investors, but who under certain circumstances sought to use the dependency of colonial governments to maximize their profits at the colonists' expense. The effect was to exacerbate the strain on colonial finances imposed by risky commitments and economic misfortunes. This account of economic relationships in the export of capital to the Cape may be found relevant in some respects to the economic history of many other parts of the Empire.

Railway-building implied a new scale of demand for wage-labour in the Cape: this thesis charts the increasing importance to the colonists of securing an abundant supply of black railway labour on terms cheaper than those which blacks were able to secure in the early 1870s. As a result of assumptions and colonial interestswhich are analyzed, the Government deployed white labour on the railways extensively, and a self-perpetuating division of labour and differential terms of labour were established between black and white workers, which, because of the cost of white labour, served to deepen the Government's dependence on a complementary flow of relatively cheap, black labour. The main focus of this section of the thesis is on the conflict over the terms of black labour, as blacks used a number of favourable circumstances in the early 1870s to bargain at their homes and at the railway works and force an improvement in the terms of labour, and as the Government sought by a variety of strategies to

reduce their bargaining-power. It is argued that the persistent bargaining by blacks whose labour was solicited should be integrated in the wider picture emerging from other studies of the African response to market forces in this period.

Between 1875 and 1885, the terms of railway labour were turned sharply against black workers. An attempt is made to set this development in the context of Government policies, of longer-run processes of economic change in precapitalist African society, and of the impact of wars, drought and commercial depression on the power of black men in the labour market.

Some of the main conclusions from the different facets of this thesis are then drawn together in the form of a discussion of the modifications and elaborations which a study of Cape railway-building suggests might be made to recent writing about the way in which imperial political and economic interests were served through the collaboration of white colonial settlers.

The thesis studies the different aspects of railway-building in the order in which they have been introduced in this Abstract:

Chapter 1 surveys the structure of mercantile activity in the Cape and the other sources of wealth and influence. A variety of local interests are defined which were not dependent on the credit of the leading mercantile communities, and which exercised considerable political influence. The advantages expected from railways are then described, and the point is underlined that they were advantages that appealed to many local interests as well as to the major commercial communities.

Chapter 2 discusses the constitutional and financial obstacles to railway-building in the 1860s, and some of the interests and ambitions at stake at the end of the decade in the question of whether Responsible Government should be introduced in the Cape.

Chapter 3 describes the railway agitations that arose after the discovery of diamonds, and defines the different groups of colonists who began to assert their local railway interests. It is argued that calculations concerning the prospects for the railway interests of different territorial groupings in the dawning era of capital investment by the state played an increasingly important part in political agitations for and against Responsible Government, Separation and Federation.

Chapter 4 examines the pressures applied by different colonial interests on the first Responsible Ministry to introduce a comprehensive scheme of railway-building. The traditional account of the purposes of the railway plan of 1874 is challenged. It is contended that the object of the plan was not to reach towards the diamond fields, but rather to satisfy a majority of the powerful combinations of merchants and local business, trading, professional and propertied interests clamouring for their own railways. There follows a discussion of how far the introduction of Responsible Government can be seen as a necessary condition of large-scale railway-building.

Chapter 5 analyzes the railway claims and the coalitions of railway interests which developed in 1879-1881. It shows how and why the railway ambitions of the leading mercantile community of Port Elizabeth were frustrated, and why the railways authorized in 1881 went where they did. Chapter 6 describes largely unsuccessful private railway ventures in the Cape after 1881 and then concentrates on two new themes: the involvement of men active in the growing Afrikaner political movements in railway politics; and the wider arena of competition and conflict between different South African states into which the Cape was being carried, not least by its collective railway interests, by the time its main line system to Kimberley was complete.

Chapter 7 sets the flow of British capital into Cape Government securities in this period in the context of a wider shift of investing interest towards safe colonial securities, and discusses the nature of their attraction. The analysis then turns to the relationships between the Cape Government's representatives in London and British financial, manufacturing and shipping interests, to the conflicts over the terms on which capital could be procured, and to the major factors determining what the terms were.

Chapter 8 defines the distinctive characteristics of railway labour. It then describes and seeks to explain the extensive deployment of white labour on the railways and the importation of many immigrants from Europe for the purpose. The focus then shifts to the opening rounds in the conflict between the Government and black workers over the terms of black labour for the railways.

Chapter 9 deals with the mounting pressure on the Government to reduce the cost of black railway labour from 1877. Explanations are offered for the greatly increased flow of black labour to the railway works in 1876-1877, and the rest of the Chapter analyzes the processes by which the terms of labour were turned drastically against the blacks by 1885.

Chapter 10 relates some of the main points established in previous Chapters to each other in a discussion of Cape railway-building as a case-study in the collaboration of white colonists in securing and extending imperial political and economic interests.

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# THE POLITICS, CAPITAL AND LABOUR OF RAILWAY-BUILDING IN THE CAPE COLONY 1870-1885

A. J. Purkis

Thesis submitted for the degree of Doctor of Philosophy

University of Oxford

1978 [i.e. 1979]

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# CAPE COLONY

## TOWNS AND RAILWAYS

## 1895

ORANGE RIVER

GRIQUALAND WEST

Kimberley

Bloemfontein

Berea

Thaba Bosigo

Hope Town

Ookiep

ORANGE FREE STATE

BASUTOLAND

Orange River

Colesberg

Herschel

Aliwal North

GRIQUALAND EAST

Hanover

Burghersdorp

Dordrecht

TEMBULAND

PONDOLAND

Victoria West

Richmond

WESTERN PROVINCE

EASTERN PROVINCE

Murraysburg

Graaff Reinet

Cradock

Queenstown

FINGOLAND

Butterworth

Beaufort West

Aberdeen

Somerset East

Stutterheim

Bedford

Alice

Kingwilliamstown

Fort Beaufort

Grahamstown

East London

Bushman's River

Peddie

Bathurst

Port Alfred

Uitenhage

Port Elizabeth

Clanwilliam

Piquetberg

Tulbagh

Ceres

Malmesbury

Wellington

Worcester

Paarl

Cape Town

Stellenbosch

Robertson

Wynberg

Somerset

Simonstown

Caledon

Ladismith

Oudtshoorn

George

Swellendam

Riversdale

Mossel Bay

MILES

0 10 20 30 40 50 100

## NOTES ON ABBREVIATIONS AND TERMINOLOGY

### i. Abbreviations

| | |
|---|---|
| Acc. | - Accession |
| Argus | - Cape Argus |
| A.Y.B. | - Archives Year Book for South African History |
| BBNA | - Blue Book on Native Affairs |
| B.Courier | - Beaufort Courier |
| -/B.W. | - Records of Civil Commissioner/Resident Magistrate, Beaufort West. |
| Cape | - Cape Archives, Cape Town. |
| C.C.(Albert) | - Civil Commissioner of (Albert) |
| -/CDK | - Records of Civil Commissioner/Resident Magistrate, Cradock |
| C.H.B.E. | - Cambridge History of the British Empire |
| Ch. Insp. | - Chief Inspector of Public Works |
| Ch. of Comm. | - Chamber of Commerce |
| C.M.(Thembuland) | - Chief Magistrate of (Thembuland) |
| C.M.T. | - Records of the Chief Magistrate of the Transkei |
| C.O.<br>(Cape, C.O.)<br>(P.R.O., C.O.) | - Records of Colonial Office<br>(Records of Cape Colonial Office)<br>(Records of British Colonial Office) |
| Col.Sec. | - Colonial Secretary |
| Commissioner | - Commissioner of (i.e. Cape Minister responsible for) Crown Lands and Public Works |
| Cory | - Cory Library, Rhodes University, Grahamstown |
| Cradock Reg. | - Cradock Register |
| D.C. | - Divisional Council |

| | |
|---|---|
| E.L.D. | - East London Daily Dispatch |
| E.P.H. | - Eastern Province Herald |
| E.Star | - Eastern Star |
| G.L.W. | - Records of Government of Griqualand West |
| G.R.H. | - Graaff Reinet Herald |
| G.T.J. | - Graham's Town Journal |
| Gubbins Library | - Gubbins Library, University of the Witwatersrand, Johannesburg. |
| H.A. | - Records of House of Assembly |
| Johannesburg Mun.Lib. | - Johannesburg Municipal Library |
| J.P. | - Justice of the Peace |
| K.A.O. | - Kent Archives Office, Town Hall, Maidstone |
| K.W.T.Gazette | - Kingwilliamstown Gazette |
| Misc. Letters Rd. | - Miscellaneous Letters Received |
| M.L.A. | - Member of the House of Assembly |
| M.L.C. | - Member of the Legislative Council |
| N.A. | - Records of the Native Affairs Department |
| O.Courant | - Oudtshoorn Courant |
| O.H.S.A. | - The Oxford History of South Africa |
| Parl.Papers | - British parliamentary papers |
| P.E.Tel. | - Port Elizabeth Telegraph |
| P.L.B. | - H. Pauling's Letter-book for 1875 (document in Johannesburg Municipal Library) |
| P.M. | - Records of Prime Minister's Department |
| P.R.O. | - Public Record Office, London |
| P.W.D. | - Records of Public Works Department |

| | |
|---|---|
| Q.F.P. | - Queenstown Free Press |
| Q.Rep. | - Queenstown Representative |
| R.Era | - Richmond Era |
| R.M.(Albert) | - Resident Magistrate of (Albert) |
| S.A.P.L. | - South African Public Library, Cape Town |
| S.M.(Tamacha) | - Special Magistrate of (Tamacha) |
| S.N.A. | - Secretary for (i.e. Cape Minister in charge of) Native Affairs |
| -/SSE | - Records of Civil Commissioner/Resident Magistrate, Somerset East |
| T. | - Records of Cape Treasury |
| -/TA | - Records of Special Magistrate, Tamacha (Division of Kingwilliamstown) |
| Tel. | - telegram |
| -/UIT | - Records of Civil Commissioner/Resident Magistrate, Uitenhage |
| USNA | - Under-Secretary for Native Affairs (official head of Native Affairs Department) |
| V.& P. | - Votes and Proceedings of the Cape parliament |
| V.& P.1870, 1(i) | - Appendix 1, Vol.(i), to Votes and Proceedings of Cape parliament for 1870 (model for references to Cape Parliamentary Papers) |
| Watchman | - Kaffrarian Watchman |
| Z.A. | - Zuid Afrikaan |
| ZABBV | - Zuid Afrikaansche Boeren Beschermings Vereeniging (South African Farmers Protection Association) |

ii. Terminology

'Afrikaner' is used here to refer to a white, Afrikaans-speaking South African.

'Black' is used as a synonym for 'non-white'.

The 'south-west' refers to the whole area south of Clanwilliam and west of Riversdale and Ladismith.

The 'north-west' refers to the area north of Beaufort West, south of the Griqualand West/Cape border, and west of Murraysburg and Richmond, i.e. principally to the districts around Beaufort West, Victoria West and Hope Town.

The 'midlands' refers to the districts around Uitenhage, Aberdeen, Graaff Reinet, Murraysburg and Richmond.

The 'north-east' refers to the districts around Queenstown, Burghersdorp, Wodehouse and Aliwal North.

The 'border', when used to denote an area, refers to British Kaffraria (i.e. the Divisions of East London and Kingwilliamstown) and the north-east.

The 'north-eastern railway system' refers to the railways from Port Elizabeth to Grahamstown, Cradock and Colesberg, as distinct from the 'midland line' to Graaff Reinet, the 'border line' from East London to Queenstown, and the 'western line' from Cape Town to Beaufort West.

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# P R E F A C E

There are advantages in studying the major dimensions of a process as significant as railway-building together, partly because more facets of historical change are illuminated than if attention were to be restricted to one part of the process, and partly because the significance or cause of what was happening in one dimension of the process can often not be understood fully without relating it to the other dimensions.

But there are also disadvantages. A study that seeks to encompass railway politics, railway capital and railway labour cannot deal with any one of these aspects in as much depth, or introduce it as elaborately, as would be possible if the other aspects were left as a matter for separate enquiry. A particular problem is the difficulty of assessing the relative significance of railway-building compared with other developments taking place at the same time in each of the areas of activity which this enquiry traverses; to take only one example, the relative importance of railway-building as an issue in political alignments in the Cape over the constitutional question in 1871-1872 could only be determined satisfactorily by a programme of research on Cape politics which would probably occupy years rather than months. Difficult judgements therefore have to be made about the extent to which each facet of railway-building can be set in context, often with only limited aid from secondary sources.

Other limitations of this study should be emphasized. It is not concerned with technological aspects of railway-building, nor with questions of railway rating and management, nor has it ventured in any detail into the history of other public works or other means of communication and transport. It does not attempt to assess the economic effects of railway-building. The focus is on the interacting requirements and ambitions of British financial, manufacturing and other business interests, of different colonial interests, and of white and black labourers, and on the changing economic and political relationships between them, as manifested in the decision to build railways when and where they were built and in the process of building them.

# CHAPTER ONE

## THE LIMITATIONS OF MERCANTILE POWER IN THE 1870s

Much of the railway-building throughout the world in the second half of the nineteenth century, even in countries far richer than the Cape colony, required the intervention of the state to raise the necessary capital. The capital for railway-building was invested at once, while the returns were to a large extent both long-term and indirect: much of the addition to wealth created by the railway would not be appropriated by the owners of the railway, but, individually and collectively, by the community at large. In undeveloped lands, these returns were anyway often uncertain, and would take many years to grow to their potential size. Most British colonies were thus among the countries particularly dependent on the state in the process of capital formation in communications:

> Long-term loans at low rates of interest - essential to create the conditions to attract private initiative and capital - could be provided only by some sort of Government guarantee; the most important economic movements of the great age of <u>laissez-faire</u> were evoked by Government action.[1]

One important economic movement of the period from 1870 to 1885 was the flow of British capital into parts of the British Empire on a much larger scale than before, particularly into

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1. H. J. Habbakuk, 'Free Trade and Commercial Expansion, 1853-1870', <u>The Cambridge History of the British Empire</u>, Vol.II (Cambridge, 1940), p.797.

Australia and New Zealand, but also into other colonies like the Cape[1]. Much of this major flow of British savings was directed into colonial government securities to finance railways and other infrastructural development[2].

Some of the most fundamental economic interests of the colonial settlers, and of the British interests who benefited from railway-building in the colonies, were thus carried into the realm of colonial politics. One of the themes of this study is that political and constitutional developments in the Cape cannot fully be understood without relating them to the fundamental economic interests dependent on state action; and that the direction and extent of railway-building in the Cape can only be explained by the distribution of political power and the way in which economic interests were mediated through the political system.

The crucial power of the state in procuring and distributing British capital constituted an opportunity and a threat: an opportunity to those who could wield the necessary political power, and a threat to those who could not. In the ink of British capital, a new economic map would be drawn; a map of railways, harbours and telegraphs, which could leave the distribution of commerce, population and property values looking very different from the way it had looked before.

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1. This point is discussed more fully on pp.260-264 below.

2. J. A. Dowie, 'Business Politicians in Action: the New Zealand Railway Boom of the 1870s', Business Archives and History, Vol.V, No.1 (Feb. 1965), p.34; N. G. Butlin, Investment in Australian Economic Development, 1869-1900, (Cambridge, 1964), pp.33, 291.

At the centre of the commercial map in 1870 was Port Elizabeth, commonly known as 'the Bay'[1]. By 1870, the total of imports and exports at Port Elizabeth, valued at over £3 million, was worth more than twice as much as Cape Town's, while East London's total was still under £100,000[2]. Cape Town was for the most part cut off from the interior beyond the karroo, which for much of the year offered no water or forage for transport animals; and it was Port Elizabeth that grew with the trade of the interior, above all the wool trade. In the period 1862-1869, wool exports accounted for about three quarters of the total value of exports from the Cape[3]; wool exports through Cape Town in the same period were about £200,000 per year, while those through Port Elizabeth rose to well over £1½ million[4]. The lion's share of exports of hides and skins, worth some £½ million in 1870, also passed through the Bay. Moreover, a large proportion of the trade through Port Elizabeth, impossible to quantify precisely, was conducted on the credit and on the account of the merchants of Port Elizabeth and their partners and correspondents in Great Britain and Europe.

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1. After Algoa Bay, in which Port Elizabeth is situated.

2. D. W. Rush, 'Aspects of the Growth of Trade and the Development of Ports in the Cape Colony, 1795-1882' (Cape Town Univ. MA thesis 1972), p.41.

3. T. R. H. Davenport, 'The Consolidation of a New Society: The Cape Colony' in M. Wilson and L. Thompson (eds) The Oxford History of South Africa, Vol.I (Oxford, 1969), p.291.

4. Rush, op.cit., p.182.

There were only about thirty major merchant houses in Port Elizabeth in 1870, judging from the membership of its Chamber of Commerce. Most of them combined the consignment of wool and other produce to partners or correspondents in Great Britain at the grower's risk, with outright purchase of wool and produce either from the grower, from a middleman, or at auctions in Port Elizabeth, for shipment to the same partners and correspondents on their own account. They combined both of these functions with general importing from Great Britain and from the south-west of the Cape; and in particular cases, with the agency of British and colonial insurance companies and British shipping companies, thus arranging for the shipment and insurance of the goods and produce in which they were dealing.

It is not possible in the current state of research to judge the relative importance in the Cape of consignment of wool and produce at the grower's risk and of outright sale by the grower to a merchant or middleman. The pattern in Australia was that consignment to London at the grower's risk for sale on his behalf accounted in the 1840s for 30-40% of Australian wool sold in London, and for some 80% by the 1860s[1]. In the Cape, Port Elizabeth and Grahamstown merchants would frequently offer in their advertisements as an alternative either 'high prices' for outright sale, or advances, often in cash, for produce consigned through them either to the Port Elizabeth market or to London. Both systems were

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1. A. Barnard, The Australian Wool Market 1840-1900, (Melbourne, 1958), p.47.

common. A lot of produce and wool was sold in Port Elizabeth, as attested by the weekly market reports in the local press, both on account of individual growers and of merchants who had bought from growers or middlemen and now sold to other merchants to ship to London. In the case of consignment within the Colony as far as the Port Elizabeth market, or of outright purchases with a view to re-selling within the colony, the advances or purchase money would generally need to be found from within the colonial banking system. But in the case of the consigning agent advancing credit to the grower for wool and produce consigned to London, and of the merchant purchasing wool and produce for the purpose of exporting it to London, credit would frequently be advanced from the London partner or correspondent who arranged for the wool to be sold at the London auctions; the grasp of Port Elizabeth houses on the consignment and purchase of wool and produce for export was based on advances from British merchants.

Whether the Port Elizabeth merchant was shipping a particular clip of wool to London or selling it to another merchant in Port Elizabeth, he would frequently first arrange for the wool to be washed or scoured, if this had not been done at an inland centre, at the wool-washeries at Vitenhage, and to be sorted and pressed. Some of the Bay merchants themselves had a stake in the ownership of the Vitenhage woolwasheries and had invested heavily in wool presses[1].

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1. For a good description of the wool washeries at Vitenhage, see J. Noble, Descriptive Handbook of the Cape Colony (London, 1875), pp.299-302. See also Nobb's account of Blaire and Co's warehouses and machinery in Port Elizabeth - Ibid., p.172.

There were important inter-relationships between these exporting and related activities and the general importing with which in most cases they were combined. To judge from Australian experience, one of the important motives for purchasing wool and produce in the Cape and shipping it home was as a means of paying accounts in London for imports from Great Britain[1]. Moreover, the credit advanced to the grower for wool and produce consigned to Port Elizabeth or London was, again to judge from experience elsewhere, commonly a means of ensuring that the grower purchased his goods from the merchant acting as his consigning agent. This would be particularly true of the humbler grower who did not have the resources to finance his day-to-day requirements while waiting for the proceeds of his clip except through the credit extended by the storekeeper and merchant. Furthermore, the credit from the merchant and obligations for purchases from him by the grower were frequently consolidated in a single account at the local store, with the credit of Port Elizabeth houses from their London connections giving them a formidable advantage over rivals in the purchase and consignment of wool and produce and therefore in the sale of imports to those dependent on their credit. The network of branches in inland villages and storekeepers in country areas spread fan-like from Port Elizabeth through all parts of the colony outside the south-west, into the Orange Free State and the South African Republic, and in some cases acrosss the Kei. There was a structure of mercantile credit extending

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1. Barnard, op.cit., p.56.

from London, primarily through the medium of Port Elizabeth merchants, to many 'platteland' farmers[1]. This is what is referred to in this study as the commercial power or commercial predominance of the Bay; and one of the major questions about the new map about to be drawn in British capital, was whether that commercial predominance would be sustained; whether the men of the Bay could flex the political muscle to match the commercial power which mercantile credit had given them in the pre-railway age.

When they named their 'correspondents' in Europe, each Port Elizabeth merchant generally named a single firm, mostly in London, in one or two cases in Liverpool[2]. Although some Port Elizabeth merchants had direct connections with continental firms, it seems that most imports from the continent were ordered through British correspondents, and while a significant proportion of South African wool was finally purchased by German manufacturers[3], it was normally disposed of by the British correspondent to specialized wool-brokers for sale at the periodic auctions in London or Liverpool before being distributed to manufacturers in Britain and the continent[4]. The consistent impression from the evidence is that the lion's share of orders for imports and consignments of Cape exports from

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1. J. A. Henry, The First Hundred Years of the Standard Bank (London, 1963), p.15.

2. e.g. Cape, C.O.947, Sundry Committees, 1871, no.33: Report of Port Elizabeth Ch. of Comm. for 1870, p.15.

3. Barnard, op.cit., p.43.

4. Ibid., p.69.

the Cape merchant house were in most cases directed to a single, main correspondent in Great Britain. Along with shipping interests in the South African trade, these London merchants with their most important South African interests centred on Port Elizabeth, considerably outnumbered those with interests centred on Cape Town or Grahamstown among the lobby of merchants taking an active political interest in South African affairs. A number of them were also interested, as was common enough among English merchants in the colonial trade[1], in financial business; they were represented on the London boards of the 'imperial' banks operating in the Cape, and one or two had directorships in English joint-stock banks like the London and County and the London Joint Stock Bank[2]. But if these London merchants were important men in the Cape trade and in the financing of trade, there is little evidence that they had much influence in the London capital market. It will appear that the head of Blaine and Co., pre-eminent among the Cape merchants, failed to procure financial support in London for a private railway company to build a short railway from Port Elizabeth to Uitenhage[3]. More important, all the detailed evidence available about the calculations of the Cape Government's financial agents in raising capital in London, discussed in Chapter 7, contains virtually no reference to Cape merchants in London.

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1. Habbakuk, op.cit., C.H.B.E. ii. 758; J. B. Bailey, A Hundred Years of Pastoral Banking, (Oxford, 1966), p.16.

2. Cape, P.M. 259, A. J. MacDonald (of Blaine and Co.) to Scanlen, 27 Oct. 1881.

3. See below, p. 74.

This strongly suggests that they were not a serious factor in the market for Cape loans. The Cape Government's growing relationship with British stockbrokers, permanent investors in Cape securities and manufacturers was conducted independently of the sources of mercantile credit financing the Cape trade. The commercial power of Port Elizabeth merchants did not give them the financial power to raise large capital sums independently of the Cape Government; and if they did not like what the Cape Government proposed to do with the capital it raised in London, they did not have the financial power in the London capital market to hit back at the Government by preventing the successful flotation of Government loans. Port Elizabeth's railway interests therefore depended on the distribution of political power in the Cape.

There were limits to Port Elizabeth's commercial predominance. The port wholesalers of Cape Town had their own London correspondents, bound to them by links of credit that predated those established between London and Port Elizabeth; were agents for shipping and insurance companies; exported wool and wine and other produce from the south-west to Great Britain, and wine, fruit, tobacco, brandy and wheat to the Eastern Province. The victualling of ships passing round the Cape, particularly with meat and fresh provisions, which had been such an important factor conditioning the expansion of the Cape frontier in earlier times[1], continued. The supply of

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1. S. D. Neumark, Economic Influences on the South African Frontier 1652-1836 (Stanford, 1956).

the copper mines of Namaqualand, and the shipment of copper ore worth £½ million and more per year in our period, also fell to Cape Town merchants. Moreover, the biggest single concentration of population in the colony was in the south-west: 28,500 lived within the Municipality of Cape Town alone in 1865, compared with 8,700 in Port Elizabeth, the largest town in the Eastern Province.[1] This concentration of population implied a relatively vigorous demand for imports, increased by expenditure in Cape Town as the seat of Government and Parliament, and a considerable circulation of produce and commodities in the hands of local traders within the south-west. Cape Town was also a major financial centre; the assets of its banks at the end of 1871 totalled over £1,800,000, while those of Port Elizabeth's were under £1,200,000, and of Grahamstown's under £500,000[2]. In addition, Cape Town's formidable array of insurance, trust and money-lending companies advertised for business throughout the colony, and it was still the case, as in the late 1840s[3], that Cape Town businessmen held far more investments and insurance policies in the Eastern Province than any body of eastern businessmen held in the west. Cape Town's merchants did not, therefore, lack the connections in London or the resources of capital and credit to finance an extension of their trade, if the geographical barriers confining the area of their trading operations in the colony for the most part to the

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1. V. & P. 1866, 1(1); G.20-'66, Census of Cape Colony, 1865, p. viii of Memorandum, and pp.4-11.

2. Argus, 12 Mar. 1872.

3. T. E. Kirk, 'Self-Government and Self-Defence in South Africa: The Inter-relations between British and Cape Politics 1846-1854' (Oxford Univ. D.Phil. thesis 1972), pp.68-69.

south and west of the Karroo could be overcome in the railway age.

In the Eastern Province, Grahamstown merchants also consigned wool and produce to their own London correspondents, or purchased it to send to them on their own account. As in Cape Town, chains of credit from London to Grahamstown, extending to branches and supported storekeepers, had been established through the expansion of frontier bartering and trade and in the early stages of the wool trade, before the main shift of commercial power to Port Elizabeth. Only a few Grahamstown wholesale dealers with extensive branch networks were left. The Grahamstown Journal noted sadly in 1870 that

> a large proportion of the wool trade that at one time was transacted in this town has been diverted from it, and the consequence has been that the general business of the place has suffered in proportion[1].

Grahamstown had suffered from the removal of the Imperial garrison to Kingwilliamstown; the persistent failure to overcome the natural hazards besetting the effort to form a safe harbour in competition with Port Elizabeth at Port Alfred, at the mouth of the Kowie river; by the opening up of direct trade routes to the interior from Port Elizabeth and a coasting trade to East London; and by a combination of commercial and geographical factors favouring direct commercial relations between Port Elisabeth and inland towns originally nurtured by the men of Grahamstown[2].

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1. G.T.J., 24 Oct. 1870.

2. This is the theme of H. L. Watts, 'Grahamstown: A Socio-Ecological Study of a Small South African Town' (Rhodes Univ., Grahamstown, D.Phil. dissertation 1957).

Nevertheless, Grahamstown, with a population of 6,000, was in 1870 still a major centre by Cape standards of political influence, religious and educational institutions, banks and other financial companies. If much of the trade its merchants did was within the surrounding area, firms like Cawood Bros. or Ryall and King ran networks of branches and dependent storekeepers in towns like Cradock, Queenstown and Burghersdorp. These were mostly in the districts to the north and north-east of Grahamstown: so far as is known, Grahamstown merchants had no foothold in the export trade of the Cape midlands and north-west, nor of British Kaffraria.

It is also probable that some merchants in Kingwilliamstown who were not running branches of Port Elizabeth businesses sometimes shipped wool and hides to London independently of Port Elizabeth businesses, although evidence in the Weir Papers suggests that in the early 1870s the merchants in the native trade commonly bought wool on orders from Port Elizabeth firms like Mosenthal Brothers[1] or sold wool and produce purchased from the growers to firms in Grahamstown and Port Elizabeth[2].

If the business of consignment and export to Great Britain was distributed among Cape Town and Grahamstown merchants, and perhaps others, as well as those of Port Elizabeth, a more widespread phenomenon was known as 'direct' importing by merchants outside the ports.

The typical method of exporting goods from Great Britain to the colonies was consignment; the colonial merchant was usually

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1. Kaffrarian Museum, Kingwilliamstown, Weir Papers, Letter Book, p.49, Weir to G. Peacock, 14 Oct. 1872.

2. Weir Papers, list of 'Bills Receivable' in diary used as account-book.

selling on commission goods which were consigned to him, either by British merchant houses who had purchased the goods from manufacturers, or frequently by manufacturers themselves, using British merchants as forwarding and shipping agents. Few colonial merchants had the capital resources to buy a large proportion of their imports on their own account before reselling them on long credit to retailers and customers in the colony. The goods and the credit were thus advanced from British manufacturers and merchants[1]. Increasingly, indeed, with speedier telegraph and shipping communications and lower freight rates associated with competition between sailing and steam ships, the tendency was to reduce the importance of merchant middlemen between the British manufacturer and the customer in the colony. In the case of India, for example, increasingly after 1870

> the English manufacturer joined hands with the Indian merchant or commission agent behind the backs of the great East India importing houses of London[2].

Direct importing in the Cape was a developing process by which wholesalers and retailers in inland towns forged independent commercial relationships with British manufacturers and merchants, selling goods consigned to them from Great Britain, and using the merchant at the port simply as a forwarding agent. A much smaller

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1. Habbakuk, op.cit., C.H.B.E. ii. 755-756.

2. Ibid., C.H.B.E. ii. p.762.

quantity of goods was imported in this way than was imported by consignment to Cape Town or Port Elizabeth merchants and their branches; and direct importers inland would frequently supplement goods consigned to them from Britain with purchases from the warehouses of port merchants and their branches. But direct importing was of growing importance.

'The tendency of business in recent years', noted the Argus in 1870, 'has been to cut up, if not destroy, the wholesale trade': retailers had their own buyers in Europe, which had been made possible by the fortnightly steamers now arriving at the Cape[1]. The advertisements of Port Elizabeth and Grahamstown merchants offered not only their stocks of goods, but their services as commission agents for orders for English and continental goods[2]. 'The trade has simply changed its character', wrote an Argus correspondent in Grahamstown:

> The retail dealers there, as in Cape Town, have become importers direct, and in their turn become wholesale dealers to branch or dependent businesses in the country towns. Practically, therefore, the storehouses, instead of being those of Birkenruth or Blaine, are the steamers of the Union Company and Donald Currie on their successive voyages from England[3].

There was exaggeration here, but references to the phenomenon were persistent. An Argus editorial again noted the increase of direct

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1. Argus, 27 Sept. 1870.

2. e.g. L. Dreyfus' advertisement in G.T.J., 7 Aug. 1871.

3. Argus, 15 Feb. 1873, 'Sketches from the East'.

importing, assisted by the telegraph, by country firms in 1881; more authoritatively, C. F. Blaine of Port Elizabeth, when asked in 1884: 'Are most of the shopkeepers in the Free State either direct importers through their agents in Port Elizabeth, or from England direct?', replied: 'All the largest are'. Many ordered direct from British firms, making supplementary purchases from the stocks of wholesalers[2].

Direct importers in the Cape included some of the most important wholesalers and retailers in towns like Grahamstown, Kingwilliamstown, Queenstown and Graaff Reinet, with their own independent buyers and sources of credit in Great Britain. In Queenstown, for example, one tradesman, E. Crouch, boasted at a railway meeting in early 1872 that the town now had sixteen direct importers[3]. At a similar meeting in Kingwilliamstown, H. H. C. Baker said that he was in a position to state that £10,000 out of a recent increase of £30,000 in imports through Port Elizabeth were ordered by a Kaffrarian house, i.e. his own[4], and Baker was one of a number of leading merchants there importing independently of Port Elizabeth merchants, side by side with others running branches of Port Elizabeth concerns. These are points which must

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1. Argus, 8 Nov. 1881.
2. V. & P. 1884, II; A.9-'84, Report of Sel. Comm. on Customs Rebate and Excise, Minutes of Evidence, p.10.
3. Q.F.P., 23 Jan. 1872.
4. Watchman, 19 May, 1873.

be elaborated in detail in later analysis of local railway agitations, for the merchants and traders working in competition with Port Elizabeth wholesalers and largely independent of their credit had a crucial role in formulating railway claims that conflicted with those of Port Elizabeth.

The larger direct importers bought up wool and produce, often for sale to a Port Elizabeth or Grahamstown exporter. They would claim a commission or profit when they did so. Equally important, the merchant or middleman buying and reselling in this way broke the direct nexus between the Port Elizabeth consigning-agent and the grower, and Port Elizabeth credit advanced on the wool or produce could not in these cases be the means of inducing the growers to buy goods from Bay merchant enterprises. Competition to buy from the grower between the port wholesalers and direct importers or other middlemen was thus a competition not only for the profits and commission charges on the handling of the wool or produce, but also for the supply of imported goods in exchange. This was a crucial factor in rival railway ambitions.

The retail and wholesale interest overlapped, since nearly all wholesalers ran a retail business in their stores, and since most country storekeepers were dependent on the credit of wholesalers for part or all of their stocks. Many storekeepers were 'supported' entirely by a particular wholesale firm, simply buying and selling on commission, deriving all their stocks from the supporting house and directing all produce bought or consigned

through them to the same house[1]. But in other cases, apart from the direct importers, retailers were not entirely dependent on particular wholesalers, even if they had accounts with one or more wholesalers for some of their supplies. This was particularly true of those combining retailing with a craft or trade - local builders, for example, selling timber, window frames, doors and the like, or boot- and shoe-makers and dealers in straps, saddles, and other leather items - or those retailing fresh provisions procured or made locally, from ham and cheese to bakery and confectionery. There was thus a local retail interest in towns and villages, with a modest stake in town property and deriving a livelihood from sources independent of the larger wholesalers.

Most towns and villages also had their forwarding and commission agents, offering in their advertisements to provide storage space and buy, sell and forward goods and produce on commission on orders from wholesalers. They thus enabled wholesalers to buy and sell in areas where they had no branch establishment of their own. These men varied in the scale of their independent means. Some of them combined commission agency business with auctioneering or other business and had substantial local resources of capital and credit.

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1. Weir Papers, Letter-book, p.310: J. Weir to G. Peacock, 20 Oct. 1874, explaining the arrangements by which Coutts and Ellis of East London would be supported by Gibberd and Whitaker of Kingwilliamstown. Similar arrangements governed the support of R. Bertram and Co. and later Cron Wright, Gau and Co. of Grahamstown for the firm of Hollins and Holder in Potchefstroom, Transvaal: 1820 Settlers' Museum, Grahamstown, Undated memoranda in bundle labelled 'Cron Wright' among the papers of the Frontier Fire and Marine Insurance, Guarantee, Loan and Trust Co.

J. S. O. Brink of Richmond, for example, a man of great political influence, who had a very large auctioneering business, was ready to make advances of cash to the wholesaler on goods forwarded to him for sale on commission to supplement his other business[1]. Another Afrikaner, B. J. Joubert of Graaff Reinet, was a forwarding and commission agent who was also, in the early 1870s, a director of the Graaff Reinet Bank and the Graaff Reinet Board of Executors, one of the local Trust, investment and money-lending companies. Although executing orders on commission for Port Elizabeth merchants, these two men were typical of a number of forwarding and commission agents whose interests and assets were local, whose commission and forwarding business could be ruined if railways by-passed their own area, and who had independent means and local resources of credit which left them free to agitate their own views and interests.

The wealthy merchant frequently made considerable investments in land and other property[2], sometimes on a grand scale. In 1873, Blaine and Co. of Port Elizabeth sold off no less than forty-four farms in the Orange Free State and South African Republic[3], and other Port Elizabeth merchants owned extensive farms within the Cape, worked by tenant farmers[4]. But the port wholesalers were

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1. Advertisement in E.P.H., 10 Sept. 1875.

2. Kirk, op.cit., p.60.

3. G.T.J., 5 Sept. 1873.

4. See, for example, P. W. Court's advertisement in G.T.J., 9 Dec. 1870; and Noble, Descriptive Handbook, pp.147, 163.

in no way dominant in the ownership of land. The Cape's land had in large measure been alienated cheaply on quitrent tenure among a wide cross-section of white settlers. Between 1812 and 1840, some 31½ million acres of land had been disposed of for less than £46,000, and a total quitrent of under £14,000; and large acreages were held for one penny per hundred acres[1]. By the mid 1840s, most of the productive farming land in the colony had been alienated[2]. Moreover, it will appear that local Divisional Councils had important powers in the sale of Crown lands, and this compounded the difficulty of distant merchants and speculators in finding new land within the Cape in which it was worth investing.

This is not the place for a detailed comparison of land ownership in the Cape and in other parts of South Africa, but the general point may be made that there were in the 1870s so far as is known no land companies registered in London and financed from British sources with investments in the Cape. In Natal, the group of merchants and landowners who managed to offload their land holdings on the new Natal Land and Colonisation Company in London in 1861 did so primarily because there was little prospect of selling them or exploiting them profitably by any other means[3].

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1. C. W. De Kiewiet, A History of South Africa, Social and Economic (London, 1941), pp.69-70.

2. Kirk, op.cit., p.292.

3. H. Slater, 'The Natal Land and Colonisation Company', Collected Seminar Papers, no.17, (Univ. of London Institute of Commonwealth Studies, 1974), pp.42-43.

In the Cape, there were more local capital resources, probably more labour resources available to white men, and above all there was the wool trade, giving far more scope for a buoyant land market and for commercial farming financed from local sources. Nor in the Cape did land play anything like the role it played in the political economy of the South African republic, whereby land changed hands freely at a very low price or in lieu of payment of official salaries or other obligations, and which gave opportunities to some London-based land companies, assisted by strategically-placed local and central government officials, to accumulate land-holdings there at a minimal cost before the rise of the gold-mining industry[1].

Merchants in the Cape with British partners did not dominate long-term pastoral financing. There was a wide variety of individuals and institutions lending to pastoralists on the security of mortgage bonds. Richer farmers and landowners lent on mortgage bonds to others. Even the more modest farmers sometimes held bonds from one another; for example, W. M. Bowker of Albany offered to let 1,000 wooled sheep on the security of a mortgage bond in 1870[2]. Local property agents, lawyers and auctioneers lent money on mortgages as individual investments or as Trustees and financial advisers to individual clients. Then there were the banks, including the local banks which, as will appear, were in most cases dominated as

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1. S. Trapido, 'The South African Republic: Class Formation and the State, 1850-1900', Collected Seminar Papers, no.16 (Univ. of London, Institute of Commonwealth Studies, 1973), pp.55-58 and passim.

2. G.T.J., 9 Dec. 1870.

much by local businessmen as by merchants connected with port wholesalers, and a plethora of local finance companies combining, in many cases, insurance, the administration of Trusts and insolvent estates, and money-lending. In Cape Town and in many inland towns, these were also dominated as much by local traders and businessmen, often Afrikaners, as by merchants with port connections. Land and mortgages were the main field for investing the capital of these companies, of which Cape Town and Grahamstown had four or five each, and of which many smaller towns had one or two. To take one example: the Graaff Reinet Board of Executors, founded in 1856, with a board of directors of mostly Afrikaner commission agents, businessmen and professional men, held mortgage bond investments in 1880 worth £27,000[1], and Graaff Reinet had two other local finance companies of a similar kind in addition, in the early 1870s, to its two local banks. Moreover, the directorships overlapped; one or more of the directors of the Board of Executors was to be found on the boards of the Graaff Reinet Bank, the South African Central Bank, and the Midland Agency and Trust Company. This was not untypical of the concentration of local financial power in the hands of town businessmen. The point at stake at the moment, however, is that mortgage financing was conducted by many individuals and institutions, and that pastoralists and other mortgagees, often dependent on mercantile credit for short-term requirements, were not generally dependent on merchant

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1. G.R.H., 14 Feb. 1880.

enterprises for long-term finance.

Indeed, the financing of pastoral activity in the Cape throughout our period was much more akin to that in Australia up to the 1860s than that in Australia in and after the 1870s. That is to say, that pastoralists' indebtedness to merchants in the form of advances on their wool and produce or of a debit account with the storekeeper, though widespread, was relatively small-scale[1]; and in many cases, the pastoralists themselves could account for a large part of their capital requirements, both from the profits of their wool and produce and other investments and from the use of cheap labour[2]. Lending on the security of property and other assets was undertaken from a wide variety of local sources[3]. Indeed, the richer Cape pastoralists had the advantage in forming capital of their own that land had been alienated so cheaply; while the fact that it was alienated mostly on perpetual quitrent tenure, rather than on temporary leases from the Crown as in much of Australia, meant that loans could more easily be raised from local sources on the security of property. It also meant that substantial profits could be made from transactions in land made valuable by the spread of the wool trade.

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1. J. D. Bailey, A Hundred Years of Pastoral Banking (Oxford, 1966), pp.20-21.

2. N. G. Butlin, op.cit., p.159.

3. S. J. Butlin, Foundations of the Australian Monetary System 1788-1851 (Melbourne, 1953), pp.501-504.

Opportunities for those with capital resources to consolidate and extend their landed investments may have been multiplied through the operation of the Dutch law of inheritance, although this is another area awaiting research.

Moreover, in the Cape there was no transformation of pastoral financing after 1870: there were no empty and fertile plains to be brought into production; no massive acreages of Crown lands to be bought up; no requirement for capital to turn leaseholds into freeholds; and above all, in the relatively poor and disease-ridden land of South Africa, where shepherds were cheap, there was no major private investment in fencing, wells and other capital-intensive pastoral techniques; all of which in Australia tended to a concentration of mercantile and pastoral financing functions in agencies financed by British capital[1]. In the Cape, pastoral activity remained lightly capitalized, much of it financed from local sources. The chains of mercantile credit extending from London were not matched by chains of long-term private capital binding the richer pastoralist and landowner to mercantile and financial combinations with access to British savings.

This is not to deny the importance of the Anglo-South African banks operating in the Cape, the growth of which has been well narrated elsewhere[2]. It is to deny, first, that these banks were

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1. J. D. Bailey, op.cit.; N. G. Butlin, op.cit., pp.58-61, 75-79, 90, 140-142 and passim. See below, pp. 275-277.

2. G. T. Amphlett, History of the Standard Bank of South Africa Limited, 1862-1913 (Glasgow, 1914); E. H. D. Arndt, Banking and Currency Development in South Africa, 1652-1927 (Cape Town and Johannesburg, 1928); J. A. Henry, The First Hundred Years of the Standard Bank (London, 1963).

a channel for a substantial flow of British investments through deposits into pastoral finance; secondly, that they themselves combined banking with mercantile business, except for the consignment of diamonds; and thirdly, that they acted in collaboration with the mercantile interests of any particular community in the Cape. In particular, they were not instruments through which Port Elizabeth merchants could establish an overall financial sway over other local interests.

For the banking business of the 'imperial' banks was banking business, with directors responsible to predominantly British shareholders. The Standard Bank was established on the initiative of Port Elizabeth merchants, but then the firm of the man most deeply involved, John Paterson, went into liquidation in 1865 because the Standard Bank would not grant it extended accommodation[1]. Robert Stewart ran the Standard Bank in South Africa under emphatic instructions from the London board of directors to work on banking principles untempered by the influence of local boards in Port Elizabeth or elsewhere, and local directorates had ceased to exist by our period[2]. The lists of London directors of the Standard suggest that London merchants with Port Elizabeth connections numbered only one or two of the half dozen or so directors in our period[3], while the Oriental Bank which entered the Cape in 1873 had its main interests in India. Within the Cape, the 'imperial'

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1. Amphlett, op.cit., p.25.
2. Ibid., pp.27-31.
3. Ibid., p.200.

banks had important branches in many different communities; there were credit-worthy customers and depositors throughout the colony. In the case of the Standard Bank, an important part of its business after 1875 was as banker to the Cape Government, making it particularly unlikely that the Bank would use its financial influence in favour of particular territorial interests in matters of political controversy.

The 'imperial' banks were competing for local custom with each other and with the local banks, of which in 1870 there were still twenty-three, and in 1880, nine with twenty-two branches[1]. Moreover, they needed local notables with capital resources not only as customers, but as directors of financial institutions with bank accounts and capital to invest, and as men with knowledge of the local property market and the local public. The local bank manager needed to know, for example, the value of property on which he might be lending, the encumbrances which might already be laid on it in favour of local financial institutions, and the obligations of individual customers. It was wiser to work with local business and financial interests than against them.

This is not to say that the 'imperial' banks did not put many a local nose out of joint, although it seems that the shareholders of many local banks fell into their arms with some alacrity: the stout resistance of the Bloemfontein Bank in the Free State was

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1. Arndt, op.cit., p.293.

typical of only some local banks in the Cape. It is certainly true that particular individuals who ran the local banks in their own interests[1] stood in many cases to lose from the competition of the 'imperial' banks and the submergence of the local ones. The point at stake is that the 'imperial' banks, too, needed local custom; put banking services and capital at the disposal of local merchants, businessmen and other property-owners; and were not run in the interests of the port wholesalers. Indeed, the expansion of banking after 1860 tended to separate mercantile and banking functions; the days were over when firms like Barry and Nephews in the west or the Mosenthals in the east were themselves in effect bankers as well as merchants[2]. On the boards of most local banks, merchants shared power with other local businessmen, while the Anglo-colonial banks employed banking capital that was not controlled by particular interests in the Cape.

The Census of 1865 suggested that over three quarters of the economically active population were engaged in agriculture[3]; but the towns and villages assumed an importance in public life out of proportion to the size of their population. They were retail centres and wholesale depots; centres for professional practices, religious, educational and medical institutions, local and central government; for manufacturing works, from flour mills and tanneries

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1. Arndt, op.cit., pp.258-259.

2. Ibid., p.243.

3. G.20-'66, Census of Cape Colony, Memorandum, p.ix.

to wool-washeries and wagon-builders; for the banks and financial institutions. Two other groups of particular importance to railway history were those transacting property deals and the editors of local newspapers.

For the market in land, stock, urban property, and shares was to a large extent in the hands of local businessmen, styling themselves general agents and auctioneers, some of whom were also legally qualified, and some of whom were directors of local banks. They were also important in the companies running insurance, Trusts and money-lending. In many areas, they were Afrikaners, and part of their importance as middlemen between landowners and farmers and sources of credit, legal sanction and information, and between buyers and sellers, both within their own area and beyond, may well have lain in their familiarity with both Dutch and English. The range of their contacts and clients, and their access to local capital resources, often gave them great political influence. Their activities sometimes extended to those of commercial middlemen; but their main interests lay in property deals of all kinds and in the finance with which to transact them, in their own town or village and in the agrarian economy of the surrounding area. Their interest in the value of property and the volume of transactions in their own area brought them to the fore in railway agitations.

The local papers were also crucial to the development of local railway claims. The Graaff Reinet Herald counted some thirty-four newspapers in the Cape of 1871, 24 of them outside Cape Town and Grahamstown. Most of them came out twice each week, with pages

in both English and Dutch in many inland areas. They were themselves local business enterprises existing on local revenues from sales and advertisements, even where owned by a firm based elsewhere; they were born of local economic activity and catalysts in sustaining it. In their advertisements they collected and broadcast in their local hinterlands commercial and business intelligence such as market prices, and goods, properties, shares and loans on offer - and local and central government announcements. In their business aspect, they were thus the voice of town-based interests, public and private, speaking to each other and to the surrounding villages and countryside through advertisements and announcements; and, similarly, in their editorials they related political and other developments elsewhere in the Colony to the perspectives and requirements of the local, town-based business interests of which they formed part, and on which they depended for most of their income.

It is worth stressing that the leading editor-proprietors, such as D. S. Barrable of the Queenstown Free Press, Alfred Essex of the Graaff Reinet Herald, or T. B. Glanville of the Grahamstown Journal were substantial direct importers of stationery and books, forming part of the local mercantile sector independent of port wholesalers, and men of means in their own right.

This sketch of mercantile and other private economic activities and sources of wealth makes no pretence to be comprehensive, and is tentative and exploratory in character, as it touches on many matters awaiting further research. But it suggests the variety

of private channels through which capital had accumulated in local hands throughout the colony, and the limitations of the commercial power exercised primarily by the merchants of Port Elizabeth. Credit for the consignment and purchase of produce for export was distributed among at least three independent wholesale centres, and that for imported goods was fragmented more widely among direct importers in different towns. The retailer's and middleman's profits often accrued to local agencies and modified the command of the port wholesaler over commercial interchange. Commercial predominance did not give the port merchants control over banking and finance capital in the colony, nor significant influence in the London capital market; and many local commercial, business, landed and professional interests had incomes, investments and access to capital resources independent of the fan-like structures of mercantile credit based on the three main towns of the colony. But there was another element of fundamental importance in the accumulation of capital which was not subject to mercantile control, and this was the way in which private resources were tapped and redistributed in the form of public expenditure or used to secure loans from the local and London capital markets for longer-term investment by the state.

As Tony Kirk has shown, it was the desire of local businessmen, traders and landed proprietors who often lacked access to British sources of mercantile credit and capital, and who were outside the social groups favoured by the patronage of the existing Executive, for greater control over the use to which the colony's credit and

revenues were put, that underlay much of their agitation for a measure of self-government, which culminated in the granting of Representative Institutions in 1854[1]. They wanted to extend the economic influence already afforded to some of them by positions in the Cape Town Municipality.

The constitution of 1854[2] was, however, a hybrid: the executive of British officials led by the Colonial Secretary remained responsible, through the Governor, to the Imperial Government, while a House of Assembly of sixty-six members by 1870[3] was required to authorize by a majority vote all supplies and all kinds of taxation. Members of the Assembly (MLAs) required no property qualifications other than those of registered voters, which were the ownership and occupation of property worth £25, or receipt of a salary or wages of £50 per annum (or £25 plus board and lodging). An upper chamber was, however, also created in the form of a Legislative Council of fifteen elected members (MLCs) with high property qualifications (the qualification for membership of the Council was ownership of £2,000 in fixed property or, if this fixed property were under mortgage, £4,000 in property of all kinds) and with a power of veto over bills passed up to them from the Assembly.

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1. Kirk, op.cit., pp.315, 490-499.

2. G. W. Eybers, Select Constitutional Documents Illustrating South African History, 1795-1910 (London, 1918) pp.45-55.

3. J. L. McCracken, The Cape Parliament, 1854-1910 (Oxford, 1967), pp.20-21.

In elections to the Assembly, and in the event of a poll, each elector had two votes, and could not give more than one to each candidate. Carpet-bagging was not the general rule, although the expense and difficulty of travelling to and from Cape Town and staying there for the duration of a Session sometimes meant that local men could not be found willing to stand for election. Nevertheless, from the start of the Cape parliament, between seventy and eighty per cent of MLAs were men living in the constituencies they represented, and many of the rest were under considerable pressure from the localities they represented to pursue their particular interests[1].

The scope for a few men of local influence to determine the outcome of an Assembly election was great in most areas. There were many constituencies where elections were uncontested - as many as 40% in the elections of 1869 - in which case a small elite could arrange their representation without reference to the electorate. Moreover, many eligible voters failed to register, particularly before the rise of the Afrikaner Bond; while many who did register did not use their vote - in 1873, only 48% of the electorate voted in the Assembly election[2]. The implication was that a small number of men, with their family connections, colleagues and friends, could in most areas mobilise a decisive majority of those who voted. For there was no secret ballot; bribery of various kinds and drink

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1. McCracken, op.cit., pp.46-50.

2. Ibid., p.34.

played a significant role; men of influence expected their tenants, clients, debtors and other dependents to vote for them, and had means of ensuring that they did so; and recipients of favours and patronage expected to work for their patron's interests in return.[1]

The weight and variety of local economic interests independent of port wholesalers, analyzed above, was therefore profoundly relevant to the local sway exercised over Assembly elections. The way that local influence was exercised was suggested in a letter by H. L. Neethling of Stellenbosch, who offered in 1883 to put J. C. Molteno at the head of the poll in a forthcoming election in return for Molteno's kindness to his sons[2]. Neethling was writing of an election to the Legislative Council, but concentrated on local sources of political influence equally relevant to Assembly elections. The strategy rested on the support of his brother-in-law, who owned a large number of houses tenanted by registered voters; this landlord's father, who was head of a large family and a leading light in the local Dutch Reformed Church; the landlord's brother, who was the largest wine farmer of the District - that was a point that Neethling underlined - and the Secretary to the Divisional and Municipal Councils, who held sway over aspiring contractors, so that Molteno could count on these aspirants and their employees.

The social structure, and therefore the structure of political influence, naturally varied from constituency to constituency; and

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1. Ibid.,pp.37-41.

2. S.A.P.L., Molteno Papers: Neethling to Molteno, 22 Nov. 1881.

if there were no consensus among different men of influence, the contest could be bitter. But the general point at stake is that the advantage lay with those with families, employees, debtors, clients, patients and religious congregations concentrated in the constituency. It was a fact of critical relevance to railway history that no partner of a wealthy port wholesaler could hope to organize the result of an Assembly election in most constituencies without coming to terms with interlocking sources of local influences ranging from landlords, local businessmen and local officials to family combinations and ecclesiastical interests[1].

Voting for the Legislative Council was different. The notional division of the Cape into two Provinces was enshrined in the provision whereby candidates stood for the whole of the Eastern or Western Province. Each elector could cast as many votes as there were seats to be filled in his Province, and distribute them among the candidates as he pleased[2]. Particular localities or sectional interests sought to manipulate the distribution of all these votes by their supporters, making tactical decisions up to the last minute according to the state of the poll, to ensure maximum representation; and an enormous advantage in these electoral

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1. For the local political influence of the Dutch Reformed Church, the elders of whose presbytery councils were often local officials, see S. Trapido, 'White Conflict and Non-White Participation in the Politics of the Cape of Good Hope, 1853-1910' (London Univ. Ph.D. thesis 1970), pp.45-46.

2. The same system applied in Cape Town alone for elections to the Assembly: McCracken, op.cit., p.32.

calculations lay with the larger urban centres with numerous and compact bodies of voters at their command and a significant number of men rich enough and willing to stand for election. This was the basis on which Cape Town, Grahamstown and, to a lesser extent, Port Elizabeth, dominated representation in the Council until the 'Seven Circles' Act broke it in 1874[1]. The fact that the wealthy class of the three main towns had such a strong influence in the Council was a considerable grievance to local interests in inland and border areas. Many of those who came to support the introduction of a new constitution, making the Executive responsible to the local interests represented in the Assembly, had the related aim of curbing the power of Cape Town, Port Elizabeth and Grahamstown in the Legislative Council.

The eight or so men running each of the municipalities responsible for local services in the towns would often include one or two wealthy merchants connected with the major wholesale centres, but they were outnumbered by local businessmen, direct importers or professional men in most towns. Influence over the disposal of municipal rates and contracts was certainly relevant to the political influence and economic livelihood of the latter groups, whose interests in many cases included property investments in their town.

The introduction of Representative Institutions was rapidly followed by the establishment of Divisional Councils, who levied

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1. Ibid., p.23; Trapido, 'White Conflict and non-White Participation', p.60.

local rates and held wide powers over the administration of roads and schools, each Council comprising representatives of six Districts into which the Division was divided, elected on the same franchise and with the same property qualification as applied to Assembly elections[1]. Those representing country Districts were thus in a majority, and the Divisional Councils were strongholds of the landed interest. They were fiercely jealous of their control over the raising and spending of local taxation, and the contingent distribution of contracts and of road expenditure affecting property values. Moreover, they had extensive power over local landed resources. By Act 2 of 1860, for example, they could recommend Crown lands for sale to the Governor. They also fixed the price, subject to the Governor's approval, for the private sale to a local landowner of Crown lands adjacent to his own land: this was a way of protecting local landowners from land speculators from outside who would otherwise bid up the price of strategically-placed pieces of land, in the knowledge that the local landowner would subsequently pay them dearly for it. More important, Divisional Councils could effectively obstruct the sale of any Crown lands, because their co-operation was a precondition for inspections, surveys and fixing beacons - and they frequently did so if they were using the Crown lands in question for their own purposes[2]. These powers suggest considerable scope for the

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1. Eybers, op.cit., pp.83-85.

2. V. & P. 1864, II; A.3-'64, Report of Sel. Comm. on Crown Lands, Report of Committee, pp.v-vi.

enrichment of individuals and cliques with influence in the Divisional Councils, similar in some ways, though smaller in scale, to the scope afforded to local officials in the South African Republic analyzed by Stanley Trapido.[1] The powers of the Divisional Councils also circumscribed the ability of merchants and others outside the Division to encroach on their landed preserves.

The powers of Divisional Councils were also a formidable obstacle to making substantial increases in the revenues from the sale and quitrents of Crown lands at the expense of local landed interests. It was partly for this reason that land revenues never exceeded one tenth of total Cape Government revenues between 1850 and 1870[2]. By implication, it was also partly for this reason, combined with the fact that so much of the best land was already in private hands, that the Cape government was so heavily reliant for its revenues on customs and, later, railways. The customs furnished more than half of all revenues in 1870[3]. The gains to local landed and business interests from public expenditure were measured partly by the fact that the revenues it redistributed were derived so largely not from them but from mercantile transactions at the ports, including those arising from the trade of the two South African republics, Imperial expenditure on the garrisons and the expenditure of capital borrowed by the Government in London.

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1. Trapido, 'The South African Republic', pp.57-58.

2. De Kiewiet, Social and Economic History, p.70.

3. M. H. de Kock, Selected Subjects in the Economic History of South Africa (Cape Town, 1924), p.389.

The Divisional Councils also did their best to protect local interests in their administration of roads. The Argus summed up the situation by saying that

> The Divisional Councils have undoubtedly done wonders in constructing and improving the cross-country roads of their districts, and we fully admit the importance of the work; but, with a few honourable exceptions, they have not done as much for the main arteries of commerce[1].

Act 10 of 1864 consolidated the powers of Divisional Councils over the maintenance of main roads, bridges and mountain passes, as well as local roads. But the maintenance of the former was often very expensive, and the wear and tear often caused by through traffic rather than local traffic. Indeed, in some cases, the main thoroughfare passed through the corner of a Division, whose inhabitants would either benefit little or suffer losses because the thoroughfare drew traffic away from their own centres of population[2]. Divisional Councils therefore constantly sought central government funds for the maintenance of the main thoroughfares, while rejecting stipulations imposed by the government to ensure that Councils bore their share of the burden. Their other favourite device was to establish tolls on the main roads, when they were granted permission to do so by the government. In other words, the local interests on the Councils sought to control the expenditure and the contracts, while securing the funds from the general revenues and tolls on through traffic, and very often they succeeded.

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1. Argus, 16 Mar. 1871.

2. Argus, 9 Apr. 1872.

But very often they did not succeed. There were indignant counter-memorials from those who would be subjected to proposed tolls. There were constant battles between local and central government about the costs to be borne by local ratepayers. Essential repairs to main roads were held up by protracted evasions and bitter recriminations between different local cliques, between different Councils, and between them and the government.[1] Hence in part the importance of railways in the 1870s: as an alternative to thoroughfares in generally bad repair, and as a means of communication which did not impose an extra burden either on the local ratepayer or the general taxpayer. Railways cut through the financial logjam from which main roads suffered.

This incomplete account of some of the activities of the Divisional Councils already suggests some of the ways in which political power was relevant to the accumulation of capital in local hands. It also suggests some of the conflicts between local interests and the central executive underpinning the unpopularity of the latter - conflicts over the control of local landed resources and local expenditure. These interlocked with the wider conflict between executive and legislature in Cape Town. The Divisional Councils were well represented in the House of Assembly; the Chief Inspector of Public Works attributed repeated

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1. They fill many pages of correspondence between the Cape Colonial Office and Divisional Councils, e.g. Cape, C.O.919 and 938, Letters from Divisional Councils, 1870 and 1871.

failure to enact a measure to give wider powers over main roads to his Department to 'the influence members of the Divisional Councils have in the Legislature'[1]. Government efforts to raise revenues from Crown Lands also antagonized the Divisional Councils[2]. Although it would not do to make too much of a single grievance, the relevance of this antagonism to wider political alignments is suggested by the fact that J. C. Molteno, the leader of the party in favour of Responsible Government, was one of a clique of land-owners in Beaufort West enraged by the Government's imposition of licences for using Crown Lands for pasture, in order to extract money from those who had previously used them free of charge and make them share the pasture with others[3]. More generally, the 'liberal' party in favour of Responsible Government championed the interests of Divisional Councils against the executive[4].

Public expenditure by the central government was much larger in scale, and correspondingly important in its effects on private fortunes. Since many of those agitating for Representative Institutions before 1854 had done so to increase their influence

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1. Cape, C.O.933, Ch. Insp. to Col. Sec., 25 Jan. 1871.

2. e.g. A.1-'68, Governor's Speech at Opening of Fifth Session of Third Parliament, p.3.

3. Cape, C.O.4166, Memorials, no.42: Memorial from the Inhabitants of Beaufort West; Report by CC Beaufort West, 1 Oct. 1871 and Minute by R. Southey, 9 Oct. 1871.

4. Argus, 3 Oct. 1871: Election Address in East London by J. G. Sprigg.

over the credit and revenues of the state, it was no coincidence that Representative Institutions brought with them a sharp rise in public expenditure, from £268,000 in 1853 to £730,000 in 1860[1]. There was keen competition between the local interests represented in the Assembly to secure a share in magistracies, courts, gaols, hospitals, educational institutions, roads, bridges and telegraphs; and the satisfaction of a parliamentary majority to authorize the expenditure implied a pell-mell proliferation of burdens on the public purse. Thus, no less than thirty-three goals were authorised in Act 10 of 1857, a number which rose to forty-one by 1860[2]. Meanwhile, the Government entered the London capital market to finance immigration, roads, harbours, public buildings and other public works, in sums of up to £150,000 at a time in the 'fifties, and up to £200,000 in the 'sixties, when the biggest loans were partly to repay outstanding debt and for general revenual purposes[3]. By 1869, the total of Cape loans raised in London amounted to £1,373,400, involving annual payments for interest and sinking funds of over £93,000[4]. In addition, the Government had, as will appear, guaranteed a fixed return on capital raised by a private company to build a railway from Cape Town to Wellington.

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1. V. & P. 1854, Council: Abstract of the Revenue and Expenditure of the Colony for 1853 (Unnumbered volume and document), p.17. T. R. H. Davenport, 'The Consolidation of a New Society: The Cape Colony', O.H.S.A. i. 329.

2. P.R.O., Colonial Office Papers, Series 48, vol.417: Wodehouse to Newcastle, 2 May 1863, and encl. Governor's Message to Parliament of 27 Apr. 1863 V. & P. 1866, 1(ii), A.1-'66, Governor's Opening Speech at Third Session of Third Parliament, p.2.

3. For a description of the use made of loans in the early 1860s, see V. & P. 1862, 'Annexures'(Unnumbered); A.1-'62, Governor's Speech at Opening of Fourth Session of Second Parliament, p.6.

4. V. & P. 1870, 1(ii); A.3-'70, Extract of letter from Crown Agents Dated 24 June 1869 on Consolidation of Public Debt, pp.1-2.

The regional rivalries and political conflicts connected with public finance are considered later. The point at stake for the moment is the significance of expenditure on this scale by the state, under pressure from the interests represented in the House of Assembly, as a major source of wealth which was distributed among communities and individuals through channels different from the channels of mercantile credit.

Each of the groups identified in this account of the varied sources of wealth and influence in the Cape made calculations of the gains that railways would bring them. A general description of the advantages expected from railway-building will show why many local interests became as passionately concerned about the distribution of railway expenditure as the leading merchants.

The natural hazards besetting the transport system of the Cape are familiar. There were no major navigable rivers. The configurations of mountain ranges separating the coast from the interior necessitated the construction of mountain passes, subject to subsidence and landslides and expensive to maintain. Irregular rainfall imperilled supplies of water and forage for animals, which were also subject to the ravages of animal diseases. Heavy rain in winter months, falling on soil baked hard by the sun, often caused roads to be blocked by floods and suddenly-swollen rivers, and turned others into mud-baths, churned up by the wheels of wagons and the beasts pulling them. Roads were obstructed by wagons out of control or stuck fast, and were pitted with treacherous holes where wagons had been dug out of the mud. Such natural hazards

were compounded by the failure of the colonists to keep the main thoroughfares in good repair, for the reasons already discussed.

Irregular transport caused severe credit problems. The advances from London to consigning agents and exporters of wool and produce would normally take the form of bills drawn on London. If the wool and produce were delayed in transit, these bills fell due before the London creditor had the proceeds from the sale of the wool and produce in London with which to meet the bills. The consigning agent and exporter would be put under pressure from his British correspondent. For at the same time, the colonial merchant would normally be indebted to the same correspondent on account of all the imports consigned to him from Great Britain, and the transport difficulties were at the same time delaying the sale of those imports to colonial customers. To pay off mounting debit balances in London thus became an acute difficulty, while borrowing from banks in the colony was often expensive; interest rates were always higher than in Great Britain. One of the major economic problems of 1871-1872 was that imports were greatly increased to supply the diamond fields while at the same time a wool clip of unprecedented value was waiting for transport to the ports. The breakdown of transport thus placed severe strains on the chains of mercantile credit.

If wool and produce was delayed in transit after outright purchase from the grower, interest charges, like the cost of transport, drained directly out of the account of the merchant who had bought it. This applied as much to those independent

merchants and middlemen of inland towns who bought produce on their own account with a view to selling it to a colonial exporter, as it did to the exporter who purchased direct from the grower.

If on the other hand the grower had consigned the wool or produce, the consigning agent could charge the cost of credit and transport charges to the grower when his final account was rendered. The need for improved transport would in these cases be brought home clearly enough both to the grower reading his account, and to the consigning agent, aware that money paid by the grower for transport costs and interest charges was not money spent on goods supplied by the consigning agent. Similarly, both trader and consumer suffered from the high cost of transportation of imports and other goods traded within the colony: the final purchasers would generally have to pay the costs of transport and delay; and as a result they would generally buy smaller quantities than they would otherwise buy from the importer or local trader. Transport and contingent costs were thus a haemorrhage from commercial interchange from which mercantile and local trading interests, consumers and many producers, were all losers.

Moreover, transport delays upset commercial calculations. The wool markets in London and Port Elizabeth, for example, were volatile. The prices paid for wool purchased from growers or inland middlemen were based on the latest market intelligence, and if the clip were held up inland, the market could change. Bad transport also upset commercial calculations through its effects on the postal service. Not only were invoices, bills and remittances lost or delayed, but so was news of the market and

related instructions sent in the post from Great Britain or the ports. This was an important factor in competitive claims for railways and telegraphs.

But railways would not only mitigate transport difficulties. They would affect the distribution of commerce and business. The town on a railway, and particularly at the terminus of a railway, could expect to be a depot for wholesalers, the place to which many producers brought their produce and purchased goods, and a focal point for travellers needing hotels and food. Merchants there could offer prices for produce and charge prices for goods which included lower allowances for transport costs. Of particular importance to local interests, the railway town could attract trade which was otherwise more likely to flow directly between growers or country storekeepers and the major wholesale centres, and divert some of the profits of trade and of related services to themselves.

For example, many pastoralists and townsmen hoped to establish local produce markets and local wool sales, which were few and small scale in 1870. The pastoralist hoped from these for a better price through competitive bidding for his produce and wool; the local trader hoped to attract pastoralists to the town, and break the nexus between consignment or purchase of produce, and supply of goods in exchange, established so frequently by the port wholesalers; the local auctioneer hoped to transact auctions which, particularly in the case of wool, were otherwise concentrated in Port Elizabeth.

By implication, railways would raise town property values. This was a universal tenet among townsmen both in the ports and

inland, and a fundamental factor in local railway agitations. The same was true of rural property in the vicinity of the railway; the potential profits of production would increase because of improved access to markets, and the demand for and value of the land would therefore increase.

Equally, the pattern of public expenditure and private investment was bound to be influenced by the railway; the geographical disposition of government offices, courts, garrisons of police or troops, or of private concerns from merchant houses to banks, would take account of transport facilities and of the distribution of commerce. Those who had known the Cape for the previous twenty years or so had witnessed the growth of considerable communities, in some cases from next to nothing, according primarily to the channels taken by commerce and public expenditure. The railway would, it seemed, by altering those channels, determine which communities would continue to grow, and which would dwindle into insignificance. Town and village interests leading railway agitations could claim that the livelihoods, institutions and achievements of their communities as a whole were at stake in contention over railway routes. Clergymen and teachers were sometimes as active in leading railway agitations as merchants or auctioneers, and the history of railway agitations includes meetings at packed town halls and rampages by the town mob.

Nor were calculations of the advantages expected from railways restricted to the effects of railways once they were built. They included the local expenditure entailed in their construction. Some two-thirds of the capital borrowed in London

This was not a competition between the ports alone. The traditional account of Cape railway-building after 1870 would suggest that it was an attempt by rival ports to reach the diamond fields. This is an account that must be considered in detail later[1]. But it is worth pointing out now that it implies a misconception of the character of railway interests and the disposition of power and influence. Railways affected the interests of direct importers, retailers, local businessmen and property-owners in centres throughout the colony as much as they affected those of the port wholesalers, consignment agents and exporters. And the mercantile credit afforded to the latter did not give them a command of local allegiances in their hinterlands. Local railway claims were to be defined and agitated independently of the major mercantile centres. The limitations of mercantile power were to be critically relevant when the state drew a new economic map in British capital.

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1. See below, pp. 164-165.

# C H A P T E R  T W O

## THE LEGACY OF THE 1860s

The experience of the 1860s suggested that the obstacles to railway-building in the Cape were both financial and constitutional.

One aspect of the financial problem was technological, and this was solved by the early 1870s: the railway from Cape Town to Wellington, built in 1859-1862 by a private company under Cape Government guarantee of 6% interest, had been constructed on the standard gauge, which was unnecessarily expensive for the Cape's requirements. But the great expansion of colonial railway-building after 1870 was based on the technology of narrow gauge railways developed in the United States, and adapted successfully to difficult gradients in the Festiniog railway in Wales and the Mont Cenis line in France, which were noted with enthusiasm by railway advocates in the Cape[1]. Nearer home, copper interests constructed a private tramway to serve the mines in Namaqualand, confirming that technological advances had greatly reduced the price that needed to be paid to secure the blessings of railways in the Cape, and giving a fillip to local railway demands[2].

The economic tribulations of the 1860s, and in particular the rapid demise of the export trade in Cape wine after the prop

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1. e.g. G.T.J., 27 Nov. 1871, 5 Feb. 1872.

2. GRH, 15 April 1871; Argus, 6 April 1871; Q.F.P., 25 April 1871; G.T.J., 28 April 1871.

of Imperial preferences had been knocked away, diminished the traffic of the Wellington line; it failed to pay its working expenses until 1865, and thereafter paid only a fraction of the £30,000 annual interest which the Government had guaranteed[1]. This was discouraging, and underlined the problems of financing railways which were local in scale.

For it seemed unfair that taxpayers in other parts of the colony should pay the whole cost of a local railway, and for this reason the Government had been authorized to claim from the ratepayers of the Cape, Stellenbosch and the Paarl Divisions, through which the Wellington line passed, one half of any sum paid over to the Wellington Company by the Government under the guarantee. This local liability was known as the sub-guarantee, and became a hated imposition. The expected benefits from the railway to local producers and landowners were in this case offset by other economic factors, and producers near the terminus in Cape Town found that they were paying for a line which enabled producers further afield better to compete with them in the Cape Town market. Areas just outside the Divisional boundaries paid nothing, while those just inside were fully liable; and those who never used the railway paid the same tax as those who used it often. Payments fell badly into arrears: on 30 June 1870, over £250,000 had been paid by the Government to the Company, but only £72,000 had been collected from the sub-guarantee[2].

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1. V.& P. 1868, II; A.13-'68, Report of Sel. Comm. on Railways, Appendix (D), p.viii.

2. P.R.O., C.O.48/457, Barkly to Kimberley, 4 Sept. 1871; encl. Governor's Message to House of Assembly on Construction of Railways, 31 July 1871, p.2.

The fate of the ratepayers paying the sub-guarantee drove a wedge of bitter antagonism between the proponents of further local railways carrying a sub-guarantee, including many Afrikaner landed proprietors and commercial farmers, and humbler farmers, some of them dependent on their stake in the transport trade in the prevailing economic circumstances, for whom the burden of the sub-guarantee seemed far to outweigh the blessings of the railway. Thus pressure from commercial farmers and businessmen in Worcester District to extend the Wellington line to Worcester was countered by a movement in the same District against adding the sub-guarantee to their burdens[1]. The objections to the sub-guarantee were here compounded by the belief that many general economic difficulties were caused by the efflux of money from the area to the shareholders of the Wellington Company[2], and in some cases by objections to the running of trains on Sundays[3]. Similarly, in the Eastern Province, Grahamstown's agitation for a railway from Port Elizabeth in 1862-1863 was met by angry petitions from English and Afrikaner farmers and waggon owners in the Divisions of Alexandria, Albany and Peddie against the attempt to impose a sub-guarantee on their property in the interests of townsmen and foreign shareholders[4].

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1. V.& P. 1868, II; C.1-'68, Report of Sel. Comm. on Railways, Appendices B and C, pp.73-76.

2. A.13-'68, Report of Sel. Comm. on Railways, Minutes of Evidence, p.20.

3. E. A. Walker, Lord De Villiers and His Time (London, 1925), p.14.

4. V.& P. 1862, 1(ii); C.11-'62, Petition from Alexandria against Sub-Guarantee of Railways. V.& P. 1863, 1(ii); A.25, A.26 and A.32-'63, Petitions from Alexandria, Albany and Peddie against Sub-Guarantee of Railways.

The English-speaking farmers of these districts were not without representation in the House of Assembly, where they played an important part in resisting the construction of the railway to Grahamstown[1]. By the end of the decade, the sub-guarantee had become so clearly divisive and so unpopular that the Colonial Secretary stated that "I think people generally would be opposed to carrying out railways on the sub-guarantee principle"[2].

But if the sub-guarantee were ruled out, the alternative was to throw the whole burden of proposed railways on the central revenues; and this was unacceptable to a majority in the Cape parliament when the railways proposed were few and small-scale, because most of them would not benefit. Equally, representatives from the districts already paying the sub-guarantee would oppose the proposal that others should have railways without the sub-guarantee; while the others would reject the idea that revenues should be diverted to relieving those districts which already had a railway from the sub-guarantee.

This financial dilemma was exacerbated by the fact that there were already acute dissensions about where the railways should go. In the later 1850s, influential Grahamstown interests hoped to open up the Kowie harbour in competition with Port Elizabeth and opposed a projected railway from Port Elizabeth to Grahamstown[3], while there

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1. C.1-'68, Report of Sel. Comm. on Railways, Minutes of Evidence, p.25.

2. V.& P. 1869, II; C.2-'69, Report of Sel. Comm. of Railway Extension, Minutes of Evidence, p.4.

3. N. H. Taylor, 'The Separation Movement During the Period of Representative Government at the Cape, 1854-1872' (Rhodes Univ. MA thesis 1938), p.54.

was also an energetic, rival agitation among some in Port Elizabeth, Uitenhage and Graaff Reinet who were primarily interested in the wool and other commerce passing through midland centres, in favour of giving priority to a trunk railway in that direction[1]. Enthusiasm for the railway to Grahamstown remained muted in Port Elizabeth in the early 1860s, because of the conflicting midland interest[2], and 1865 saw a substantial movement in Port Elizabeth and Uitenhage to create a private company to build a railway between the two towns, which foundered for lack of funds[3]. By this time, a major body of opinion in Port Elizabeth held that the main line should head directly into the interior via Commando Kraal, serving both Graaff Reinet and Grahamstown by branch lines only[4]. There was also a claim to be heard by 1868 from Kingwilliamstown for a railway from East London[5]. In the Western Province, there was less disagreement about where the main line should go - to Worcester, and ultimately over the karroo to Beaufort West[6]; but there were also local movements in favour of branch lines to Malmesbury and Somerset West, for whom the main line was not a priority[7].

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1. G.R.H., all editions of June, 1857.

2. Gubbins Library, Godlonton Papers, no.586: W.Harries to Godlonton, 8 Apr. 1862.

3. A.13-'68, Report of Sel. Comm. on Railways, Minutes of Evidence, p.97. C.1-'68, Report of Sel. Comm. on Railways, Minutes of Evidence, p.58.

4. Ibid., Minutes of Evidence, pp.58-59. V.& P.1865, 'Annexures' (Un-numbered); A.117 and A.118-'65, Petitions from Port Elizabeth for Railway to Commando Kraal.

5. A.13-'68, Report of Sel. Comm. on Railways, Minutes of Evidence, p.131.

6. Ibid., Minutes of Evidence, p.45.

7. V.& P. 1862, 1(ii); C.4-'62, Petition from Malmesbury on Railway to Malmesbury. C.18-'62, Memorial from D'Urban, Tygerburg and Koeberg on railway to Malmesbury, C.10-'62, Petition from Somerset West for branch line of railway.

The implication of these competing interests was that proposals for one or two short railways to be paid for by the general revenues, in order to avoid the sub-guarantee, would fall foul not only of representatives from more distant parts of the colony who would not benefit, but also of those from disappointed communities who had rival claims. The corollary was the radical one that railways built with capital secured wholly on the general revenues would have to be built in a number and on a scale sufficient to convince a majority in parliament that their own interests would benefit.

These financial dilemmas rested, of course, on the absence of surplus revenues in the Cape in the 1860s on which to secure major loans from London, or with which to service them without extra taxation. The lack of surplus revenues was in large measure due to the general economic difficulties of the 1860s[1], but alloyed with political and constitutional ones: for the resources at the Government's command were a function of the levels of taxation and public expenditure. The fact that there was a budgetary deficit throughout the 1860s if the proceeds of loans are excluded from the revenue accounts[2] was thus partly due to the proliferation of burdens on the public purse under pressure from the House of Assembly

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1. G. W. Schumann, Structural Changes and Business Cycles in South Africa, 1806-1939 (London, 193 ), p.79. D. Hobart Houghton and J. Dagut, Source Material on the South African Economy: 1860-1970, Vol. 1 (Cape Town, 1972), pp.58-59, 75-76. Henry, op.cit., pp.14-22.

2. T. R. H. Davenport, 'The Consolidation of a New Society: The Cape Colony', in M. Wilson and L. Thompson (eds.), The Oxford History of South Africa, Vol. 1 (Oxford, 1969) p.329.

since 1854, and partly to the Government's inability to raise taxes. At different times, the Assembly threw out Government proposals to raise or impose stamp, succession and transfer duties, auction dues, export duties, an excise on spirits, a tax on capital investments and an extension of the House Tax, and insisted on retrenchment and further loans instead. The Government was forced to apply for further loans as an alternative to taxation, thus damaging the colony's credit with the investing public in Great Britain[1] and public works were brought to a virtual standstill by 1866[2]. The hybrid constitution did not work.

Hostility to Government tax proposals was not simply the result of a general aversion to taxation. The struggle was about who should control and administer the public resources which were such an important factor in private fortunes, interlocking with the conflicts already noted over the terms on which Divisional Councils disposed of local resources in land and for roads. It was a struggle that awaits thorough research; this study picks out aspects particularly relevant to railway history.

One was the desire to control the distribution of patronage. Careers were in limited supply in the Cape, and entry to them was regulated in most cases by the exertions of parents and patrons,

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1. P.R.O., C.O.48/436, Wodehouse to Carnarvon, 13 Feb. 1867. P.R.O., C.O.48/439, Crown Agents to Col. Sec., 7 June 1867, encl. in Crown Agents to Sir F. Rogers, 26 July, 1867.

2. V.& P. 1866, 1(ii); A.1-'66, Governor's Speech at Opening of Third Session of Third Parliament, p.1.

rather than by systems of qualifications. The extent and importance of patronage was reflected in the plethora of letters from suitors in the surviving private papers of men of power and influence; and the greater the resources of the state, the more important did the various departments of the government become as sources of careers. A Commission into the civil service in 1883 pointed out that until the introduction of Responsible Government, all patronage in the service was exercised by the Governor or the Colonial Secretary; and that thereafter admission into the service was "simply a question of patronage, the privilege being exercised by the Ministers, or by them delegated"[1]. Part of the objection to paying extra taxes to the Government under Representative Institutions was that they financed a network of patronage and influence controlled by the Executive, on which many local interests had no lien.

Similarly, it was held by many that the civil service was free, because of its lack of accountability to the taxpayer, to use public resources wastefully and in their own interests. There was a widespread belief that it was overstaffed and overpaid[2] and this was why the Governor's proposals for more taxation were countered in the Assembly by insistence on cuts in official establishments instead. Moreover, there was substance in the view that money had

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1. V.& P. 1883, 1(i); G.110-'83, Report of Civil Service Commission, Report, p.iv.

2. V.&P.1862, 1(i); G.32-'62; Report of a Commission on Existing Scale of Remuneration to Officers in the Service of the Colonial Government, p.5.

been used inefficiently by some government departments: the cost of gaols and some bridges[1], for example, exceeded unsound estimates by three or four times, and the gaols were so badly built that some were unusable and others required major additional works as soon as they were opened. The Colonial Engineer and Chief Commissioner of Roads was dismissed in 1863 after a vote of censure had been carried against him in parliament[2]. All these considerations were directly relevant to the political implications of later proposals to spend much larger sums on railway-building, and were not restricted to periods of economic difficulties.

Indeed, when the revenues improved after the discovery of diamonds, it became more pressing to resolve the constitutional deadlock. An executive that did not have the authority to arbitrate between local jealousies; an executive to whom many local representatives were unwilling to entrust inflated resources of patronage and costly public works; a political system characterized for the previous ten years by the struggle over financial management, and protracted and repetitive debates over different constitutional changes which might be made: these were widely seen as fundamental obstacles to the ambitions for railways and other public works which grew with the revenues. This was a point on which men who differed widely about the direction of constitutional change were able to

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1. V.& P. 1862, II; A.2-'62, Report of Sel. Comm. on Berg River and Tarka Bridges, Report, pp.iii-iv.

2. P.R.O., C.O.48/417, Wodehouse to Newcastle, 2 May, 20 June, 1863.

agree. The Argus, in favour of Responsible Government, noted that

> Liberals and Conservatives seem at least to agree upon one point, viz., that the present Government has done its work, and is wholly incapable of meeting the material and social needs of the Colony. Unless this country is to be a bye-word and reproach amongst the dependencies of Great Britain, and utterly lose its golden chance of taking advantage of the turn in its fortunes, political changes, radical and complete, must speedily be made[1].

The Queenstown Free Press, opposed to the unconditional introduction of Responsible Government, pronounced that

> It is satisfactory to find that, with the new life which the diamond discoveries have infused into our population, public opinion is rapidly changing in regard to the suitability of our present form of Government[2].

And at the Conservative end of the spectrum, the Grahamstown Journal was as conscious as any other organ of opinion that

> At present, the Legislature will not authorize expenditure on Public Works, because it is afraid of mal-expenditure; and the Executive will not assume the responsibility of a farthing, because it knows that the Legislature is jealous of its authority. Thus it is that not only does Port Alfred suffer, but that all public interests are neglected...[3]

The possibility of increased public spending after 1870 thus underlined the importance of altering the hybrid constitution.

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1. Argus, 11 Apr. 1871.

2. Q.F.P., 28 Feb. 1871.

3. G.T.J., 10 Aug. 1870.

Moreover, three times in the 1860s the Governor, Sir P. Wodehouse, had failed to break the deadlock by persuading the Legislature to curtail its own powers. Not surprisingly, a majority in the Assembly soundly rebuffed the attempt to diminish their numbers and influence in order to tax them more effectively and give greater power over their resources to an Executive on which they had no lien. A change in the constitution in the direction proposed by Wodehouse had thus been effectively ruled out by 1871.

There was, however, only a minority in the Assembly throughout the 1860s who thought that the answer to their dissatisfaction with the existing constitution was simply to make the Executive responsible to the Legislature. Alignments on this issue cannot be analyzed comprehensively here, but it is relevant to highlight two important reasons for the fact that, while a majority opposed Wodehouse's 'Jamaica' constitutions, only a minority would support Molteno's motions in favour of Responsible Government. First, it was well known that the Imperial Government was from 1864 onwards pressing the Cape to assist in the upkeep of the Imperial garrison in the Cape, a demand which the colonists resisted tooth and nail. Responsible Government could only encourage the Imperial Government in its insistence that the Cape should provide for its own defence[1], and this implied extra taxation in the straitened economic circumstances of the 1860s and, in the event of a withdrawal of the

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1. C. W. de Kiewiet, British Colonial Policy and the South African Republics, 1848-1872 (London, 1929), pp.273-274.

garrison, the loss of the military protection and lucrative contracts which it offered. The second main reason for opposing Responsible Government for many in the Eastern Province who held no brief for the existing constitution was their antagonism to 'Cape Town rule'.

For much of the 1860s, the main grievance held in common by virtually all Eastern Province colonists was that as a result of the numerical superiority of western interests in parliament and the difficulty which Eastern Members had in attending a complete Session in Cape Town, western interests had, as they held, an excessive influence over the decisions of parliament. There was a wide variety of criticisms levelled against Cape Town rule by different sectors of Eastern Province opinion. Unlike many representatives of the midlands, for example, the 'Frontier Party' - British settlers dominating the political representation of Albany, Victoria East and Cradock, and often that of Somerset, Fort Beaufort and the north-east, whose political views, like much of their British population and commercial supplies, had originally emanated from Grahamstown - placed particular emphasis on the contention that an Eastern Province government was needed to provide adequate military protection and harsher legislation against the black population; and, again unlike many Midland spokesmen, identified themselves as the progressive element in the colonial population, disliked the institutions and feared the numbers and influence of the Afrikaner population who were more strongly

represented in the Western Province than in most of the Eastern[1]. Fear of Afrikaner domination was undoubtedly a major factor in the separatist aspirations of many British settlers in the Eastern Province[2]. But the most important point on which nearly all Eastern Province men could agree was that western interests appropriated a disproportionate share of public expenditure. As well as the lion's share of expenditure on Government offices and salaries, the west had secured a Breakwater at Table Bay and a railway. The main growth in revenues over the last twenty years had come from customs duties on the trade transacted by Eastern Province merchants, and the fact that the producers and consumers of many of these articles did not reside in the Eastern Province did not mitigate the sense of injustice that such revenues were not spent wholly in the East.

Responsible Government combined with Cape Town rule would make the position even worse, by putting executive power and patronage in the hands of the western interests who led the movement in favour of Responsible Government in the 1860s. Referring to Saul Solomon, M.L.A. for Cape Town and a leader of the Responsible party, the Cradock Register wrote in a vein typical of much Eastern Province opinion that

> ...he wants to have the control of our revenue and the appointment to offices (of which there will be a good many more under Responsible Government than at present) in his and his friends' hands, and we consider that the East is well able to do that for itself, and more[3].

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1. N. H. Taylor, op.cit., p.28, 32 and passim; B. Le Cordeur, 'Robert Godlonton as Architect of Frontier Opinion, 1850-1857', A.Y.B. 1959, Part II, pp.10-16 and passim; D. B. Sole, 'The Separation Movement and the Demand for Resident Government in the Eastern Province' (Rhodes Univ. MA thesis 1939), p.66 and passim.
2. Trapido, 'White Conflict and Non-White Participation', pp.54-56.
3. Cradock Reg., 24 Aug. 1871.

As expectations grew of rising public expenditure a new urgency was lent to the demand that local interests in the Eastern Province should control the uses to which 'their' revenues were put, an urgency that was underlined by the growing likelihood that Responsible Government was on its way. A variety of ways of achieving this had been canvassed in the past, but by the beginning of the 1870s the solutions to which Eastern Province interests looked were either a complete separation of the two Provinces of the Cape, or a Federation into two or more provinces.

Despite widespread opposition to the existing constitution, the constitutional impedimenta to large-scale railway-building were therefore not removed as a result of majority pressure in the Cape in favour of Responsible Government, because of the cross-currents set up by the troops question and fierce resistance to Cape Town rule. The shove in the direction of Responsible Government given by the Liberal Government in London was thus of crucial importance in breaking the deadlock.

Since the 1850s, South Africa and Western Australia had been the only established settlement colonies without Responsible Government[1]. Whatever the differences of emphasis, there was a broad consensus of British public opinion in the 1860s that the right direction of policy in relation to such colonies was towards self-reliance, self-defence, and self-government, combined with a reduction of colonial expenditure[2]. The Defence Review of 1861

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1. C. C. Eldridge, Victorian Imperialism (London, 1978), p.82.

2. Ibid., p.90.

had firmly linked the right to self-government with the responsibilities of paying for defence[1], a message underlined by the defence expenditure on Canada during the American Civil War and on New Zealand in the Anglo-Maori Wars. Gladstone's Liberals came to power committed to Retrenchment; and strategic requirements and considerations of military morale also prescribed a greater concentration of military resources in Great Britain. These were the specific pressures driving the Liberal Government determinedly to apply what Gladstone called in April 1870 "admitted principles to one colony after another, according as circumstances allow and invite their application"[2]; principles conditioned by the consideration that British shipping, trade and capital had as yet no formidable competitors in many parts of the world.

Circumstances certainly seemed to the Liberal Government to invite the application of these principles to the Cape after a decade of budgetary deficits and constitutional deadlock. The strength and justice of the cry of "no taxation without representation" formed a fundamental component of Gladstone's view of colonial policy[3]; and in the Cape, Wodehouse's attempt to solve the problem by reducing representation had by 1869 failed twice. In line with the implacable insistence that the bulk of British troops should be withdrawn from Canada and New Zealand[4], Granville, the Liberal Colonial Secretary,

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1. Ibid., p.84; De Kiewiet, British Colonial Policy, pp.209-213.
2. Quoted in Eldridge, op.cit., p.98.
3. P. Knaplund, Gladstone and Britain's Imperial Policy (London, 1927), pp.213-214, 217-219, 222-223.
4. Eldridge, op.cit., pp.85-88, 94-95.

reaffirmed that two imperial regiments would be withdrawn from the Cape and that some constitutional change was essential to overcome the 'downward progress' implied by the continuous budgetary deficit.[1] Then Wodehouse failed again, while the diamond fields added to the burdens which the Imperial Government wanted to devolve and, through the hostility engendered between the British Government and the South African Republics, pointed to Responsible Government as the only way forward to a federation of South African states[2]. Nor could it now be said, in the light of improving revenues, that the Cape was too poor to have extra burdens thrust upon it[3]. These developments interacted with the conviction that only through self-government would the Cape overcome its constitutional deadlock, balance its budget and find the money for its own defence. The new Governor, Sir H. Barkly, went to the Cape under instructions to work for the introduction of Responsible Government[4].

Imperial policy had thus unilaterally resolved the troops question, although Earl Kimberley sugared the pill by agreeing that two regiments rather than one should remain in the colony for the time being[5], and had put beyond doubt the direction of the likely

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1. V.& P. 1870, 1(ii); A.2-'70, Despatch from Secretary of State (Earl Granville) to Sir P. E. Wodehouse, 9 Dec. 1869.

2. De Kiewiet, British Colonial Policy, pp.285-286, 292-297.

3. C. W. de Kiewiet, 'The Establishment of Responsible Government in the Cape Colony, 1870-1872', The Cambridge History of the British Empire, Vol. VIII (2nd edn., Cambridge, 1963), p.452.

4. P. Lewsen, 'The First Crisis in Responsible Government in the Cape Colony', A.Y.B. 1942, Part 2, p.215.

5. Ibid., p.216.

change in the relations between Executive and Legislature. The existing Executive was not supported by its own masters, and this was a final death-blow to its authority. Interacting with the urgency of eliminating the hybrid constitution as a stumbling-block in the way of increased public expenditure and 'constructive' legislation, these considerations convinced a growing majority of interests throughout the colony that Responsible Government had to come speedily. Even the men of Grahamstown decided at public meetings in 1871 that Responsible Government should be accepted, provided that Federation of the two Provinces were effected first[1]. For all but a dwindling minority in 1871, the constitutional question had resolved itself into this: constitutional change was necessary; Responsible Government was inevitable; but should some kind of Federation or Separation be insisted on first to protect Eastern interests? It was this question that became intertwined with rival railway agitations.

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1. G.T.J., 19 May, 30 June, 1871.

# CHAPTER THREE

## RAILWAY AGITATIONS AND THE CONSTITUTION 1870-1872

The discovery of diamonds increased Port Elizabeth's commercial ascendency, not because its merchants dominated the purchase and consignment of diamonds, which was shared with specialized diamond buyers from Europe[1] and the Standard Bank[2], but because they supplied most of the needs of the diggers. "Speaking generally", as a correspondent of the Grahamstown Journal put it, "Bay men monopolize the trade of the Fields"[3]; for Port Elizabeth was easily the nearest major port to the diamond fields, and its merchants already had networks of credit and communications to the Free State and South African Republic and the north-west of the Cape.

But there was at once a competitive scramble among rival towns for the expected stream of passengers, parcels and mail. Grahamstown interests saw this as a golden chance to try again to attract steamers and other traffic to the Kowie[4], and nearly all the main inland towns of the Eastern Province, swept by the fear of being "left out in the cold", tried to set up collective

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1. C. A. Payton, The Diamond Diggings of South Africa, (London, 1872), pp.116-118.

2. Henry, op.cit., pp.31-32.

3. G.T.J., 7 Apr. 1871. See also F. Boyle, To the Cape for Diamonds (London, 1873), p.49.

4. G.T.J., 24, 26 Aug., 16, 18, 23 Nov. 1870, 20 Mar., 7 Apr. 1871.

companies[1] to invest in waggons, horses, oxen or mules, or in traction engines, which turned out to be thoroughly ill-suited to Cape conditions[2], in order to put themselves on the main transport and mail routes to the Fields. The earliest and the most successful of these companies was the Inland Transport Company established in Cape Town in 1870 to provide an organised system of horse-drawn carriages to the diamond fields.

The directors of this Company were mostly wholesale merchants with London partners and correspondents, and the shareholders included most of Cape Town's wholesale sector[3]. The Company was a revival of a previous venture[4], and aimed as much to further long-standing ambitions to create a hinterland north of the karroo as to corner a share of traffic to the Fields for its own sake[5]. It reduced the time taken from Cape Town to the Fields to six days, and administered a shock to Port Elizabeth and other towns in the Eastern Province. For it staked out a determined claim from Cape Town to a permanent, new hinterland. Its promoters were explicit that it was to be the precursor of a railway to Beaufort West[6].

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1. e.g. Queenstown - Q.F.P., 2 Jan. 1871; Graaff Reinet and Richmond - G.R.H., 28 Jan., 6 May, 16 Sept., 25 Nov. 1871, 24, 27 Jan., 18, 28 Sept. 1872; Cradock - Cradock Reg. 18 Jan., 1, 22 Feb. 1871.

2. G.R.H., 17 Apr. 1872; Argus, 16, 21 Nov., 21 Dec. 1872.

3. A list can be found in Argus, 26 Oct. 1872.

4. Argus, 25 Aug. 1870.

5. Argus, 9, 25 Aug., 17 Sept. 1870.

6. Argus, 30 Aug. 1870, speeches at public meeting of Saul Solomon and E. Landsberg.

The Inland Transport Company prompted the formation of a rival one by disappointed inland towns left off the Inland Transport Company's route[1]. Similarly, when Port Elizabeth merchants established an ill-fated company to finance relays of mules to the Fields, they chose a direct route via Cradock which by-passed Grahamstown and Graaff Reinet[2] and offered little support to the companies set up by inland towns, where this indifference was resented[3]. The competition for mails, parcels and passengers therefore revealed the differences of interest and perspective between rival wholesale centres and local, town-based interests which soon came to the fore in railway agitations.

The rise in the revenues soon unleashed frustrated ambitions on the public purse. In 1870, the value of imports and recorded exports through the Cape ports, at some £4,900,000, was no greater than it had been in 1867; in 1872 it was more than double, at nearly £10,500,000. The rise in the value of exports other than diamonds in this period was over £2 million[4]: the impact of the diamond discoveries on trade and transport coincided with a sharp rise in the value of the Cape's other exports, especially wool, and it was this combination that put such a strain on the transport

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1. Argus, 21 Nov. 1871.

2. E.P.H., 29 Sept., 3 Nov. 1871.

3. Cradock Reg., 23 Nov. 1871; G.R.H., 16 Sept. 1871 and 25 Sept. 1872, quoting Uitenhage Times.

4. V.& P. 1886, 1(i); G.20-'86, Trade Returns for 1885, p.5.

system and on mercantile credit.

The initiative in formulating railway demands was taken by the merchants of Cape Town and Port Elizabeth. Agitations based on other towns developed in response, for the most part after the Session of parliament in June 1871. This was partly because even the first few miles of railway building would benefit the ports, whereas it would not significantly benefit most communities inland; and the Chambers of Commerce of Cape Town and Port Elizabeth were already organised to define and promote the requirements of their trade.

Moreover, goods began to accumulate at the ports, and produce inland, in March 1871 onwards, as the demand for transport to the Fields coincided with that for means of transporting the large wool clip to the ports[1], and it was the port wholesalers who made the advances and purchases and at the same time made unprecedented orders for imports, who could first anticipate the strain on their credit and the haemorrhage from their profits.

Apart from the stimulus given to Cape Town by the need to overcome its isolation from the interior, some leading merchants had specific interests in railway extension because of their involvement, as local directors or shareholders, with the Wellington Railway Company. Now that the discovery of diamonds and of cheap, narrow-gauge railways offered a chance of extending the railway on an economical basis, the shareholders and directors of the Wellington Company in London were not slow to demand that their railway should be

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1. P.E. Tel. 31 Mar., 23 May 1871. Cape, Acc.611 (Southey Papers), Vol.44: W. Fleming to R. Southey, 7 Mar. 1871.

extended, and indeed to suggest that failure to extend it would constitute a breach of faith with its 500-odd shareholders which would not do the Cape's credit any good in the London Capital Market[1]. It was against this background that J. T. Eustace, a local Director of the Company whose senior partner in London, J. Borrodaile, had been Chairman, introduced his motion in the 1871 Session to make a start on railway construction from Cape Town and Port Elizabeth. The fact was that the directors of the company knew that the Government would want to purchase the line in order to prosecute any extension, and that the anticipation of purchase would raise the value of their shares. They also "starved" the line of capital for maintenance and repair in anticipation of Government purchase[2].

Port Elizabeth merchants also had a particular aim, and revived the Uitenhage Railway project, for which the 21 mile route had been surveyed and a bill framed in 1865; the new prospectus proposed a share capital of £75,000 and announced a grant of land to the company by the Municipality of Uitenhage[3]. Two of the first directors of the Company were A. J. MacDonald of the London-Port Elizabeth partnership, Blaine and Co.; and H. B. Christian, who was the senior partner in the Cape of J. O. Smith and Co. of London[4].

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1. Cape, C.O.946: Cape Town and Wellington Railway Co. to Col. Sec., 9 May 1871, no.17, with enclosed Railway Times for April 1871.

2. Cape, Acc.611 (Southey Papers), Vol.61: Southey to Julyan, 20 Sept., 19 Dec. 1871. S.A.P.L., Molteno Papers: Molteno to Barkly, 5 Oct. 1871, by which time the share prices of the company had risen substantially in advance of Government purchase.

3. Argus, 9 May 1871.

4. The others were D. F. Stewart of Mackie, Dunn and Co. and another Port Elizabeth merchant, W. Fleming, M.L.C.; J.S.Kirkwood, Auctioneer in Port Elizabeth; and F. Lange, owner of a woolwashery in Uitenhage: E.P.H., 3 Nov. 1871.

There was no intention of extending the line beyond Uitenhage, and its primary purpose was to reduce the delay and costs to wool buyers and consigning agents of transporting wool to and from the wool-washing establishments of Uitenhage and to raise the value of investments in town property, including the woolwasheries. But another purpose was to use the Uitenhage line as a lever on the Government to proceed at once to build the main line they wanted from Port Elizabeth to Commando Kraal. The Port Elizabeth Chamber of Commerce had circulated widely the report of November 1870 by a sub-committee on transport comprising Christian, D. P. Blaine of Blaine and Co. and W. Hume, senior partner in the Cape of Messrs. A. C. Stewart and Co., of Liverpool. The report found "the greatest necessity" for an immediate start on a railway to Commando Kraal, which would eliminate the particular delays and difficulties in the arid terrain over which it would pass[1]. Now in April and May 1871, the representatives of the Uitenhage Railway Company made it clear that the Uitenhage line was envisaged as a branch from a main line from Port Elizabeth to Commando Kraal which they wanted the Government to build; they were in effect putting pressure on the Government to make a start on the main line[2]. In this they were successful, as the Government were anxious to avoid the kind of legal difficulties already experienced in the Western Province when a private company owned a section which the Government wished

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1. Cape, C.O.947, Sundry Committees, 1871, No.33: Annual Report of Port Elizabeth Ch. of Comm. for 1870, pp.10-11.

2. Cape, P.W.D., Letters Rd., Col. Sec., July-Dec. 1872: D. P. Blaine to Col. Sec. 15 May, 1871, encl. in Col. Sec. to Ch. Insp., 25 Nov. 1872, no.4145; P.W.D., Semi-official Letters Rd., 1871: H. W. Pearson to Robinson, 21 April, 1871; A. MacDonald to Robinson, 22 May, 1871.

to incorporate in its own main line[1].

But, although the Uitenhage Railway was only a few miles long, with heavy wool traffic virtually guaranteed, not all its shares were taken up in the Cape, and D. P. Blaine was reported as having the utmost difficulty in finding buyers for the rest in London[2]. In the end, the prospective contractor had to take up one fifth of all the shares to keep the project afloat[3]. This clearly illustrated that the merchant houses of the Cape depended on the Government to assume financial responsibility for the main line railways they wanted; and had, therefore, to come to terms with the other interests represented in the Cape parliament.

There was another reason why the port wholesalers took the lead. In 1870-71 the diamond fields were seen as the key to the political and commercial future of South Africa. It was widely assumed at this early stage that the obvious aim was to build direct trunk lines from the major ports towards the diamond fields. It was consistent with this early assumption that the merchants of Port Elizabeth and of Cape Town, should be in the lead in competitive railway agitations. Advocating a railway to Beaufort West in the Cape Town Chamber of Commerce in November 1871, Captain J. Murison[4]

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1. P.R.O., C.O.48/457, Barkly to Kimberley, 4 Sept. 1871; encl. Governor's Message to Assembly on Construction of Railways, 31 July, 1871, p.1. MacDonald told the Port Elizabeth Chamber of Commerce in late 1873 that they might not have had any railway built by then had not "a few persons" pushed forward the Uitenhage line, which compelled the Government to act: G.R.H., 13 Dec. 1873.
2. Argus, 6 Nov. 1871, 8 Apr., 24 Aug. 1872; G.T.J., 8 Apr. 1872.
3. E.P.H., 8 Oct. 1875.
4. M.L.C. from 1873 to 1885, who with his partner W. Anderson conducted a general import and export business and was shipping agent for the Donald Currie line of steamers.

declared that "he felt this was the only thing which could save Cape Town. At present it was a toss-up as to which should get the Railway, Cape Town or Port Elizabeth, but the one which got it was made, and the other done for"[1]. Similarly, the Grahamstown Journal noted in early December 1871 that

> ...the fact that Cape Town has an eye on the Fields makes Port Elizabeth especially anxious about a direct line...there is no question about the desire of Port Elizabeth to make Cape Town competition an impossible thing or a thing of no importance: hence its desire to hurry on the line and to make it a line to the Fields. Just at present diamonds govern everything in South Africa - The railway question is we repeat a battle question. The prize is the trade of the great mining industry of the Vaal, and the belligerents are, in the first instance, the two chief sea-ports in the colony[2].

Eustace's motion in parliament calling for the construction of lines towards Worcester in the West and from Port Elizabeth to Commando Kraal in the East fell foul of the financial dilemma besetting short railways, as did the Governor's more modest proposals. They included negotiation with the Wellington Company with a view to purchase; the construction of seven miles of track from Port Elizabeth to the Zwartkops River, where the Uitenhage branch line would begin, and of earthworks from there to Commando Kraal; and surveys in east and west of possible routes for extensions. The Governor recommended the abolition of the sub-guarantee as an obstacle to further progress. But to pay for the works he

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1. A deputation from the Chamber urged the importance of rapid railway extension to Beaufort West on the Governor. G.T.J., 20 Nov. 1871.

2. G.T.J., 8 Dec. 1871.

envisaged and to replace the sub-guarantee, he proposed a special export duty on wool and excise duties on wine, brandy and fruit[1]; and there was no hope of getting all the areas and interests in the Colony who would not benefit to agree to these taxes[2]. Moreover, even the proposed earthworks to Commando Kraal threatened to trigger off dissensions among Eastern members. Already alarmed by the possibility of being left "out in the cold" by such a direct trunk railway, leaving Grahamstown some 30 miles to the east, a public meeting in Grahamstown had soft-pedalled the demand for development of Port Alfred, insisted that the line from Port Elizabeth should go through Grahamstown, and sent memorials to parliament to this effect[3]. Graaff Reinet's representatives were equally insistent that the main line should on no account be directed to the east to suit Grahamstown[4].

In the end, problems of route and finance were postponed: the only decision finally to emerge from the Session was to start building the railway as far as Swartkops River in the East, negotiate without commitment with the Wellington Company, and undertake surveys of possible routes for extensions in east and west. This could be paid for without extra taxes[5].

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1. P.R.O., C.O.48/457, Barkly to Kimberley, 4 Sept. 1871; encl. Governor's Message to Assembly, pp.1-4.

2. Argus, 3 Aug. 1871; G.R.H., 12 Aug. 1871; G.T.J., 4 Aug. 1871.

3. Public meeting of 17 May: G.T.J., 19 May, 1871. Memorials encl. in Cape, C.O.4169: Minto to Col.Sec. 25 May, 1871, no. 39.

4. G.R.H., 29 July, 1871; F. R. Te Water's speech in Legislative Council reported in G.T.J., 21 June, 1871.

5. Argus, 9 Aug. 1871.

The transport problem became far worse when bad winter weather and floods in July and August caused heavy losses of oxen, and the roads deteriorated. Importers feared an even worse breakdown of the transport system the following winter, and tried to buy up the means of transport in anticipation of the unprecedented orders to their suppliers in Europe. By February 1872, carriers and waggon-makers were often booked up for months in advance, forage was scarce in many parts, and transport prices had soared. Many merchants were said to have orders enough to empty their stores, but could not realize their paper fortunes for lack of transport.[1] It was thought that the new trade with the diamond fields meant that the Cape was now permanently prone to such problems. The newspaper articles in which the growing severity of the transport crisis can be documented contained increasingly insistent demands for railway construction to combat the difficulties[2]. And ambitions grew as the improvement in trade and revenues sank in. Total revenues grew rapidly from £750,000 in 1871 to £1,048,000 in 1872[3].

Interacting with these developments, the exposure of the Government's railway proposals in parliament and the subsequent

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1. Argus, 7 Dec. 1871.

2. For example, P.E.Tel., 14 July, 1871; S.T.J., 28 Aug., 30 Oct. 1871; G.R.H., 28 Oct. 1871.

3. Excluding loan proceeds. Figures to nearest thousand from V.& P. 1873, 1(i); G.19-'73, Statement of Revenue and Expenditure, 1873, p.40.

arrival of the surveyors to determine the route for the main line in the east led in late 1871 and 1872 to the first great railway agitation by interests in the Eastern Province independent of the port wholesalers of Port Elizabeth. A visit to the Eastern Province by the Governor added fuel to the flames: this was a rare opportunity for eastern communities to display the strength of local feeling on important issues, and the blandishments of one community provoked its rivals to assert their own claims. The turning of the first sod of the Uitenhage Railway by the Governor contributed to the jealous assertion of railway claims elsewhere. The result was, as the Grahamstown Journal put it at the end of his tour of the east, 'during the last few weeks, for him to eat or drink, to rise up or lie down, to sleep or wake, to walk, ride, or dance, has been railways and only railways'[1].

The press and leaders of the Grahamstown community threw themselves heart and soul into the effort to convince the government engineers, the Governor, Colonial Secretary and general public that a viable route could and should be found to carry the trunk line by an eastern route to pass near Grahamstown. Grahamstown's consignment agents, produce-buyers and general importers were active in its railway agitations - men in the early 1870s like Cawood, Cron Wright, King[2], J. H. Parker, G. Reynolds, John Walker, and T. B. Glanville, who was not only editor of the

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1. G.T.J., 9 Feb. 1872.

2. See above, p.13.

Grahamstown Journal but whose firm, with a London partner, were consigning agents for wool, and importers of all kinds of books and stationery, and of general merchandise on specific orders[1]. These men were generally in favour in principle[2] of opening up the Kowie to reduce their transport costs, eliminate the charges of middlemen at Port Elizabeth, and, together with other landed and business interests, benefit from a rise in local property values and from increased local insurance and shipping agency business. But this was a problematical project. Much more pressing was their concern to improve transport to and from the Bay and avoid a situation where a main line from Port Elizabeth, by-passing them to Cradock and the interior, delivered the up-country trade entirely into the hands of Bay merchants and branches or direct importers and middlemen in other centres on the railway, restricting Grahamstown's trade permanently to a purely local ambit. For the reasons discussed in Chapter One, many other

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1. Advertisement in G.T.J., 21 Nov. 1870. The attribution of occupations and individual economic interests rests in the main on the collation of information from the advertisements and lists of directors and shareholders of local financial institutions and companies, in local newspapers. References are given in these cases only for points of particular significance or contentiousness. The sources of information derived elsewhere are given in footnotes as appropriate. It is of course true that individuals sometimes changed the character of their occupation, and sometimes combined activity traceable in the sources with other activity that may leave no trace. Due allowance must be made for this problem, but it is unlikely to affect the general points that are being made.

2. See, for example, their speeches at a public meeting reported in the G.T.J., 7 Apr. 1871.

townsmen were equally active in Grahamstown's railway committees and public meetings. Some of the more prominent were the Rev. Williams, Dean of Grahamstown and proprietor of The Eastern Star and his son-in-law, R. W. Nelson, its editor; Dr. W. G. Atherstone, a doctor and geologist; the lawyers, John Ayliff and J. P. de Wet, and J. E. Wood, the hotelier.

The organs of Grahamstown opinion insisted that, whether or not it were later decided that the main trunk line to the interior should diverge from the Port Elizabeth-Grahamstown line a few miles south-west of Grahamstown, the first priority of the government should be to build a line all the way to Grahamstown. It was argued that the quantity of traffic passing to and from Grahamstown would make the line pay better than more direct routes towards the north which avoided such a centre of population and trade. In fact, Grahamstown was the first inland community implicitly to attack the priority given by the port wholesalers and the Government to the direct trunk line towards the diamond fields, and to demand that priority should instead be given to serving existing centres of population, trade and property[1].

By the Session of 1872 in June, however, the disparity between the long-term interests of the communities of Port Elizabeth and Grahamstown was submerged. For by finding a possible route from the Bushman's River at the foot of the Zuurbergen to Cradock via

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1. Cape, Acc.611 (Southey Papers), Vol.47: W. G. Atherstone to Southey, 26 and 31 Jan. 1872. Speeches at banquet for the Governor, reported in G.T.J., 19 Jan. 1872. G.T.J., 31 Oct., 8 Dec. 1871; 12, 24 Jan., 12, 16 Feb., 1 Mar., 12 Apr. 1872.

Grahamstown, the surveyors made it possible for both Port Elizabeth and Grahamstown to campaign to get the first 70-odd miles of the trunk line built to the Bushman's River, and postpone the argument about where it should go next. The common enemy on railway matters were those who might obstruct this project.

Meanwhile, so long as the general assumption was that there would be a single trunk line from Port Elizabeth, the priority in Graaff Reinet was to ensure that a route for it via Graaff Reinet was surveyed, and that above all Grahamstown's efforts to divert the line to its own doors were resisted[1]. Against the background of the noisy clamour in Grahamstown and the anticipated visit of the Governor, an old survey of a viable route from Port Elizabeth was reprinted in the Graaff Reinet Herald, and, after public meetings, the community despatched three of their number to find a route through the Sneeuwbergen to the north, in order to confront the Governor with an effective claim for a survey of a trunk line through Graaff Reinet to the interior[2]. But when Barkly visited the town, he re-emphasized that, although he would have the new Sneeuwbergen route inspected, there were obvious and serious objections to carrying a single trunk line by such a westerly route[3]. It could not be denied that most of the Eastern

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1. G.R.H., 1, 19 Aug., 14, 21 Oct., 16 Dec. 1871.

2. G.R.H., 20, 27 Jan., 3 Feb. 1872.

3. G.R.H., 3, 7 Feb. 1872. The inspection revealed a feasible line through the Sneeuwbergen, though different from that proposed by the trio from Graaff Reinet. Cape P.W.D., Letters Rd., Jan.-June 1872: T. Bain to Ch. Insp., 16 May 1872.

Province would be left out in the cold, and that the chances of parliamentary approval for a single trunk line via Graaff Reinet were minimal. The solution was the same as that found by border interests: there had to be more than one railway in the Eastern Province. Graaff Reinet joined the Border districts in attempting to undermine the notion of a single trunk line from Port Elizabeth heading for the diamond fields, and to recommend at least three lines in the eastern Province, one of which could go to Graaff Reinet[1]. The Graaff Reinet Herald enunciated the principle that major colonial towns should be served first[2], and that 'The Diamond fields and Free State, are too distant, and the cost and time of reaching them too great for us to do more than serve them incidentally, by serving ourselves primarily'[3]. They were encouraged in this by the news of a slump in the diamond market in London after January 1872, in contrast to the healthy market for wool[4].

The formulation of Graaff Reinet's railway claims, like Grahamstown's, thus proceeded independently and, in 1871-1872, in conflict with Port Elizabeth's. Several of the leading wool and produce buyers and general importers, with partners or supporting houses in Port Elizabeth, played no part in Graaff Reinet's railway agitations at this time. They included D. Benjamin of Benjamin Bros. based on Port Elizabeth, Otto Brenner and G. and A. Lilienfeld

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1. G.R.H., 27 Jan., 17 Feb. 1872.

2. G.R.H., 24 Feb. 1872.

3. G.R.H., 2 Mar. 1872.

4. F. Boyle, To the Cape for Diamonds (London, 1873), p.234. Argus, 21 Mar. 1872. G.R.H., 2, 23 Mar. 1872.

of the Bay house of Lilienfelds; and C. Wille and H. Wertheim, A. Baumann, and J. and H. Haarhoff, although the details of their Bay connections are not known. There were, however, a number of more independent merchants and middlemen well to the fore in Graaff Reinet's railway meetings, committees and deputations. B. J. Joubert[1] was one. Another was E. Nathan, who purchased wool, diamonds and produce, no doubt frequently on commission from Bay merchants, but who ran his own wholesale and retail business in Graaff Reinet, and had invested in the early 1870s in a trading establishment at the diamond fields, in auctioneering business in partnership with C. T. Auret, and in farms in the Graaff Reinet Division. He was director of one of the local banks in the town. That he had his own correspondent in Europe is likely, though not known, and he clearly had independent capital resources and interests centred in the midlands and had no reason for reticence on the subject of a direct trunk line from Port Elizabeth to the diamond fields which would neglect Graaff Reinet's commercial and propertied interests. Another local railway champion was S. E. Wimble, a wholesaler and retailer of imports in the town, director and at one time chairman of a local finance company, and chairman of one of the local banks. Wimble also invested in fine breeds of sheep together with Charles Rubidge, a very successful flock-master[2] in the District who was one of the three who managed to find a railway route through the Sneeuwbergen[3].

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1. See above, p. 19.

2. G.R.H., 15 Feb. 1873; Noble, Descriptive Handbook, p.150.

3. G.R.H., 3, 7 Feb. 1872.

Partly because of the weight of capital in commercial farming and the market for land and stock, and the size of the Afrikaner population, the importance of property agents and auctioneers was particularly marked in the public life of inland centres in much of the Western Province and the midlands, not least in Graaff Reinet's railway agitations. The most important of these were F. K. Te Water, C. A. Neser and H. Bolus. They had close business links with local lawyers like T. Auret and W. Gregorowski, also midland railway advocates, and deep involvement with them in local financial institutions: Te Water was a director of one of the local banks, and like T. Auret, of a local finance company; Bolus and Gregorowski were secretaries to local finance companies, for which the auctioneers conducted sales of insolvent estates and trust properties. These and local mercantile interests were strongly represented in the Municipal Government: in 1871, for example, Te Water was Mayor and Neser, Wimble and Jonbert were Councillors. This is of course only a sample of local business interests which were particularly active in railway matters. Professor Guthrie of Graaff Reinet College demonstrated that it was not only businessmen and merchants who took an active interest in railway questions.

Such was a cross-section of the local interests that took the lead in defining a midland railway claim in conflict with the port merchants.

The other distinctive railway interest which was defined in later 1871 and 1872 was that of the border districts, led by interests based on Kingwilliamstown and Queenstown. Their

transport interests diverged in the pre-railway age. The large majority of border trade passed through Port Elizabeth, not East London. Although there were already one or two merchants in Queenstown who had partners or supporters in Kingwilliamstown, they were in most cases in competition, rather than partnership, with Kingwilliamstown houses for the native trade of Basutoland and parts of the Transkei[1]. Moreover, the importance to Queenstown of road connections with Port Elizabeth, rather than British Kaffraria, was in 1870-1871 given emphasis by the new trade of the diamond fields: some Queenstown interests invested in trade there and transport thither, and the town could hope, from its geographical position on a relatively well-watered transport route, to compete with other inland centres in the Eastern Province for the new stream of commercial traffic between Port Elizabeth and Griqualand West. It was recognized that their ultimate future lay in communication with East London[2], but the immediate concern was to improve communications with the Bay via the Katberg Pass, which obviated the need to take a roundabout route via Kingwilliamstown[3]. By contrast, some Kaffrarians explicitly urged the government to abandon the Katberg and to concentrate instead on the improvement of the roads between Kingwilliamstown and Queenstown, provoking fierce hostility in the Queenstown press[4]. The fact was that

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1. This was very clear in the discussion in Kingwilliamstown reported in Watchman, 28 Oct. 1872, of whether tolls should be placed on roads near the town: it was argued that the tolls would drive the Transkei trade to Queenstown.
2. Q.F.P., 25 Apr. 1871; Q.Rep., 7 Apr. 1871.
3. Q.F.P., 17 Jan. 1871; Address of Queenstown D.C. to Government, printed in Q.F.P., 24 Mar. 1871.
4. Q.Rep., 7 Apr. 1871, 30 June 1871.

little trade with the diamond fields was likely to come by way of Kingwilliamstown until East London, and routes from it to the interior, were developed. While, therefore, the preoccupation with the diamond fields at first led Queenstown men to emphasize their Bay connection, it emphasized to Kingwilliamstown men that their future depended on East London.

But as the hubbub further west over the direction which a single trunk line from Port Elizabeth should take reached its crescendo at the turn of the year, the border communities were swept by the common fear of being left out in the cold. It was realized as clearly in Queenstown as in Kingwilliamstown that the single trunk line from the Bay to the diamond fields over which the debate was raging would pass nowhere near any of the border districts. The transport costs and difficulties of the border district would remain, while the trunk line drew the lucrative trade of the diamond fields, Basutoland, and other up-country areas away from the border towns. Thus, the prospects of a direct railway inland from Port Elizabeth led Queenstown, as well as Kingwilliamstown, interests to demand a railway from East London[1].

Ambitions for East London had received a fillip from the authorization in the Session of 1871, of expenditure of £100,000 to develop the harbour there. Moreover, the importance to border trade, as well as defence, of developing East London increased when the Imperial Government insisted that some of its troops garrisoned at Kingwilliamstown were to be withdrawn.

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1. Q.F.P., 3 Oct., 12 Dec. 1871, 16, 30 Jan. 1872; Q.Rep., 19 Jan., 2 Feb. 1872

The basic interest of border merchants and others in attempting to improve and develop their port and its hinterland was that it could eliminate the high costs and uncertainty of transport overland to and from Port Elizabeth, and the extra charges of middlemen there. Kingwilliamstown men could expect to organize and reap the benefits of insurance and shipping agencies, businesses and port services at East London; and the port and railway could be expected to raise the value of property and other investments.

There was also the vital dimension of competition. In the pre-railway age, and when East London was struggling for survival, Port Elizabeth merchants could transport goods and produce to and from the border as cheaply and quickly as border merchants - perhaps more cheaply, since they were likely to spend less on handling and forwarding charges at their own port than distant competitors did. But a railway to East London would give the competitive advantage of speed and cost of transport to merchants established in border towns. Port Elizabeth would no longer be able to compete with them except by spending money in East London and other towns to set up branch houses there or paying border interests to forward, store, handle, insure and ship their trade and transact their orders on commission; for the trade would have to pass through East London, even if it did so on the account of Bay merchants. In the longer run, there would be no role for Port Elizabeth middlemen in a direct flow of trade between the border and Great Britain. Such were the commercial aspirations underpinning the distinctive border interest.

The border districts also shared a common interest in developing the coal deposits known to lie in the Stormberg, to the north of Queenstown. The great hope, not only of individuals with a personal stake, was that the mines would attract large-scale capital investment from Europe, leading in turn to a general rise of economic activity and prosperity for the border region and to the development of East London's hinterland[1]. James Weir wrote to his partner in London in September 1872 that

> In a short time a great change will be seen here and in Queenstown. The enormous price of coal will develop our mines and settle the railway question...should the coal question take a conspicuous place soon Port Elizabeth and Grahamstown must either take their stand here or allow capitalists to take the trade out of their way. [2]

A significant portion of border trade was that with the European settlers of British Kaffraria, Queenstown and adjacent areas to the west and north, and some of the most influential merchants, including the direct importer H. H. C. Baker of Kingwilliamstown with branches at Alice and Adelaide, specialized in the European trade[3]. Moreover, Queenstown cornered a significant forwarding trade to the diamond fields. But the distinctive aspect of the mercantile communities of the two main border towns was their stake, growing markedly since the late 1860s, in what was called "the native trade" of the Eastern Province, Transkei and Basutoland, as African peasant producers developed a response to market opportunities that is discussed in Chapter Nine. The

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1. See, for example, almost any edition of Q.Rep. in November, 1872.
2. Weir Papers, Letter-book, p.41; Weir to J. M. Peacock, 13 Sept. 1872.
3. Weir Papers: Unmarked and undated memorandum by James Weir from early 1870s in file (incorrectly) marked 'Personal Letters to Jas Weir'.

expert knowledge of the changing categories and quality of imported articles required by African consumers, combined in some cases with close personal and family links with missionaries, underpinned the power of border merchants, particularly those of Kingwilliamstown, in the native trade, and encouraged and facilitated direct links with British correspondents and manufacturers specializing in the articles required.

One of the leaders here was John J. Irvine of Kingwilliamstown[1], whose business grew prodigiously after 1870 throughout the border region, Basutoland and the Transkei. Irvine's firm was connected[2] with Savage and Hill of London and Port Elizabeth and it may well be that the connection took the form of suppliers, buyers and credit arrangements in Great Britain shared in common with the Port Elizabeth branch of the firm. Irvine was shipping agent for much of the shipping of East London, the largest importer through it, and owned extensive estates in British Kaffrania. Another leader was James Weir, later Mayor of the Town, whose firm, Peacock, Weir and Co., had partners in London and Queenstown; J. M. Peacock, Weir's partner in Kingwilliamstown, worked in the London end of the business in the early 1870s but returned to Kingwilliamstown in 1873 and was M.L.A. from 1874 to 1876. In September 1872, Peacock, Weir and Co. had £40,000 invested in businesses in the Transkei on which a 30% profit was expected, and a further £40,000 in produce from the Transkei, expected to bring a profit of 25%; £36,000 in a wholesale business in Kingwilliamstown, estimated to

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1. M.L.A. for Kingwilliamstown from 1879 to 1883.

2. Cape, C.O.4178, Irvine to Col.Sec., 15 Dec. 1873.

win a profit of 15%; £12,000 in retail business on which the expected profit was 40%; and £6,000 in the beginnings of a mixed business at East London with an estimated profit of 20%[1]. Shortly after this, the firm opened up in Basutoland and Aliwal North, although they trimmed their commitments in the Transkei. This reflected the increasing political insecurity in the Transkei and the strong competition to get into the relatively safe trade of Basutoland, annexed to the Cape in 1871[2]. Peacock, Weir and Co. had been one of the first Kaffrarian firms to import direct from partners in London[3]. Another leader in the native trade was F. Dyer of Whitcher and Dyer[4]. So was J. Lumsden, whose business was a branch of Blaine and Co., but he, like G. B. Christian, brother and commercial associate of H. B. Christian of Port Elizabeth naturally did not join in public agitation of border claims in defiance of the merchants of the Bay, in which Irvine, Weir and Dyer were among the leaders.

The influence of the Kaffrarian native traders in public life rested partly on their wealth, partly on the lack of a substantial class of wealthy European landowners and sheepfarmers comparable to that in the midlands, but partly also on their capacity to mobilize a large African vote in general elections[5].

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1. Weir Papers: Letter Book, p.40: Weir to J. M. Peacock, 13 Sept. 1872.
2. Weir Papers: Letter Book, p.32: Weir to C. M. Peacock, 19 Aug. 1872; p.74, Weir to J. M. Peacock, 11 Dec. 1872; p.85, Weir to J. M. Peacock, 17 Dec. 1872.
3. K.W.T. Gazette, 5 Jan. 1874.
4. Weir Papers, Letter Book, p.98: Weir to G. Peacock, 17 Dec. 1872. Dyer was M.L.A. for Kingwilliamstown from 1884 to 1886.
5. See below, pp.155-156.

But there were other interests and sources of local political influence who joined the merchants in Kingwilliamstown's railway agitations. A few of the most important were the lawyer, E. J. Byrne; J. F. Lonsdale, a retailer of provisions, but also for some time Mayor of the town and Chairman of the Kaffrarian Colonial Bank; the Catholic Patrick Goold, a general agent and auctioneer, M.L.A. for Kingwilliamstown from 1870 to 1873 and 1877 to 1883, and F. Schermbrucker, also Catholic and also an auctioneer until 1873[1], both of whom generally voiced the views of white farmers and German settlers whose business they transacted and of small property-holders in the town; and the editors of the Kingwilliamstown Gazette and Kaffrarian Watchman. John Gordon Sprigg[2] owned a farm in the East London district, but was, as he told his wife, a professional politician at heart[3]. His espousal of the border cause had more to do with finding a platform on which to build an influential political position than with his modest farm at Maclean.

Some of Queenstown's native traders were particularly active in championing the distinctive border interest including C. Peacock, connected with Peacock, Weir and Co. of Kingwilliamstown and sharing their London partner; C. E. Nicholls of Bertram, Nicholls and Co. who later ran a branch of Irvine's business in East London; J. Hodges; and Charles Brown, Mayor of the Town for twenty years in

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1. Schermbrucker arrived with the German settlers in Kaffraria after the Crimean War, dabbled without success in enterprises at the diamond fields and Lydenburg gold fields, and was an officer active in the Gaika-Gcaleka and Basuto Wars. He was M.L.A. for Kingwilliamstown in 1868 and from 1884 to 1904 and was Commissioner of Crown Lands and Public Works in the Upington and Sprigg Ministries after 1884.
2. M.L.A. for East London in 1869, 1872 to 1903 and 1908-1910; Colonial Secretary, 1878 to 1881, 1886 to 1890, 1896 to 1898 and 1900 to 1904, Treasurer from 1884 to 1890, 1893 to 1896.
3. Cory MS 10, 242, (Sprigg Papers) J. G. Sprigg to Ellen Sprigg, 20 Aug. 1869.

the 1860s and 1870s, with customers among the Tambookies of Queenstown and Wodehouse and in Basutoland, Herschel and the Transkei. Another railway leader was D. S. Barrable of the Queenstown Free Press, who imported articles ranging from stationery to pianos and solicited orders on behalf of Irvine. E. Crouch, retailer of provisions and leather goods, was as active in railway matters as any wholesaler. F. B. Brown's main business was auctioneering, but he also purchasedwool, and was chairman of the Queenstown Agricultural Bank before it went bankrupt in 1872 - when it was found that one outstanding debt of £2,000 was owed to the bank by Brown and the bank's cashier for their investment in a local woolwashery[1]. F. H. Jones was another auctioneer involved in railway agitations, and he was chairman of the other local bank.

A. N. Ella was probably Queenstown's foremost railway champion, and what is known of his economic activities again highlights the variety of sources of wealth and influence independent of port merchants. He drew a salary as Government road inspector working on the Great Northern Road north of the town until 1871. He was director of the Agricultural Bank of Queenstown. He invested heavily in a trading store and property at the diamond fields, and in a transport service between Queenstown and Griqualand West[2]. Early in 1871, he sold five houses in the town, a 4,000 acre farm in Albert, and the following properties on the Great Northern Road: one hotel and adjacent land, one woolwashery, one house with grazing land, and three farms[3].

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1. G.T.J., 8 July, 1872.

2. Cape, P.W.D., Semi-official letters, 1871; A. N. Ella to Ch.Insp., 29 Apr. 1871.

3. Q.F.P., 28 Feb. 1871.

Barrable and Hodges were in 1871 directors of the Agricultural Bank with F. Brown and Ella; Charles Brown was a director of the other local bank with F. Jones; both Browns, Barrable and Crouch were office-bearers of the local savings bank; Charles Brown, Barrable, Jones and C. Peacock's brother were directors at the same time of the local Fire, Insurance, Loan and Trust Company; and Charles Brown, Crouch, Jones and Barrable were on the Municipal Council. Such were some of the links among the coterie of local trading, business and property interests that together with those of Kingwilliamstown, set up railway committees after public meetings, petitioned the Government to survey a line from East London to Queenstown, and had their own flying survey carried out[1]. Ella summed up the mood in Queenstown:

> We are all on the qui vive here about our Railway. We see very plainly that if we do not bestir ourselves, Port Elizabeth will have all the consideration and we will be left out in the cold. [2]

Differences of perspective between the two towns remained. While Kingwilliamstown interests would benefit from the early stages of a Government line from East London, it would be a much longer time before it approached Queenstown, by which time a line from Port Elizabeth might have taken away Queenstown's forwarding-trade with the diamond fields. Thus while the petition from Kingwilliamstown praying for a survey specifically criticised the concept of a single trunk line from any one port to the Fields, and substituted the idea

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1. Speech of Sprigg in Assembly, 9 July, 1872, reported in G.T.J., 19 July, 1872.

2. Cape, P.W.D., Letters Rd., Semi-official, 1872: A. N. Ella to Ch.Insp., 5 Feb. 1872.

of lines from different ports to major inland centres[1], the petition from Queenstown maintained that there should be a trunk line to the diamond fields, built from East London instead of Port Elizabeth[2]. Indeed, there was even a short-lived movement in Queenstown to work out a scheme to attract British capital to a company to build the line all the way to Queenstown much sooner than a Government-built line was likely to be authorized[3]. But as the new parliamentary Session approached, members from the border districts were all agreed on the need to combine in parliament to secure a Government survey of a railway from East London to Queenstown. The crucial point was that, overcoming divergent interests in the pre-railway age, Queenstown had thrown in its lot with Kaffraria in agitating a border railway interest distinct from that of Port Elizabeth.

The discussion of railways in the Cape Assembly in 1872[4] demonstrated the old hostility of most Members to incurring taxes for the benefit of other interests and localities, with the new gloss that the midland and border districts had now formulated separate railway claims.

The Government maintained that it was premature to take any action on projects for railways towards Graaff Reinet or from East London, and that railways should be extended direct towards

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1. Cape, C.O.961, Sundry Committees, No.30, 21 Feb. 1872, paras 5-6.
2. Ibid., No.36, 6 Feb. 1872, para.4.
3. Q.Rep., 23 Feb., 22 Mar., 3, 17 May, 7 June, 1872.
4. G.T.J., 19 July, 1872: debate in Assembly on 8 and 9 July, 1872.

Worcester in the West and to the Bushman's River in the east - direct trunk routes towards the interior. Prominent in support were members for Port Elizabeth, Grahamstown and Cape Town. But border Members got a motion carried requiring the Government to survey a line from East London to Queenstown, J. Orpen, M.L.A. for Queenstown, threatening that in future sixteen Members would come to parliament from the border districts pledged to destroy any bill not providing for the construction of the border line. Moreover, when the Government suggested an export tax to pay the interest on the necessary loans, some Members from Western districts subject to the sub-guarantee demanded its removal before they would consider paying for any extensions, and several from inland and country districts made it clear that they would not support an export duty, which would fall on the producers, for the lines proposed. In particular, Ziervogel of Graaff Reinet, demanding a survey of a midland route, furiously attacked the concept of imposing taxes on Midland farmers to pay for a railway required by Port Elizabeth and Grahamstown. Patrick Goold of Kingwilliamstown said that Kaffraria would only pay an export tax if it were spent on a line from East London. All this contradicted the assertions of Port Elizabeth and Grahamstown members that, in Glanville's words, "...for that (the construction of a trunk line) the people of the Eastern Province were ready - aye, even anxious - to bear any burden".

In the end, it was decided to limit the authorized expenditure on the extensions proposed to £100,000 in the east and £40,000 in the west, which could be financed from the general revenues. In effect, this postponed the issue not only of how to pay for major railways, but also where the Eastern Line should go, since limited

progress could be made there until more money was voted[1].

Meanwhile, a Select Committee of the Assembly recommended purchasing the Wellington line primarily because purchase would be cheaper than continuing to pay the Company under the terms of the guarantee and would remove an impediment to further extension. The Assembly narrowly agreed to the purchase, to be financed by a Government loan of unprecedented size - £¾ million. This was a very bitter pill for many Eastern members to swallow, although they at least ensured that the sub-guarantee would remain in force to help service the loan[2].

It should be stressed that the ownership of the line to Wellington by the company, which had an unresolved legal dispute with the Government over the amount to be paid under the guarantee, had been in Southey's words 'a stumbling block to Railway progress at this (western) end of the Colony'[3]. The purchase was carried primarily by western votes, including that of J. C. Molteno and other erstwhile enemies of the executive. It is perhaps doubtful if the vote for such a large sum would have been carried at all at this time had not they known that they were about to take over the reins of power under Responsible Government. This was one of the ways in which constitutional change helped remove the impedimenta to railway-building.

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1. G.R.H., 31 July 1872.

2. P.R.O., C.O.48/461, Barkly to Kimberley, 23 Aug. 1872, and encl. Report of Sel. Comm. on Railway Purchase, Report, pp. xv-xvii. This Report was printed for Parliament in V.&.P.1872, II, no. A.2-'72.

3. Cape, Acc.611, (Southey Papers), Vol.62: Southey to Julyan, 18 Oct. 1872.

Responsible Government had not, however, been introduced without major political upheaval in the Eastern Province in 1871-1872 in response to the question: should Separation or Federation be effected first? The development of railway claims had a marked bearing on this question.

It was noted in Chapter Two that the troops question had been resolved by the Imperial Government, and that the view was widespread by 1871 that the existing executive of British officials had lost its credibility in view of the decision of the Imperial Government that Responsible Government should be introduced as soon as possible. As revenues and ambitions grew, these points interacted with the growing urgency of resolving the constitutional deadlock, and of removing an executive that had proved unable to arbitrate between conflicting local interests or overcome the reluctance of local interests who had no lien on it to entrust to it the administration of public expenditure and patronage. Primarily for these reasons, all but a hard-core minority had decided to accept Responsible Government, even if they wanted a concomitant change to protect Eastern interests.

This put those trying to insist on Federation or Separation first at a great tactical disadvantage: they were the ones holding up a resolution of the conflict between executive and legislature. This difficulty rested on the profound divisions within the Eastern Province about the form that Federation or Separation should take.

Previous Separation movements had always aroused antagonism against the Frontier party on the part of many midland interests:

religious and cultural antagonisms were compounded by aversion to Grahamstown's ambitions on patronage and public expenditure. For them, Grahamstown rule would be worse than Cape Town rule[1]. Such divisions were well to the fore in the Session of 1871, when midland Members led a successful attack on government proposals in 1871 to spend more money on the Kowie harbour, denouncing the executive for neglecting roads, bridges and other requirements in Midland and other inland areas[2], and when they insisted that the railway from Port Elizabeth should not be diverted to Grahamstown.

Similarly, a leading theme in the vivid local chauvinism of British Kaffrania was the part played by Grahamstown Members in voting for the annexation of British Kaffraria in 1865, inspired by jealousy of the garrison at Kingwilliamstown, of public expenditure on its separate offices and public buildings, and of East London harbour. It was, indeed, the fact that the main commercial antagonists of East London were other Eastern Province port interests that enabled a small party in Kaffraria in favour of Responsible Government to make headway by 1871, since an alliance with western interests, and a system in which Kaffrarians could play off western and eastern rivals against each other, seemed to offer tactical advantages. This consideration was underlined by their success in securing a vote of £100,000 for East London in the Session of 1871. Goold voted for Responsible Government in 1871, and was

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1. Sole, op.cit., pp.99, 142-145, 208-212; Taylor, op.cit., pp.32-35, 76-77.

2. Speeches for M.L.A.s for Colesberg, Graaff Reinet and Uitenhage reported in G.T.J., 28 July, 4 Aug. 1871.

congratulated on his performance in an address signed by 119, including many of the leading merchants of Kingwilliamstown[1]. Many Kaffrarians remained hostile to Cape Town rule, like many midlanders, but historical memories and current ambitions also prescribed a profound aversion to the prospect of a separate Eastern Province in which the relative influence of Grahamstown and Port Elizabeth would be greatly increased.

Partly because it was a less emotive and divisive proposition than Separation, Federation was the nostrum espoused by Eastern Province interests threatened by Responsible Government in 1871. But the idea of Federation raised complicated and divisive questions about how many provinces should be formed - Federation involving a unitary Eastern Province aroused many of the objections applying to Separation - where the lines should be drawn between them, and how the relative powers of federal and provincial governments should be defined. Eastern Province Members could show no united front on these issues in 1871. Another blow to the proponents of immediate Federation was the fact that the disputes between the British Government and the South African republics over the diamond fields had delayed any prospect of federating the Cape as part of a wider confederation of South African states. There was thus no coherent cross-current to the tide flowing in the direction of Responsible Government. By 34 votes to 27, the Assembly voted for the Second Reading of the Responsible Government Bill, although it

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1. Argus, 5 Sept. 1871, quoting K.W.T. Gazette.

was accompanied by no more than a Commission to enquire into the form of a possible Federation; but the Bill was narrowly defeated in the Legislative Council[1]. Apart from R. Ayliff, who came from a Grahamstown family, the M.L.A.s for Uitenhage, Graaff Reinet, Richmond and Colesberg had all supported Molteno's motion, along with Goold of Kingwilliamstown[2].

As the Responsible Government Bill made its way through the Assembly in 1871, Port Elizabeth, led by most of its merchants, mobilized in politics to protect its interests. Grahamstown had furnished the standard-bearers of Eastern Province interests against Cape Town rule for several years. Port Elizabeth men had taken relatively little interest in politics for much of the 1860s, because there was then little to be obtained from politics. Port Elizabeth's major incursion into the political arena in 1871, noted with surprise by hostile and friendly commentators[3], was a sign of the new issues at stake. Public meetings in Port Elizabeth in June and July resolved to organize resistance to the imposition of Responsible Government before Federation of the colony into two Provinces. Speakers included leading merchants like H. B. Christian, Joseph Simpson, F. D. Deare of Deare and Dietz, H. Adler, and H. H. Solomon.[4]

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1. G. Mc. Theal, History of South Africa since September, 1795, Vol.5., (London, 1908), pp.125-127.

2. G.T.J., 12 June, 1871.

3. G.R.H., 1 July, 1871; G.T.J., 30 June, 1871.

4. H. Solomon was a relative of Simpson, and a diamond, wool and skin merchant, who was by 1874 committed to investments in the Lydenburg Gold Fields: G. Saron and L. Hotz, The Jews in South Africa, (London, 1955), pp.139, 306; Weir Papers, Letter Book, p.484: Weir to J. M. Peacock, 20 Oct. 1875.

They were joined on a Standing Committee, set up at the first meeting by, among others, Hume, MacDonald[1], M. E. Kemp of Taylor, Kemp and Co.; and P. W. Court[2]. The Standing Committee sent a telegram to W. Fleming, M.L.C. for the Eastern Province whose election in 1869 had been based on the support of Port Elizabeth voters, instructing him to vote against the Responsible Government Bill. Fleming obeyed, but since he favoured the introduction of Responsible Government pending a subsequent Federation, he then resigned and sought re-election. Christian stood against him, backed by a great majority of Port Elizabeth's mercantile community[3], on a platform of Federation of the Cape into two Provinces as a precondition for the introduction of Responsible Government[4]. Fleming stood for the immediate introduction of Responsible Government leaving the question of Federation to be settled in slower time; he also made it clear, with an eye to Midland susceptibilities, that he would favour a scheme of Federation of the colony into at least three Provinces[5], that is, incorporating a distinct Midland province excluding Grahamstown and the Frontier Party.

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1. See above, pp. 72-73.

2. P.E.Tel., 23 June, 1871; E.P.H., 18, 21 July, 1871. Court's London correspondents were Openshaw, Unna and Co. of London and Manchester.

3. See the Requisition to him in E.P.H., 19 Sept. 1871, and his Election Committee in E.P.H., 3 Oct. 1871. By contrast, although Fleming was himself a merchant, his supporters included only a handful of mercantile men: E.P.H., 15 Sept. 1871.

4. E.P.H., 13 Oct. 1871: Christian's Reply to his Requisition.

5. E.P.H., 19 Sept. 1871.

A large picture of a railway train formed the centrepiece of the advertisements for Christian in the press[1]: the keynote of the campaign, as of the speeches at the Port Elizabeth political meetings, was that the progress of the Eastern Province depended on having its own Government, and that a western-dominated Responsible Government would obstruct public works in the east and appropriate a disproportionate share of public resources for their own interests. Much of the campaign was summed up in the eve-of-poll appeal in the Eastern Province Herald:

> ...if Mr. Fleming be returned, Responsible Government will surely follow, and you may bid good-bye to Federation or any other 'action' which would give the Eastern Province those rights and that share of the public expenditure to which it is fully entitled...Let Responsible Government be introduced, and what follows with men like Solomon, Molteno and Porter in power? The first thing the Ministry would attempt in the shape of public works would be the extension of the railway through Beaufort West to the Orange River, and the Eastern Province may whistle for its trunk line which has so often been promised and so long delayed. Cape Town is fighting hard and bidding high for the traffic and trade of the diamond fields, and unless Eastern Province men are true to their country and themselves, they will find, when too late, that they have been robbed of their trade, and that public works carried on out of the public purse have been the means of enriching the West at the expense of the East. [2]

The merchants of the Bay considered that they had created the lion's share of the trade on which the colonial revenues depended, and that the public resources which they urgently required should

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1. e.g. E.P.H., 19 Sept. 1871.

2. E.P.H., 17 Nov. 1871.

be applied to their needs in proportion to the fan-like spread of their interests across the colony and beyond, as reflected in the customs revenues of Port Elizabeth. The fundamental problem with which they had to contend was that there was a mismatch in the distribution of commercial and political power: they had the commercial power, but other interests had the political power which was the key to applying the credit and revenues of the colony to public works.

Responsible Government without Federation would accentuate this mismatch. The existing executive could at least be relied on to take a generally sympathetic view towards the interests of British mercantile partnerships between London and the Cape, and towards the expansion of British trade and British influence; they could at least be expected to keep in perspective the localized interests and demands of businessmen, property owners and farmers in limited geographical sectors of the colony. But Responsible Government would make the executive responsible to a parliament in which these localized interests, in combination with Port Elizabeth's commercial rivals in Cape Town, could be expected to maintain a preponderant influence.

Following the lead given at Port Elizabeth, a large public meeting at Grahamstown pledged support to Christian[1]. It was only to be expected that the English-speaking settlement of the old Frontier districts would continue to battle against Cape Town rule

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1. E.P.H., 26 Sept. 1871.

by backing Christian; the more so since they, too, wanted to devote growing "Eastern" revenues to public works in the East, notably a railway to Grahamstown. When the election took place, the English-speaking colonists of Queenstown and the north-east had not yet defined the claim to a border railway, and they remained bound by commercial and family ties and political conviction to the perspectives of 'East versus West'. Christian won the election with a majority of two to one in the Province as a whole; and outside Albany and Port Elizabeth, his most resounding victories were Queenstown, Albert and Aliwal North[1].

In the Midlands, however, the growing anger at Grahamstown's efforts to divert the Port Elizabeth railway to the east, reinforced traditional hostility to the concept of a self-governing Eastern Province dominated by Grahamstown in particular. At a time when Port Elizabeth was bent on the direct trunk line via Cradock, there was great bitterness among some local interests in Graaff Reinet at Port Elizabeth's neglect of distinctive midland interests[2]. The Graaff Reinet Herald campaigned strongly for Responsible Government, and against a unitary, self-governing Eastern Province, on the grounds that the former was likely to prove more beneficent than the existing Executive to Midland interests, and that only a Midland Province separate from the Frontier Districts would ensure that their taxes could be spent on their own posts, railway

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1. In Albany, Christian won by 703 to 30; in Port Elizabeth by 601 to 178; in Queenstown by 185 to 30; in Albert by 123 to 10; in Aliwal North by 224 to 18. G.T.J., 15 Dec. 1871.

2. G.R.H., 15 July, 1871.

and other public works - not on those of Grahamstown[1]. Merchants in Graaff Reinet working in or dependent on Port Elizabeth enterprises were prominent backers of Christian[2] in the election, including G. and A. Lilienfeld, Otto Brenner, C. Wille and H. Wertheim, and J. and H. Haarhoff. But, although there was no rigid correlation of occupations and alignments, many of the leading local businessmen and professional men of the town, including Te Water, Neser, Bolus, Gregorowski, and C. Geard, a municipal Councillor and importer of ironmongery and guns, as well as many local landowners and farmers, took up the cudgels for Fleming, and did not omit to exploit the local perspective on the railway question; for example, an advertisement placed by his supporters began: 'ELECTORS. Do you want to be Taxed for a Grahamstown and Port Elizabeth Railway, - the most iniquitous project of the day? Certainly not! THEN VOTE FOR FLEMING.'[3]

The outcome illustrated the limitations of the political influence of the Bay wholesalers and the old Frontier party: in the Division of Graaff Reinet, Fleming beat Christian by 379 votes to 148, and in Richmond by 107 to 31[4]. These limitations were also suggested by the result in British Kaffraria, where the emphasis on interests distinct from those of Port Elizabeth and Grahamstown was developing, though not yet fully matured: Christian

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1. G.R.H., 8 Apr., 7 June, 24 May, 29 July, 11 Nov. 1871.
2. Names of rival Election Committees in G.R.H., 11 Oct. 1872.
3. G.R.H., 7 Oct. 1871.
4. G.T.J., 15 Dec. 1871.

won by 93 votes to 37 in the Division of East London, but lost by 248 to 206 in that of Kingwilliamstown[1].

It should be clear that the constitutional battles of 1871 were not only about railways. It was a wider struggle about the control of public resources and the distribution of public expenditure and patronage as a whole that loomed large in growing dissatisfaction with the existing constitution and in disagreements over what to put in its place. Railway rivalries were only one aspect of this struggle; but it was an aspect of growing importance during 1871. There was a new dimension to the threat to Port Elizabeth of its political weakness relative to its commercial power, and a new dimension to divisions of interest within the Eastern Province, and this was the combination of growing revenues, the transport crisis, and the fear of being left out in the cold as a new economic map was drawn by the state: this dimension became more important still in 1872.

The Federation Commission's Report[2] and evidence confirmed the disparity of views in the Eastern Province[3] about the form which Federation should take, and particularly about how many provinces should be formed, where the lines should be drawn, how revenues should be apportioned, and the powers of the Federal Government. Most Grahamstown and Port Elizabeth interests did

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1. Ibid.
2. Report of a Commission to inquire into and Report upon the Question of Federation (Cape Town, 1872) pp.5-9.
3. Theal, History of South Africa since September, 1875, v.130.

not favour a subdivision of the existing Eastern Province, restricting the scope of their sway: indeed, some of them hoped that it might be increased by joining the resources of the diamond fields, with their trading, cultural and family connections with Port Elizabeth and Grahamstown, to a self-governing Eastern Province[1]. But many Midland interest agreed with the idea of John Paterson of Port Elizabeth that there should be a Midland Province, in which their own distinctive interests would be catered for, incorporating some of the existing Western Province[2]; and, with the emergence of the border railway interest, spokesmen for Queenstown and the north-east joined many Kaffrarians in favouring a separate border province, as a means of ensuring that justice was done to border claims[3]. The Commission were not unanimous in their conclusions. Their proposal that the Colony should form three Provinces, leaving a federal government in Cape Town with over-riding powers on all important issues, went down particularly badly in Grahamstown and Port Elizabeth[4]. But these recommendations were academic, because it was perfectly clear by that time that it would at best take a long time to work out a scheme

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1. C. W. De Kiewiet, The Imperial Factor in South Africa (Cambridge, 1937), pp.12-13.

2. Report of Federation Commission: Evidence of J. Paterson, pp.3-6; 'Answers to Questions' of C. F. Ziervogel, p.5a; L. P. J. Van der Poel, pp.7a-8a; H. Bolus, pp.19a-21a; Richmond Divisional Council, pp.43a-44a; Municipality of Uitenhage, pp.45a-46a.

3. Ibid.,'Answers to Questions' of C. Brown, pp.51a-52a. Q.F.P., 9 Jan. 1872; Q.Rep., 22 Mar. 1872.

4. E.P.H., 29 Mar. 1872; G.T.J., 5 Apr. 1872.

of Federation on which most Eastern, let alone Western, Province interests could agree.

By the same token, it was clear that a Responsible Government could exploit these divisions and delay a measure of Federation indefinitely. By the time the Responsible Government Bill again passed through the Assembly in 1872, and this time scraped through the Legislative Council too, the effective alternative for the Eastern Province was therefore either to acquiesce, or to demand complete Separation of the Eastern and Western Provinces first.

Two measures, shrewdly supported by the Responsible party in the Session of 1872, were calculated to make it easier for local Midland and border interests to acquiesce. One was the Equalisation Bill, carried in 1872, which gave two seats to the new district of Wodehouse in the Legislative Assembly. This equalized the representation of the Eastern and Western Provinces by strengthening the distinctive border interest. The other was a motion carried in favour of introducing a measure in the Session of 1873 to replace the existing constituencies for the Legislative Council - the Eastern and Western Provinces - by five or more electoral circles. This exploited the division of interests between local Midland, inland and border districts on the one hand, and Grahamstown and Port Elizabeth, who dominated Eastern Province representation in the Council under the existing system, on the other; and underlined the point that Responsible Government offered a greater say to the former than a Separate Eastern Province dominated by the interests of Port Elizabeth and Grahamstown[1].

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1. G.T.J., 19 July, 1872; Argus, 13 July, 1872.

It was the merchants of the Bay who mobilized first to demand Separation in 1872; a public meeting on 27 April, with Simpson, Solomon, MacDonald, Christian, Adler, Hume and Buchanan of Maynards, Buchanan & Co. among the leaders, had resolved to support any movement for Separation in the event of the passage of the Responsible Government Bill;[1] when the Bill passed, Christian introduced an abortive motion in the Legislative Council in favour of Separation[2], and public meetings in Port Elizabeth on 19 June and 24 July launched the 'Eastern Province Separation League' to organize the signing of a petition to The Queen in favour of Separation throughout the Eastern Province[3]. Grahamstown followed suit at a meeting on 26 June. When a subscription list was opened in Port Elizabeth to finance the League, Blaine and Co. headed it with a contribution of £500[4].

It should not be forgotten that the high political issues of South Africa were relevant to the Separation Movement. Port Elizabeth and Grahamstown merchants had trading interests and investments in the South African Republic and the Orange Free State, as well as the diamond fields. Feelings and interests alike bound many British, Eastern Province colonists to the cause of British influence in South Africa as a whole, to which Responsible Government seemed to some to be fundamentally antagonistic[5]. But the

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1. E.P.H., 30 Apr. 1872.
2. Argus, 20 June, 1872.
3. E.P.H., 21 June, 1872; P.E.Tel., 26 July, 1872.
4. E.P.H., 28 June, 1872.
5. e.g. P.E.Tel., 18 June, 1872.

themes of the Separation Movement of 1872 were not the same as those of the agitation in favour of Confederation in 1875-1876. In 1872, the constant theme of speeches at public meetings, newspaper comments, the propaganda of the League, and the Separation Petition itself, was that Responsible Government would mean the frustration of ambitions in the east to apply public resources to their needs in proportion to the wealth they created. Patronage and public money would be used for the benefit of western interests, who could continue to sow divisions in the east between different economic and cultural groups and territorial interests.

Railways were now one of the major issues at stake. Christian, for example, told the meeting on 24 July that western interests had seen to it that the revenues had been pledged to purchase the Wellington Railway; yet

> Notwithstanding this purchase, they seemed determined that not one yard more of Railway should be constructed in the East than in the west, although the East could show that it could pay for its railway and was prepared to do so, whilst the West was not in that fortunate position. According to well authenticated statistics, the traffic on the main roads in this province was so large, that railways might be established without the least probability of taxation being required to cover their working expenses and interest. At the same time the East was quite prepared to submit to taxation, should it be found necessary (loud cheers). Of this ample proof had been given. The greatest drawback this part of the colony laboured under was not having a government of its own to promote and stimulate its material progression (loud cheers). [1]

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1. P.E.Tel., 26 July, 1872. See also P.E.Tel., 23 July, 1872: 'Address (of the Port Elizabeth branch of the Separation League) to the inhabitants of the Eastern Province of the Colony of the Eastern Province'; Separation Petition in E.P.H., 28 June, 1872. For similar views emanating from Grahamstown, see Argus, 11 July, 1872: Granville's speech on railways in parliament on 8 July; and G.T.J., 28 June, 5 and 15 July, 1872.

The Separation League drew a spirited reaction from the local interests who thought they stood to gain more from Responsible Government than from a separate Eastern Province. Cultural and economic interests traditionally opposed to Separation in the Midlands were alloyed with the now well-defined local Midland interest in the railway debate. We have seen how Ziervogel led an attack by local Midland interests in Parliament in 1872 on those who wanted an export tax to build a railway from Port Elizabeth leaving the Midlands in the cold[1]. Denouncing the Separation Movement, the Graaff Reinet Herald now repeatedly warned that the railway, postal and telegraph interests of the Midlands would be thoroughly neglected by the Port Elizabeth-Grahamstown alliance[2]. Port Elizabeth's allies in Graaff Reinet mustered little influence: an analysis of the 12,500-odd purported signatures of the petition of the Separation League, published by the Separation League itself, revealed that the town and district of Graaff Reinet contributed only 40, and Richmond none at all[3].

In the border districts, the Separation League provoked a response unthinkable before the maturation of their distinctive claim for a border railway. The Sessions of 1871 and 1872 had

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1. See above, p. 95.

2. G.R.H., 3, 10 July, 23 Nov. 1872.

3. G.R.H., 16 Nov. 1872.

demonstrated the border's strength derived from holding the balance of power between other Eastern and Western interests, and Orpen, MLA for Queenstown, had given notice in his railway speech of 1872 of how it would be used[1]. Orpen followed up his speech by a private letter to Richard Southey explaining his 'very tall talk' about the border railway:

> The people of the Districts I mentioned the other day do feel desperately strongly on the subject and I have been over and over again urged to fight like a tiger about it ...Their whole political creed is that East London must be opened up as fast as the works can possibly be pushed on and a railway started as soon as possible. [2]

Schermbrucker[3] seized on the theme that dominated the politics of the border in later 1872, by warning against 'the dangers of such a "Separation", whereby the interests of East London, and the direct communication by rail from that part to the Orange River would have to face the combined strength of Grahamstown and P(ort) E(lizabeth)'.[4] This was the central message of the Address of the Kingwilliamstown branch of the Border League to the inhabitants of the Eastern Province[5].

The Border League (also called the Frontier League) was set up in Kingwilliamstown to mobilize opinion against Separation, and more generally to foster and agitate the border interest. Some prominent opponents of Responsible Government and champions of Christian in

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1. See above, p. 95.
2. Cape, Acc.611 (Southey Papers), Vol.49: J. M. Orpen to Southey, 15 July, 1872.
3. See above, p. 91.
4. Watchman, 8 July, 1872 (letter to editor).
5. Watchman, 28 Aug. 1872.

the Council election, now joined the Standing committees of the Border League[1]. Byrne was Treasurer, Goold was Secretary, Sprigg its travelling orator. It was also backed by most of the major Kaffrarian merchants, with the significant exceptions of George Christian, and D. Lumsden of Blaine and Co., who played no part in its activities, and were isolated by the border railway fever.

Mindful of the argument used so frequently, not least by some in the Border League who had previously opposed Responsible Government, that an Eastern Province government was required for the adequate defence of the frontier, the League coupled "Defence" with "Frontier Trade" as its watchwords, arguing now that Defence required the joint resources of the Western and Eastern Provinces and the railway from East London[2]. Apart from its demonstrations and memorials against Separation, the Border League organized the despatch of samples of Stormberg coal to the Government in Cape Town[3], and subsequently acted as a standing pressure-group on behalf of the border railway[4].

Queenstown's newspapers had taken up the theme since early 1872 that the border and its railway would do well out of an alliance with western and other interests under Responsible Government, with as much conviction as they had supported Christian's

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1. Watchman, 21 Aug. 1872.

2. See, for example, Joseph Walker's speech in East London, reported in Watchman, 4 Sept. 1872.

3. Watchman, 16 Oct. 1872.

4. Cape, P.W.D., Letters Rd., Committees Sundry, 1872-1873: letters from Secretary of Frontier League to Commissioner, 10, 14 May 1873.

election a few weeks before[1]. This was a significant shift of political allegiance. Backing the Border League strongly, they now added that Separation would subject them to those hostile to their urgent railway and other claims[2]. A public meeting in the town on 30 August pledged support to the Border League and established a Queenstown Committee of it[3].

Some of the merchants in the town with close Bay connections were in a difficult situation, but none of them spoke in favour of Separation at any public meeting. Some of them signed the Separation petition although many, claimed the Free Press, did so under pressure or regretted it afterwards[4]. But other merchants joined the Queenstown Committee of the Frontier League, including C. M. Peacock, to whom Weir, his business associate, had appealed for help in the fight against Separation as 'the death blow to progress on the frontier[5]' and C. E. Nicholls, and there were plenty of other townsmen ready to take up the cudgels against Port Elizabeth, including Ella, Barrable, Jones, and Crouch[6].

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1. Q.Rep., 2 Feb., 19 July 1872; Q.F.P., 2 Jan., 18 June 1872.
2. Q.Rep., 26 July, 2 Aug., 20 Sept. 1872; Q.F.P., 12 July, 23 Aug. 1872.
3. Q.Rep., 6 Sept. 1872.
4. Q.F.P., 27 Aug. 1872.
5. Weir Papers: Letter-book, p.32: Weir to C. M. Peacock, 19 Aug. 1872.
6. See above, p. 92.

Meetings in Burghersdorp and Aliwal North addressed by Sprigg also declared their support for the Border League[1]. In the end, even by the Separation League's inflated reckoning, no more than 750 out of a purported 12,500 signatures of the Separation petition were contributed by the combined divisions of East London, Kingwilliamstown, Queenstown, Wodehouse, and Albert[2]. It was with the birth of the border railway claim that 'the border' became established as a distinct entity in public life, a concept that survives in the nomenclature of institutions and firms to this day[3].

The Separation Movement lost its momentum when the Petition had been sent off. In September, news arrived that the royal assent had been given to the Responsible Government Bill. The Grahamstown Journal endorsed the opinion of the Eastern Province Herald that the agitation should be suspended while Responsible Government was tested, rather than being allowed to prejudice the interests of Port Elizabeth and Grahamstown in the new set-up by continuing to alienate midland and border members and others wanting to concentrate on constructive legislation[4]. Even in

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1. Q.Rep., 6 Sept. 1872; Watchman, 15 Sept. 1872.

2. G.R.H., 16 Nov. 1872.

3. This point is missed in Prof. Hobart Houghton's historical account of the border region in D. Hobart Houghton (ed.), Economic Development in a Plural Society (Cape Town, 1960), pp.6-9.

4. G.T.J., 16 Sept. 1872.

the unlikely event of a favourable response to the Separation petition, Separation would take some time to implement, and the immediate priority was to work within the new system to ensure that the first Responsible Ministry adopted an enterprising policy on public works, and did justice to the claims of the east[1].

The response from the Colonial Office in London reinforced this analysis. Barkly depicted the Separation Movement to them as a last-ditch stand by those opposed to the British policy of introducing Responsible Government. The Eastern Province, he pointed out, now had as many representatives as the West, and would soon settle down under the new system when they found how much more beneficial it was to their interests than 'the languid indecision of the existing system of divided authority'[2]. Along with the Separation Petition, he sent to the Colonial Office a Memorial to himself from the Border League denouncing 'this most mischievous move on the part of the merchants of Port Elizabeth'[3], and, subsequently, a Minute by Molteno on behalf of his Ministry, in which Molteno poured scorn on the exaggerated numbers of signatures claimed for the Separation Petition, demonstrated the small proportion of signatures from midland, border and inland areas and maintained that the Separation Movement was crumbling[4].

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1. G.T.J., 27 Sept. 1872.

2. Parl. Papers 1873, xlix, (C.732) pp.84-87: Barkly to Kimberley, 3 July, 1872.

3. Ibid.,p.146: Memorial of 29 Oct. 1872 by P. Goold encl. in Barkly to Kimberley, 3 Dec. 1872.

4. Ibid., pp.151-153: Minute of 3 Jan. 1873 by Molteno encl. in Barkly to Kimberley, 3 Jan. 1873.

There was, in fact, not the slightest chance that the Colonial Office would respond favourably to the Separation Petition. They could hardly inaugurate the system of Responsible Government, for the introduction of which it had been their policy to press, by cutting the Province in two at the behest of a sectional interest seeking to postpone it, and by enraging the first responsible Ministry and most of its supporters both western and eastern. Kimberley's reply to the Separation Petition was that Responsible Government should be given a full and fair trial. If such a trial revealed 'grave practical difficulties', it would remain for consideration whether Provincial Governments might be formed under a Federal system[1]. For all proponents of railways, this meant that the only way forward was to apply pressure on the first Responsible Ministry within and outside parliament; but that the door was still open for proposals for Federation, at least as a weapon to brandish at the Molteno Government to persuade it to cater for Eastern Province interests. The organisation and direction of these pressures in 1873-1874 forms the subject of the next chapter.

The initiative in formulating railway claims lay, as has been shown, with rival ports and wholesale centres and with combinations of local interests, centred on inland towns and independent of Port Elizabeth or Grahamstown wholesalers: direct importers, middlemen and retailers, businessmen and professional men. Their perspectives

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1. Ibid., pp.161-163: Kimberley to Barkly, 14 Feb. 1873.

were not wholly shared by many representing landed and farming interests in the countryside.

There are obvious practical reasons why it was much more difficult for landowners and farmers living on estates scattered over the countryside to keep abreast of railway agitations and orchestrate a coherent local response than for those who lived in the towns; and the latter were generally more likely to have personal experience of railways, the statistical information and the commercial and financial know-how to set about making out a respectable case for a local railway. Even the richer landowners and farmers, imbued to an extent that was not possible for the humbler and more remote among Afrikaner farmers with the idea of progress based on the expansion of trade and the accumulation of capital, could rely on townsmen to take the initiative in making railway claims, whereas they could not rely on them on matters of distinctive interest to themselves.

Moreover, main line railways at least were not as vital to the interests of most farmers as they were to most townsmen. While farming operations generally involved periodical and often local journeys, trading operations relied on transport constantly, to and from the ports and other towns. The fortunes of the farmer were also less dependent on the direction of commerce; there was no threat to him as direct as the threat to traders, shopkeepers and professional men that orders and clients would diminish or disappear, if a rival town obtained a railway. Equally, all property-holders in a town could hope to benefit from the effect

on property values of a railway to the town, whereas a railway could pass near only some landed estates. Finally, dwellers in the towns had to pay for the transport charges on food, as well as on manufactured goods.

There was, therefore, a different degree of interest in railways manifested among the men of the towns, and the initiative was generally left to them. The main contribution of the landed and farming interest in parliament to deliberations on railways in 1870 to 1872 was to reaffirm their hostility to the sub-guarantee and other forms of taxation as a means of paying for the lines proposed; and it was the question of taxation for railways that brought the difference of perspective between most town and many country interests most clearly into the open. Even at the Grahamstown banquet for the Governor in January 1872, when the town was trying desperately to convince the Governor to bring the railway from Port Elizabeth to Grahamstown, R. J. Painter, a Bedford farmer who had sat in both Houses of Parliament, rose to say that, although he was in favour of railways in principle, he was firmly opposed to the sub-guarantee and to an export tax[1]; and the declared willingness of a Queenstown public meeting in May 1872 to pay an export tax for a railway drew some sharp reactions from farmers in the local press[2]. The greater importance of issues other than railways to many farmers was reflected in the manner

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1. G.T.J., 19 Jan. 1872.

2. See for example 'A Subscriber's' letter in Q.F.P., 3 May 1872.

in which some of them failed to follow the local railway interest in their alignments on the question of Separation in 1872.

In Cradock, for example, there was no doubt that the local railway interest was bound in with the interest of Port Elizabeth and Grahamstown in a trunk line to the interior via Cradock; this interacted with the traditional allegiance of many of the British colonists there to the Frontier party. Most of them backed Christian against Fleming in 1871 and the Separation petition was signed by over 1,000 in the town and district of Cradock, more than in any other apart from Port Elizabeth and Grahamstown[1]. But Cradock had a very strong movement, primarily among Afrikaner inhabitants of the Division, strongly anti-mercantile in tone, concerned at the treatment of the Dutch Republics and at the prospect of subjection to a more thorough political, mercantile and cultural hegemony at the hands of Eastern Province British settlers. Under the leadership of R. P. Botha and J. J. van Rensburg, this party in the Division of Cradock gave the victory there to Fleming, and agitated strongly against Separation[2].

This did not mean that some of the influential Afrikaners involved were not in favour of the railway to Cradock. At a meeting at the Nachtmaal on 30 March, 1872, when a mixed meeting of townsmen and farmers discussed the railway question, there was no opposition to a motion in favour of a railway from Port Elizabeth;

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1. G.R.H., 16 Nov. 1872.

2. Cradock Reg., 29 June, 13 July, 16 and 30 Nov. 1871; 18 June, 29 Aug., 5 and 12 Sept. 1872. Speeches at meeting of 3 Aug. in Cradock Reg., 8 Aug. 1872. Meeting of 31 Aug. reported in Argus, 10 Sept. 1872.

R. P. Botha himself, a future leader of the Afrikaner Bond, was reported as saying:

> No-one who had the interests of the colony at heart could possibly object to the introduction of railways, and this he said as representing the agricultural portion of the community. He was in favour of a tax upon the exports, for the reason that he knew of no better means of paying for what was now adknowledged to be a necessity

and Adrian P. Marais argued that railways would benefit the farmer,

> who is now compelled to put up with very low prices for his produce because merchants find it impossible to avoid leaving a large margin in their offers, owing to the great uncertainty, delay, and other contingencies connected with the present primitive mode of transport. [1]

Similarly, in the Queenstown district, some of the English-speaking farmers campaigned for Separation. Farmers at Whittlesea set up a branch of the Separation League and called a meeting at Queenstown, where Joseph Gadd and Samuel Loxton[2], dilated on the traditional themes that the Eastern Province needed a Government of its own which knew how to deal with the natives and would put an end to the plunder of their revenues by the western interests. But Ella and Crouch led the townsmen present in challenging this perspective and followed this up by the meeting which set up the Queenstown Committee of the Border League[3]. The preoccupations of the farmers were revealed in a meeting on 28 August 1872 which led to the establishment of the Queenstown District Farmers

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1. Cradock Reg., 4 Apr. 1872.

2. M.L.A. for Queenstown, 1866-1868 and 1870-1873.

3. Q.F.P., 16 Aug. 1872.

Association and subsequently of similar bodies in other parts of the Eastern Province[1]: the trigger was the trial of a farmer named Humphreys for the murder of an African whom he considered to have been about to steal his sheep, and the concern was with harsher laws against the black population.

Again, this preoccupation did not imply that they were opposed to the local railway interests. For example, at a railway meeting in Queenstown on 19 January 1872, J. G. Van Gass, who was one of those who subsequently set up the local Farmers' Association[2] declared that, although a year ago he had opposed railways because of the expense, he now realized that they were necessary and that East London was Queenstown's natural port[3].

If these examples illustrate a difference of perspective, they also show that, provided at least that there was no accompanying demand for taxation, farmers could see benefits from railways in their locality. Railway construction meant contracts not only for transport, but for food and many other local supplies. Farmers were also bound to learn that margins added to the cost of the goods they purchased and deducted from proceeds of their produce were attributable in part to high transport costs. The proposition that railways would raise land values was an attractive one. In

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1. Q.F.P., 3 Sept. 1872.
2. Q.F.P., 26 Nov. 1872: Farmers' meeting of 22 Nov. 1872.
3. Q.F.P., 23 Jan. 1872.

addition, farmers liable to pay divisional road taxes could see the point of easing the burden of traffic on the main roads.

Moreover, the richer landlord and farmer living in the country would often have extensive contacts with businessmen in the town in arranging contracts, sales, purchases, loans and investments and were often themselves shareholders of local banks and finance companies. Their total economic and social position also rested in significant measure on the positions many of them occupied in Divisional Councils and in the Cape parliament. Apart from any family ties with townsmen, the more varied and extensive his investments of time and money, the more interests a landed proprietor had which railways might serve and the more business contacts or voters in town whose views and requirements he would do well not to neglect.

Nor was there a significant 'ox-waggon interest' in this period pitted against the proponents of railways, such as that which is said to have reinforced the opposition in the Free State Volksraad to railway extension from the Cape in 1888[1]. There was no repetition in the 1870s of the farmers' agitations against railways in the 1860s provoked by the sub-guarantee. Indeed, the only memorial from an explicit 'ox-waggon interest' on the railway question of which evidence has come to light was one in 1872 from the 'chief owners of waggons, permanently engaged in the transport

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1. Van der Poel, op.cit., p.37.

trade of the Eastern part of the Colony and Free State, especially that arising from Port Elizabeth', who actually recommended the construction of 'railways from the ports of the colony, a moderate distance inland to some suitable spot from which wagon transport could easily be carried out by several routes'[1].

Three basic reasons may be suggested for the absence of opposition from such interests. There were until the mid-1880s less tribulations to contend with than in much of the 1860s, and with the expansion of trade after 1870 there was in particular no shortage of employment for the carrying trade. Indeed, the severe transport difficulties of the early 1870s was no source of easy income for many waggon-owners. Damaged roads, floods, or shortage of water and forage could entail great losses of waggons and oxen, and the soaring cost of the means of transport could turn an apparently profitable carrier's bargain into an unprofitable one. The cost of replacing oxen and waggons could become prohibitive. Many must have sold off their oxen, waggons and forage at high prices rather than take on such risks. Railways were hardly a threat against this background. Secondly, the construction of railways would for a short term of years rather than months increase the demand for carriage to supply the works, while the odd main railway line would still leave vast tracts of the colony untouched by rail. Third, the kind of landed proprietors and

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1. G.T.J., 16 Mar. 1872.

farmers who were represented in the organs of public opinion and political institutions of the Cape derived their incomes from the return on a variety of investments in land, labour, flocks and stock, dams and perhaps machinery and other property, of which vehicles and animals for transport were only a small part. Their attitude to a railway proposal rested on its likely effects on their interests as a whole.

It was above all in parliament that such men had the crucial role to play on behalf of the local railway interest. The fact was that, in 1871-1872, the representatives of farm and country from most western, midland, inland and border areas were acting in accordance with the local railway interest in opposing taxes for the particular trunk line proposed in the Eastern Province; while, on the other hand, there were no complaints in Grahamstown about the voting of farmer Members from Albany. This set the pattern for subsequent years. The initiative in local railway agitations generally remained with the townsmen; but whatever the divisions between town and country, English and Dutch, there were to be few cases indeed where farmers and landowners in parliament did not cast their votes for the line demanded by the local town or village. Such men must indeed be included among the local interests who used the political system to press their local railway claims on the state irrespective of the aims of the port wholesalers, consigning agents and exporters.

# CHAPTER FOUR

## THE GENESIS OF THE MOLTENO PLAN,

## 1873-1874

By 1873, the idea of a single trunk line in the Eastern Province was on its death-bed. The course of railway agitations and of the Separation agitation in 1872 had made it clear that local midland and border interests, let alone western ones, would emphatically reject any proposal to devote the expenditure to which Eastern Province men thought themselves entitled to such a railway. Separation was dead, and there was no alternative but to acquiesce in Responsible Government, and promote railway claims within the new political system.

It was to John Paterson that the men of Port Elizabeth turned to articulate a strategy for securing support for their demands on the state under Responsible Government. The strategy was based on an accommodation with the local interests in the Midlands which had generally preferred Responsible Government to a separate Eastern Province; and Paterson was well fitted for this task because he had been an outstanding supporter of Responsible Government and Federation in the past and a leading proponent of Port Elizabeth's common interests with Midland communities[1].

The strategy, set out in a major public speech by Paterson in March 1873, was to champion the railway demands of both the Midlands and of the communities interested in the Port Elizabeth-Cradock railway.

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1. Le Cordeur, 'Robert Godlonton', pp.120-122; Taylor, op.cit., pp. 33, 55.

Paterson berated the Government for its slow progress in building the line in the East already authorized and demanded a Bill to spend £7 million on a comprehensive railway scheme. His complementary political demand was for a Federation of the Colony into three Provinces, with a huge 'Midland' Province incorporating Beaufort West, Victoria West, George and Oudtshoorn in the West, and stretching as far as the Fish River in the East; and the crucial point was that funds were to be allocated to each Province in exact proportion to the customs revenues received from the major ports of each Province[1]. This was a new translation of the demand of the merchants of Port Elizabeth for a share of public funds commensurate with their commercial predominance and the fan-like spread of their economic interests. It was an astute political move, because it offered most of the communities within the huge 'Midland' Province proposed the prospect of a larger share of public expenditure on their railways and other requirements than they might expect in a unitary colony, where the south-west and the border could appropriate a large share of Port Elizabeth's customs revenues for their own railways and other public works.

This scheme constituted a radical threat to western and border interests. Not only would patronage and expenditure on public establishments shift away from Cape Town, but revenues from the trade of the north-western districts and north-eastern districts, most of which passed through the customs at Port Elizabeth, would accrue to railways from Port Elizabeth, instead of railways from Cape Town and East London. Funds to the western and border lines would be restricted

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1. G.T.J., 17 Mar. 1873; Argus, 8 Apr. 1873.

to the relatively small scale of their customs revenues in the pre-railway age. The agitation spearheaded by Port Elizabeth therefore aroused some heated opposition in the border districts as well as the west[1]. But Paterson's speech was at once received sympathetically by the Graaff Reinet Herald[2], the scourge of the Bay merchants during the Separation agitation of 1872: this was significant.

There was no serious attempt to press for Federation in 1873: there were few, least of all in Port Elizabeth, that wanted to take up parliament's time with set-piece constitutional debates, and it was likely that many potential sympathizers would vote against an attempt to impose it on the new Government straight away. But Federation was in reserve as a threat: if the new Government did not spend largely on two railway systems from Port Elizabeth - Midland and North-east - with the sort of generosity and efficiency demanded by all interested communities, then Port Elizabeth was ready to lead a demand for a greater 'Midland' Province funded from its own revenues, and had a draft Bill ready for the purpose.

The Bay's new railway strategy therefore implied its abandonment of the idea of concentrating resources on a single trunk line from Port Elizabeth to the diamond fields. By the Session of 1873, Port Elizabeth was set on the idea of an extra main line railway from Uitenhage towards Aberdeen and Graaff Reinet. This was, as explained, a political necessity; but there were other calculations involved, too.

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1. K.W.T. Gazette, 21 Apr. 1873: Speeches at public meeting in King-williamstown of 17 April; Watchman, 9 Apr. 1873; Q.F.P., 22 Apr. 1873; Q.Rep., 11 Apr. 1873.

2. G.R.H., 5, 23 Apr. 1873.

If the border were claiming a separate railway, Port Elizabeth should increase its own claims to match its commercial ascendancy. The continued growth of the revenues encouraged the idea that the Cape could afford two railway systems from Port Elizabeth. Moreover, the diamond fields were nowhere the object of obsessive concern that they had been in 1870-1871. It was now clear that until railways were built, there was no threat to Port Elizabeth's grip on the trade of Griqualand West from within the Cape. And although the Natal Government's signing of a contract with a railway company for the construction of 350 miles of railway, and the reported intention of the South African Republic to offer concessions to a contractor to build a railway from Delagoa Bay caused a flurry of concern in later 1872[1], neither scheme in fact materialized, and threats to the trade of the interior remained an occasional sentence in set-piece exhortations to press on with railways in the Cape[2], rather than a matter of pressing concern. Significantly, it was the local paper in Cradock that tried to raise the Natal scare in 1874 as part of the argument for giving priority to the direct trunk line through Cradock to the interior - the very priority which Port Elizabeth had ceased to demand since 1872[3].

The initial rush of equipment to the fields was over. Diamond-prices sagged during 1873; the prospects of the Fields deteriorated, and by the end of 1874 the white population was down to about 6,000[4].

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1. e.g. Q.Rep., 23 Oct. 1872; G.T.J., 6 Nov. 1872.
2. G.R.H., 8 Mar. 1873; Q.F.P., 5 Aug. 1873.
3. Cradock Reg., 10 Apr. 1874.
4. Henry, op.cit., p.34.

Moreover, the peculiar characteristic of diamonds was that a fortune could be carried in a coat pocket. There was thus little goods traffic from the fields to Port Elizabeth; and the demands which the trade of the fields placed on transport resources were less than the demands of commercial centres collecting wool and other produce. The importance of pressing on with railways to the diamond fields only re-emerged in the very different circumstances of 1880-1881.

Meanwhile, there were three major reasons, other than the political ones, why the Bay merchants themselves required a Midland railway in 1873. One was the volume of traffic, including heavy wool traffic, with the north-west and Midland districts through centres like Victoria West, Richmond and Graaff Reinet. An analysis of goods traffic to and from Port Elizabeth during the year ended June 30th, 1873, made by the Port Elizabeth Chamber of Commerce, suggested that while traffic on what it termed the 'Eastern route' through Grahamstown and Kaffraria totalled some 28,000,000 lbs; on the 'North-eastern route' through Cradock and Colesberg to the Free State and the Fields, some 39,500,000 lbs; traffic on the 'Midland route' through Graaff Reinet and Richmond to the north-west of the colony totalled over 72,500,000 lbs, or about 52,000,000 lbs if traffic to and from Uitenhage is excluded[1]. These figures give a rough guide to the relative importance of the different axes of trade with Port Elizabeth. The weight of traffic with the Midlands and north-west made a separate Midland line both desirable and, so it was argued, bound to pay its way[2].

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1. Argus, 8 Nov. 1873.

2. e.g. Christian's speech recommending the line to the Legislative Council, quoted in G.R.H., 14 June, 1873.

Secondly, the trade of the north-west of the Cape made the prospect of a separate railway from Uitenhage particularly attractive. If there were no line from Port Elizabeth to the north-west, a railway from Cape Town to Beaufort West would challenge Port Elizabeth's commercial dominance there. There was a sharp reminder of this danger when it was rumoured in March, 1873, that the Government intended to connect Graaff Reinet by telegraph to the telegraph line from Cape Town to Beaufort West: Port Elizabeth was to be connected to Beaufort and Graaff Reinet only via Mossel Bay and the western line. These "insidious advances of Capetown" helped to jolt Port Elizabeth out of its neglect of the Midland connection in March, 1873[1]. The Port Elizabeth Chamber of Commerce hastily petitioned the government, demanding a direct telegraph to Graaff Reinet, supported by an agitation there[2]. The inclusion of much of the north-west in Paterson's proposed Midland Province served notice that they were regarded in Port Elizabeth as part of its hinterland. Moreover, Paterson in his first major speech had proposed a railway not simply to Graaff Reinet, but to 'Aberdeen, with Graaff Reinet connection'[3]; Port Elizabeth interests specified the priority they attached to reaching a point from which the Graaff Reinet road diverged from the road to the north-west, and suspicious Graaff Reinet interests were in no doubt that the Bay merchants wanted to carry the railway from such a point towards the north-west in order to place the north-west nearer Port Elizabeth by rail than Cape Town[4]. The row with Graaff Reinet on this question

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1. G.R.H., 12 Mar. 1873.
2. G.R.H., 29 Mar., 2 Apr. 1873.
3. Argus, 8 Apr. 1873.
4. G.R.H., 18 Apr., 24, 27 Sept., 25 Oct. 1873.

lay in future: but for the moment, the great attraction of a direct Midland line from Uitenhage was that it could be extended not only to Graaff Reinet but also to the areas of the north-west in which south-western interests threatened to open up their own hinterland. By the same token, the support of north-western centres like Victoria West and Hope Town could be enlisted for a separate midland line, because they could hope for its extension in their direction.

Thirdly, there were the woolwasheries at Uitenhage and the private railway in course of construction. If the Midlands and north-west were served only by a branch line from the Bushman's River line, wool from those districts would be carried south-east along the branch line, south to the Zwartkops River, and then west to Uitenhage for washing. This meant delays and extra freight costs for Bay consigning agents and wool-buyers. By a direct Midland line from Uitenhage the wool could go direct to Uitenhage from the producing areas for washing and thence to Port Elizabeth. Moreover, the former alternative would impose heavy wear and tear on the Uitenhage line, and the merchant shareholders of Port Elizabeth would have to dip into their pockets for capital sums to maintain and even reconstruct it; but if the main line to the Midlands were to be extended from Uitenhage, the Government would buy them out instead.

Such were the political and commercial calculations behind the demands on the new Ministry made by the merchants of Port Elizabeth. Their Chamber of Commerce estimated that over £600,000 had been spent on transport by Bay firms in the year ending June, 1873[1]; and the cost,

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1. Argus, 8 Nov. 1873.

difficulty and irregularity of transport, prone to radical deterioration in periods of drought and animal diseases, were reason enough for their collective concern to press ahead with major railway building. But individuals among them were also working on behalf of contractors and speculators. Paterson was ready to form a company to take over the construction of railways from Port Elizabeth in early 1873, having first led a group of speculators in buying up properties through which they thought the midland railway would pass[1]. Despite frequent representations from Paterson, the government chose a different route, and it was to this that the Argus attributed Paterson's venom towards the Public Works Department[2]. Paterson moved unsuccessfully in parliament in 1873 and 1874 in favour of committing the Government to paying contractors to build railways in the colony, rather than having them built under the direction of Government engineers, and he was joined by M. Lilienfeld, W. Hume and A. J. MacDonald in moving in the Chamber of Commerce for a private survey of the Midland line on behalf of potential contractors in Britain, in addition to the government survey then being conducted[3]. The private interests of individuals were thus by no means absent from agitations emanating from the Bay.

One of the main new themes running through the railway politics of 1873-1874 was this decision in Port Elizabeth to match its railway claims to its commercial ascendancy by championing a separate, midland

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1. Cape, P.W.D., Letters Rd, Semi-official, 1873: J. Bisset to M. R. Robinson, 28 Jan. 1873.

2. Argus, 18 Aug. 1874.

3. G.R.H., 13 Dec. 1873.

railway system to service and secure its hinterland in the midlands and north-west, as well as a system heading north and north-east towards Cradock and Grahamstown; and by forming the necessary political muscle through alliances with local interests in the north-west and midlands as well as those interested in the north-eastern system to Cradock and Grahamstown.

Another major theme was the overwhelming political pressure applied by all railway interests on the new Responsible Ministry. The strength of this pressure was first made clear in the Session of 1873. The Government came under heavy criticism, first, for its performance in executing the surveys and railways already authorized. Partly because of its failure to secure a labour force, not one mile of railway in the east was yet complete[1]. This performance was exploited in a strong movement in the House led by Paterson, J. X. Merriman and P. Stigant, a western opponent of Responsible Government, to bind the Government to leaving all future railway works to contractors[2]. Quite apart from Paterson's private interests, these men were glad to embarrass the Responsible Ministry, and no doubt the prospect of extensive patronage available to the government under the departmental system strengthened such men's conviction of the superior enterprise and efficiency of British contractors. They were joined in their attack by spokesmen like Sprigg of constituencies smarting from the omission of their railway from the Government's

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1. G.T.J., 18 Apr. 1873.

2. Argus, 8 May, 1873.

proposed extensions[1]. A majority in the Assembly refused to commit the Government to the contract system alone, but the Government was put under heavy pressure to improve its railway performance to the level of speed and efficiency which people believed British contractors could achieve[2].

Worse than this, the Government were not ready with a comprehensive railway plan. They had been in the saddle for only five months and had not been able to absorb the results of surveys; they wanted to see whether the improvement in the revenues would be sustained; and were not willing at this early stage to enter the minefield of local taxation for railways. Molteno knew the proliferation of claims with which he would be beset once he went beyond extending lines already authorized; and, pleading for time, he proposed for the present the authorization of a loan of £600,000 for continuing to build the lines already sanctioned from Wellington towards Worcester and Port Elizabeth towards the Bushman's River, secured on the general revenues. These proposals received a fierce battering from the Government's supporters as well as its enemies: this was why the political pressure was so great.

Local Midland interests who had backed Responsible Government showed their teeth and their new friends. Now helped by Paterson and Pearson of Port Elizabeth, they introduced an abortive motion in favour of immediate authorization of a line from Uitenhage towards

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1. Weir Papers, 'Jas Weir and Co. Business Affairs'; C. Brownlee to J. Weir, 2 June 1873.

2. Argus, 8, 13, 17 May, 1873; Cory MS 980: R. M. Bowker to T. M. Bowker, 15 May 1873.

Graaff Reinet. It is worth stressing that this was an attempt to commit the colony without thorough preparation to an extra main line of railway, and that supporters included the farmer and landowner turned financier, J. F. Ziervogel;[1] and commercial farmers and landowners like J. A. Burger representing Graaff Reinet and P. J. Watermeyer representing Richmond[2]. These were the kind of landed interests, with diversified investments, so important to local railway interests in parliament[3]. Burger, for example, one of the largest wool-producers in the Midlands from several farms[4], invested heavily in improving the breed of his sheep and in Angora goats, in different kinds of produce and in dams, pipes and reservoirs[5]. In the Division of Graaff Reinet, Burger and Ziervogel were Divisional Councillors; Ziervogel was at one stage chairman of the Graaff Reinet Bank, in which Burger and Watermeyer were shareholders[6], and of the Graaff Reinet Board of Executors, in which Burger was also a shareholder[7]. Their performance in 1873 showed how landed interests, in some cases known for their cautious attitude to public expenditure, could be caught up in railway agitations. The Zuid Afrikaan, for example, marvelled at the change that had come over Ziervogel; he

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1. Cf. V.& P.1872, II; A.10-'72, Report of Sel. Comm. on Fences Bill, Minutes of Evidence, pp.9,23.
2. Account of debate and division list in G.R.H., 17 June, 1873.
3. See above, p. 123.
4. Noble, Descriptive Handbook, p.155.
5. G.T.J., 15 Apr. 1874.
6. G.R.H., 7 Jan. 1870.
7. G.R.H., 7 Jan. 1871.

had been the personification of caution and economy in his approach to public expenditure:

> But see, under the influence of railway competition, Mr. Ziervogel has become the advocate (aanvoerder) of the Midland Railway, and indeed one of the most determined sort. In his championship of a railway to Graaff Reinet he has become as impetuous as he used to be cautious. [1]

The Government were supported by a majority in their refusal to commit themselves to an extra main line or to a particular route so suddenly, before it had even been properly surveyed; for outside the Midlands and north-west, the new project constituted another major claim on resources in rivalry to their own claims. But the attack from the Midlands had illustrated the new alliance between Port Elizabeth and local businessmen and propertied interests in the Midlands, of which the Government was soon to hear a lot more.

There had been no public railway agitation in the border districts in early 1873, precisely because they were aware, in the words of the Queenstown Free Press, that 'The present ministry cannot exist without the support of the Border divisions. They have ever been ready and willing to help us, and only need prompting to act on our behalf[2]. Both Brownlee, in charge of the new Native Affairs Department, and C. Abercrombie Smith, the Commissioner of Crown Land and Public Works, were border representatives in the Government[3]; the

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1. Z.A., 7 June, 1873.
2. Q.F.P., 14 Mar. 1873.
3. Brownlee was M.L.A. for Albert, Smith for Kingwilliamstown.

Government had quickly acceded to pressure from Kingwilliamstown to include the route through their town in the surveys being conducted of the line from East London[1]; and had responded promptly to the Frontier League's demands to have an expert survey made of Stormberg coal, earning warm accolades in the border press.[2]

Great was the disappointment and anger, therefore, when it was found that the government had not proposed the authorization of the first section of the border railway in the Session of 1873, on the grounds that the survey was incomplete and estimates not yet forthcoming. Smith then outraged his constituents in Kingwilliamstown by arguing that a line to Kingwilliamstown alone would be of comparatively little use, and that it would therefore be wrong to start a railway before it was known whether a route could be found from there to Queenstown. The Government was bitterly denounced for its 'miserable, makeshift railway policy'[3] by its erstwhile warmest supporters[4]. Public meetings in Kingwilliamstown, East London, Queenstown and Aliwal North angrily demanded immediate progress on the border line and sent in resolutions to the Government and border members[5]. The fury in Kingwilliamstown was so general that Weir maintained that he was 'literally Smith's only supporter'[6].

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1. Cape, P.W.D., Letters Rd - Col. Sec., July-December 1872; Col. Sec. to Ch. Insp. 14 Nov. 1872, no.3995.

2. Q.F.P., 25 Feb. 1873; Q.Rep., 28 Feb. 1873.

3. K.W.T.Gazette, 19 May, 1873.

4. Q.F.P., 20 May, 1873; K.W.T.Gazette, 28 Apr. 1873; Watchman, 19 May, 1873.

5. Watchman, 5, 26, 28 May, 1873; Q.F.P., 9 May, 1873.

6. Weir Papers; Weir letter book, p.190, Weir to J.M.Peacock, 30 May, 1873; and pp.193-194, Weir to J.M.Peacock, 3 June, 1873.

The border Members in Cape Town called on the Colonial Secretary and informed him that unless the Government took more vigorous steps to meet the railway requirements of the border, they would withdraw their support[1]. They spoke in parliament as men fully conscious of their power under Responsible Government: in a much-quoted speech, J. M. Orpen, M.L.A. for Queenstown said:

> The country to which that port (East London) gives a natural outlet is strong in legitimate representation here. There are fourteen of us, and next year (with the addition of Wodehouse) there will be sixteen, and we are not divided as those districts other ports think their own. We have all one interest and pull straight ahead in one direction, like a long and strong span of oxen. We want our own railway, and will have what we want, and what we have a right to have; and we want now at once this information (surveys and estimates of the line from East London) to enable us to show what we want this session. [2]

They got what they wanted: and Sprigg's motion to sanction £25,000 to make a start on the border line received almost unanimous support[3]. It was certainly argued that the border railway would be a useful instrument of strategy in defending the colonial settlement. This argument served to legitimize a political necessity resting on the coherence of the distinctive border interest and the political weight of its 'span of oxen' as allies needed by other rival parties and interests. As the Kingwilliamstown Gazette claimed of the "Border Party": 'the balance of parties is in its keeping...It has come somewhat late into the field, but it is able, if it so wills it, to control the destinies of the Cape Colony...'[4]. That was why so

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1. Q.F.P., 30 Jan. 1874: speech of S. Loxton, relating the events of the previous Session.
2. G.T.J., 15 May, 1873.
3. Argus, 24, 26 June, 1873.
4. K.W.T.Gazette, 30 June, 1873.

many border interests had backed Responsible Government against the Separationists, and why the first stage of the border line was in 1873 pencilled in on the new economic map.

On top of this, in response to a petition from the Malmesbury district reviving the claim to a branch line to Malmesbury, a Select Committee comprising three M.L.A.s from the Divisions of Malmesbury, Clanwilliam and Piquetberg, whose traffic it would carry, one M.L.A. from Cape Town and one other, and hearing evidence from the other M.L.A. for Malmesbury, perhaps not surprisingly recommended the Government to give early attention to constructing the line and to submit an estimate of the cost before the Session of 1874[1]. Cape Town itself could only benefit from the line. More important, the Divisions of the Cape, Malmesbury, Piquetberg and Clanwilliam could muster eight votes; and one of the members for Namaqualand in 1874 onwards had previously represented Clanwilliam. The crucial political point was that up to eight or nine votes could be at stake for or against a comprehensive railway scheme, depending on whether the line to Malmesbury was included. There was little reason why they should vote in favour of contracting unprecedented commitments for railways in other parts of the Colony if their relatively modest claim were to be rejected.

Finally, Western Province representatives did not neglect to insist unanimously in the Legislative Council that a survey should be made of the line from Worcester to Beaufort West and laid before Parliament next Session[2].

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1. V.& P.1873, II; A.11-'73, Report of Sel. Comm. on Malmesbury Railway Petition.

2. G.R.H., 14 June, 1873.

The outburst of disappointment, criticism and anger which had greeted the Government's railway proposals was of such force, because it came primarily from its Midland and border allies. Similarly, charges of inefficiency in the prosecution of railways were so damaging, because such charges had been prominent in attacks upon the old system of government, by those who had wanted the new. Support for the new regime by its friends and acquiescence by its foes rested alike on the condition that it would cater for their material interests: no higher loyalty or principle could serve as an appeal against failure to do so. This was the lesson which a bruised Ministry took away from the Session of 1873.

As if the pressure for railways was not already enough, the worst drought for several years[1] settled on much of the colony in the second half of 1873. At the same time, the total value of imports and exports in 1873 slightly exceeded that of the previous year. It remained well over twice as high as it had ever been before 1871[2]. The result was the worst transport crisis so far. Hit by soaring costs and heavy losses of animals, the communal transport companies which had survived nearly all went under by early 1874[3]. The consternation of mercantile communities at the unprecedented scarcity and cost of transport was matched by that of communities and individuals inland at the high cost of living. It was by this time routine to follow these complaints by demands for rapid railway construction[4].

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1. G.R.H., 19 Nov. 1873; Q.F.P., 21 Nov. 1873.
2. G.20-'86, Trade Returns for 1885, p.5.
3. G.R.H., 1 Oct., 1 Nov. 1873, 28 Feb. 1874; Argus, 11 Oct. 1873, 16 Apr. 1874; G.T.J., 24 July, 1874.
4. e.g. Argus, 21, 25, 30 Oct. 1873, 3 Jan. 1874; G.T.J., 13 Aug. 1873, 23 Feb. 1874; P.E.Tel., 6 Jan. 1874; Beaufort Courier, 15 Aug., 31 Oct., 19 Dec., 1873; Q.F.P., 7 Nov. 1873.

Against this background, Molteno set off on a tour of the major towns in the Eastern Province, designed to assert his status as the head of the Government, reassure individuals and communities that the Government understood their requirements, and consolidate the Government's position before the forthcoming elections to both Houses of Parliament in late 1873 and early 1874. The stimulus of Molteno's visit, of the activities of engineers and surveyors east and west, and the need to organize pressure on candidates for elections, on the Government and on Parliament before the Session of 1874, ensured almost incessant agitation of railway claims until the unveiling of Molteno's plan in 1874.

Railway agitations did not require new techniques or institutions. The central technique was to call a public meeting; this would be done on the initiative of a small number of men, sometimes at a meeting of the Municipal Council or Chamber of Commerce, in the towns; posters and press advertisements would summon the local inhabitants, and the initiators would draw up resolutions and allocate them among themselves and their colleagues. Their interpretation of the local railway interest was rarely challenged. The public meeting would usually authorize individuals or, more often, 'Vigilance' or 'Railway' Committees, modelled on election committees and similar bodies in previous political agitations, to correspond with other communities, organize a petition, raise subscriptions, conduct a survey or in other ways carry out the resolutions of the meeting. The 'railway committee' would sometimes consist of all those present at the meeting, and would always include some or all of those who had called the meeting. Those present would end the meeting by signing the memorial, drawn up before the meeting and authorized in the resolutions.

The size of public railway meetings cannot be gauged accurately, because the local press naturally inflated them. In most inland towns, railway meetings generally comprised a few dozen men and were orderly occasions. But it is clear that the larger railway meetings in Port Elizabeth, Grahamstown and Kingwilliamstown filled their substantial town halls and attracted a sector of the 'petit bourgeoisie' of the town. Reporters frequently left gaps where they failed to hear speakers above the noise; and there was a good deal of uproar, hissing and groaning if an individual sought to challenge the consensus of the meeting.

The growth of local claims for public works led to attempts to set up Chambers of Commerce in addition to those established at Cape Town and Port Elizabeth. Graaff Reinet set one up in April 1873, under the stimulus of the need to join with Port Elizabeth in agitation for the direct line of telegraph[1]; Kingwilliamstown established the Kaffrarian Chamber of Commerce in October[2], prompting a movement in Queenstown to form another one there[3]. The Grahamstown and Port Alfred Chamber of Commerce was set up in October 1874, primarily to organize the claim to a railway from the Kowie to Grahamstown[4]. Others surfaced in East London and Berghersdorp in the later 'seventies. The growing infra-structure of ports, railways

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1. G.R.H., 25 Apr. 1873. See above, p.132.

2. Cape, P.W.D., Letters Rd, Committees Sundry, 1872-3; Hon. Sec., Kingwilliamstown Ch. of Comm. to C. A. Smith, 20 Oct. 1873.

3. Weir Papers: 'Jas Weir and Co. Business Affairs': G. Peacock to J. Weir, 20 Dec. 1873.

4. G.T.J., 28 Aug, 2 Oct. 1874.

and telegraphs provided by the state was accompanied by a growing feeling in different towns that local merchants needed a collective body to lend formality and regularity to the articulation of their distinctive requirements. A Chamber of Commerce was also a status symbol. But they often had few advantages over standing or 'ad hoc' committees and, as far as railway campaigns were concerned, Chambers of Commerce comprising all the leading merchants of a town were sometimes of limited use outside Cape Town and Port Elizabeth precisely because they included representatives of Port Elizabeth enterprises against whom the local railway effort was directed. When the mercantile elite was united in itself and with other, local interests on railway matters, as in Graaff Reinet from 1873-1874, its Chamber furnished useful ammunition in the campaign[1]; but when local interests identified a railway claim conflicting with the main wholesale and export centres, Chambers of Commerce were of little relevance - thus the Graaff Reinet Chamber of Commerce was dissolved in 1879, for lack of interest, at the very time when Graaff Reinet was trying to get its line extended to Richmond against the wishes of Port Elizabeth[2].

There were many links between the local agitation and the Government and parliament in Cape Town: petitions, letters and, increasingly, telegrams; pledges extracted from candidates for parliament, and meetings between Members and their constituents;

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1. See below, p. 147.

2. G.R.H., 30 July, 1879. See below, p. 185.

deputations of M.L.A.s to the Government in Cape Town and of local leaders to members of the Government visiting them. Another crucial link was the local newspaper, whose editorials were frequently discussed and often quoted at length by newspapers in other areas.

Such were the main techniques and instruments of the agitations greeting Molteno when he set out in 1873 for the Eastern Province. In the border districts, he was left in no doubt at all of the importance attached to having the survey of the whole border line to Queenstown ready for the next session of parliament[1]. But the main uproar in 1873 was from Port Elizabeth and midland communities aiming to persuade the Ministry to include a main line Midland railway from Uitenhage in its plans.

Under the stimulus of Molteno's projected visit, a committee was formed in Graaff Reinet to co-ordinate agitation in the Midland districts[2], and the local press rallied the community to show Molteno, in the light of the government's enforced acceptance of border claims, 'that the Midland Districts will not rest satisfied, until their equal claim to railway communication with the rest of the colony is admitted'[3]. When Molteno arrived, Addresses from the Municipality, Divisional Council and Chamber of Commerce all stressed the need for a direct railway from Port Elizabeth, and he was tackled by a special Railway Deputation[4].

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1. e.g. Speeches and meetings reported in G.F.P., 26 Aug. 1873.
2. G.R.H., 16 Aug. 1873.
3. G.R.H., 23 Aug. 1873.
4. G.R.H., 3 Sept. 1873.

The unity among interests in Graaff Reinet was complete, reflecting the new concord between Port Elizabeth enterprises and local interests. The special railway committee which made out the formal case for the Midland railway from Uitenhage and led the deputation to Molteno comprised some who had backed Fleming and opposed Separation, and others who had backed Christian and Separation; the local interests who had defined the distinctive midland railway interest were backed through the petition and Address of the Chamber of Commerce by dependents and representatives of Bay houses, who had refrained from the town's railway agitation in 1871-2, like Otto Brenner of Lilienfields, A. Eckley of Benjamin Brothers, A. Baumann, Wille and Wertheim, and Tilbrook and Reid.

Molteno at first tried in his interview with the Railway deputation to point out that parliament had rejected the Midland motion seeking to commit him to a separate main line from Uitenhage, and made it clear that the government envisaged a branch line from Graaff Reinet to the Cradock line, which in his view needed the Midland traffic to help make it pay. Parliament had not sanctioned a fourth main line, because the country could not afford it. But, the deputation insisted, the proposed line was bound to pay, and might be as cheap to build as any other line to Graaff Reinet. In the end, Molteno conceded a promise to survey the direct line from Uitenhage[1].

Under pressure, Molteno had let slip the assertion that Murraysburg, Richmond, Beaufort and Victoria West might prefer to be

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1. Ibid.

connected to the western railway, and that Port Elizabeth had, since 1871, 'thrown over' a line to Graaff Reinet in favour of a main line towards Cradock. This was precisely the perspective that Port Elizabeth was now bent on destroying. Within a fortnight, petitions in favour of the direct Midland line had been despatched from Richmond, Hope Town and Victoria West, showing that north-western communities were by no means ready to restrict themselves to a railway from Cape Town alone, and a powerful deputation from Port Elizabeth[1] had left Molteno in no further doubt at all that the merchants of the Bay demanded an independent main line from Uitenhage towards Graaff Reinet as well as the line towards Cradock[2].

The proponents of the Midland line then set about the task of co-ordinating political pressure on candidates for parliament and on the government. A Midland Political Association was formed for this purpose in Graaff Reinet[3], and, acting on a suggestion made privately in a letter from John Paterson[4], it resolved to invite delegates from all communities interested in the Midland line to a conference, in order to plan a concerted agitation. Bolus[5] was despatched to Port Elizabeth to secure support there[6]. Differences on the ultimate purpose of the Midland railway[7] were smoothed over, but Port Elizabeth's

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1. Messrs. Christian, Court, Paterson, Hume, MacDonald, Lilienfeld and H. H. Solomon.

2. E.P.H., quoted in Argus, 18 Sept. 1873.

3. G.R.H., 24 Sept. 1873.

4. G.R.H., 15 Aug. 1874: speech of Prof. Guthrie.

5. See above, p. 84.

6. G.R.H., 1, 8 Oct. 1873.

7. G.R.H., 24, 27 Sept., 25 Oct. 1873. See above, p. 132.

leaders insisted that the conference should not be a sectional Midland agitation which would alienate communities interested in other railways from the Bay; the Bay merchants wanted a coherent set of demands agreed between all the communities interested in the two systems of railways from Port Elizabeth proposed by Paterson in early 1873[1], so that Port Elizabeth's claims on the state would not be weakened, as in the past, by jealousies and divisions between different communities over whom they could exercise no political control. They prevailed on the Graaff Reinet Association to extend invitations to Grahamstown, Somerset, Cradock and Pearston as well as to Midland and north-western villages[2]. But the effort to co-ordinate rival railway interests was a failure.

An overwhelming majority at public meetings in Grahamstown thought that support for a direct line to Grahamstown could be secured in return for supporting a direct line to Graaff Reinet; and that if Midland traffic were catered for by a direct line from Uitenhage, the main line to Cradock would be more likely to take an easterly route through, or near, Grahamstown[3]. Two delegates were sent to the Conference, bound to support direct lines to Grahamstown and Graaff Reinet[4]. The Midland agitation was, however, disliked in Cradock and Somerset. The interests of these communities lay in the direct line from Port Elizabeth to Cradock. They realized during the Midland agitation that

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1. See above, p. 127-129.
2. G.R.H., 8 Oct. 1873.
3. G.T.J., 17, 31 Oct. 1873.
4. G.T.J., 15 Oct., 5 Nov. 1873.

the resources which were on a widespread assumption in 1871-2 to be devoted to a direct main line to the interior via Cradock, might instead be devoted to main lines to Graaff Reinet and Grahamstown[1]. Somerset ignored its invitation to the Graaff Reinet Conference. A public meeting in Cradock heard speeches denouncing the efforts of Graaff Reinet and Grahamstown to divert resources to their own main lines, and sent its delegates to the conference under firm instructions to vote for a single main line to Cradock with branches east and west, whether Port Elizabeth liked it or not[2].

Leading speakers at this Cradock meeting included townsmen clearly independent of mercantile credit, like Thomas Scanlen, the lawyer, Divisional Councillor and future Premier; G. Armstrong, who partnered A. Ziervogel in a firm of auctioneers, property agents and lawyers; J. E. Kidger, auctioneer, general agent and gun-dealer; G. Gower, local retailer of saddlery and wood. But they were joined, in a meeting acting decidedly against the aims of Port Elizabeth and Grahamstown, by others who had spoken out in favour of Separation[3], like T. J. Roberts, retailer of clothing and haberdashery; S. J. White, who as a major general wholesaler and produce-buyer must be presumed to have had close Bay connections, and even C. F. Austen, manager of a branch of Castens and Co. of Port Elizabeth. Austen made a point of deprecating the tone of some other speakers in denouncing Port Elizabeth's apparent desertion of their railway cause,

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1. Cradock Reg., 10, 24 Oct. 1873.
2. Cradock Reg., 31 Oct. 1873.
3. Cradock Reg., 8 Aug. 1872.

but criticized Graaff Reinet's claims as strongly as any[1]. Thus, even in the town of Cradock, traditionally under the commercial and political sway of Port Elizabeth and Grahamstown, there was a substantial body of men willing to campaign for the local railway interest in defiance of the prevalent opinion in Port Elizabeth and Grahamstown.

Nineteen delegates assembled at Graaff Reinet on 12 and 13 November, 1873. They represented for the most part a tactical alliance between mercantile enterprises based on Port Elizabeth and local trading, property and business interests based in the Midlands and north-west. The commercial connection with the Bay was represented by, for example, Paterson and Hume of Port Elizabeth, and Otto Bremner of Lilienfeld Brothers who was there to represent Phillipstown and Hope Town, where Lilienfelds had branches; while the local men included J. S. O. Brink of Richmond, a future member of the Afrikaner Bond[2], B. J. Joubert[3], representing Hope Town presumably by dint of business connections there; Bolus, representing Graaff Reinet together with Professor Guthrie, and Nathan of Graaff Reinet representing Hanover, where Nathan Brothers had another branch. Only the two delegates from Grahamstown and the two from Cradock came from places outside the Midland and north-western districts interested in the Midland railway from Uitenhage[4].

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1. Cradock Reg., 31 Oct. 1873.

2. T. R. H. Davenport, The Afrikaner Bond. The History of a South African Political Party, 1880-1911 (Cape Town, 1966) p.63. See above, p. 19.

3. See above, p. 19.

4. G.R.H., 15 Nov. 1873.

The Cradock delegates were in a minority of two on all crucial votes[1]. The crucial motion before the conference was to the effect that the Government should be urged to introduce a comprehensive railway scheme in the Session of 1874, which while making 'due provision' for the western and border lines, should include at least £½m. for a line from Uitenhage 'by the most direct practicable route for Graaff Reinet'; £¼m. for a 'Great Northern line' from the Bushman's River to Cookhuis Drift on the route to Cradock, and £¼m. for a separate line from Bushman's River Poort to Grahamstown; or, if the surveying engineers recommended that the Great Northern line should itself pass through Grahamstown, the whole £½m. for that line. These lines were to be built simultaneously and without delay. The motion was overwhelmingly carried, only the Cradock delegates dissenting. The conference further resolved that views on these questions should be the main criterion in judging candidates for the Assembly elections[2].

The Graaff Reinet Conference had found a formula by which different communities interested in the Midland line had glossed over their differences as to where the line would ultimately go, and demonstrated in a formal way their insistence that the Midland system of railway from Port Elizabeth should be accorded equal priority to

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1. The delegates and the localities they represented were as follows: J. Paterson, W. Hume - Port Elizabeth; R. Ayliff, J. P. de Wet - Grahamstown; E. Nathan - Hanover; J. Birch - Jansenville; J. Sissison, F. Bayley - Murraysburg; J. Gibson, J. Mosel - Uitenhage; F. Hoffa, S. Probart - Victoria West; C. H. O. Bremer, B. J. Joubert - Hopetown; J. S. O. Brink - Richmond; W. Kidger, G. Armstrong - Cradock; F. Guthrie, H. Bolus - Graaff Reinet.

2. G.R.H., 15 Nov. 1873.

the north-eastern system. This demonstration helped to put the inclusion of a separate Midland railway in Molteno's plan beyond doubt.

But the fiction of co-ordinating these demands with those of the localities interested in the north-eastern system from the Bay was soon dissipated. They asserted their own interests without regard to the Conference. A public meeting in Somerset condemned the resolutions of the conference, and named the trunk line through the Bushman's River Poort to Cradock as the only main line from Port Elizabeth worthy of support[1]. In Cradock, R. P. Botha, one of the successful candidates for the Assembly, merely promised to vote for the line towards Cradock; Scanlen, the other, declared that he would vote for the 'great trunk line to the interior' from Port Elizabeth through Cradock, but would use his judgment in regard to other lines[2]. All this confirmed to Molteno that he would be in trouble with the representatives of these areas if he did not accord priority to the main line to Cradock, equal to that accorded to the Midland line.

Grahamstown also broke ranks and decided in a series of public meetings[3] to insist that the main line to Cradock should pass through their City. This contradicted the resolution of the Graaff Reinet Conference by which the route of the line to Cradock was to depend on

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1. Somerset Courant, quoted in G.R.H., 20 Dec. 1873.
2. Cradock Reg., 30 Jan. 1874.
3. G.T.J., 1, 3, 5 Dec. 1873.

the engineers' reports. The public meetings resolved unambiguously to act before the 'engineer's report' might consign it for ever to a position at the end of a cul-de-sac and demand the survey and construction of a main line to Cradock via Grahamstown. There could in the end be no further overlaying of the division of interest between Grahamstown and neighbouring villages on the one hand, and Port Elizabeth and other communities inland on the other, who did not want to add to the cost of building and using the main line to Cradock, Colesberg and beyond by including a detour to Grahamstown in order that Grahamstown could compete with them for the up-country trade.

During the elections of 1873-1874, then, local communities throughout much of the colony were vigorously asserting their railway claims independently, whether or not in tactical alliance with other communities. There was little chance in any of the constituencies where railway demands had been developed that any candidate would be elected without his assurance that he would support the local railway interest. In Cape Town, for example, all the candidates for the Assembly stressed the priority they attached to the line as far as Beaufort West at least[1]; all candidates for Grahamstown and Albany, including the farmers standing for Albany, had agreed to support a trunk line through Grahamstown to Cradock[2]; in Cradock, Scanlan for town and Botha for country both affirmed support for the main line to Cradock[3]; all the candidates for Council and Assembly in Graaff Reinet

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1. G.T.J., 13 Feb. 1874.

2. G.T.J., 30 Jan. 1874.

3. See above, p. 153.

declared their support for the separate Midland line from Uitenhage to Graaff Reinet, including J. H. Booysen, a country candidate and Divisional Councillor[1]; and all those in Queenstown stressed their support for the railway to Queenstown[2].

Candidates whose views on the railway question were in doubt were in difficulties. R. M. Bowker lost his seat at Somerset East to W. Hockley, a Bedford farmer, and J. A. de Wet, neither of whom were 'prepared to fight the great railway swindle', that is the contraction of debt for railways on the scale now becoming likely, denunciation of which was the keynote of Bowker's abortive campaign - hardly in keeping with the anxiety of many in Somerset to secure the direct railway from Port Elizabeth to Cradock[3].

In Kingwilliamstown, in election campaigns notable for bitter religious and class divisions, the party led by the Catholics Goold and Schermbrucker[4] backed by Catholic German settlers and by many white farmers and smaller property-owners in town, wanted Kaffrarians to divide their votes for the Council between J. Quin, a Catholic from Fort Beaufort, and E. Hughes, a Protestant farmer backed by the mercantile and Protestant elite of the town. In the Assembly election, Goold ran against C. A. Smith and J. M. Peacock, the Protestant candidates heavily backed by the merchants. Goold's party sought to

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1. G.R.H., 3, 7, 10 Jan. 1874.
2. Q. Rep., 27 Jan. 1874.
3. Cory MS 981; R. M. Bowker to T. H. Bowker, 3 Jan. 1874.
4. See above, p. 91.

make political capital out of C. A. Smith's apparent indifference in the Session of 1873 as to whether or not the border line would pass through the town; they asserted, as part of their campaign against the alleged combination of merchants, Protestant missionaries and black voters, that merchants with businesses in East London, Basutoland and the Transkei would be content with a direct line to Queenstown which passed some miles to the east of Kingwilliamstown, thereby betraying the smaller property-owners of the town[1]. There was some truth in this, in that the native traders did have branches or partners in East London, Queensland and Basutoland and, like Smith, were not prepared to fight for a detour through the town when the surveyors later revealed its full engineering difficulties and costs. In the elections, Hughes found it necessary to make it publicly explicit that he supported a route through Kingwilliamstown[2]. Peacock made a point of declaring, and Smith's committee of extracting a special telegram from their candidate, in firm support of bringing the line through Kingwilliamstown if a practicable way of doing so could be found[3]. In the end, Goold polled about the same votes among the white electorate as his opponents, but was left far behind overall, thanks, according to sources on the winning side as well as the losers, to the efforts of Weir, Peacock, Irvine and others, and their Protestant missionary allies[4], and at least one Magistrate in the native locations of the Division[5], in mobilizing the black vote for Peacock and Smith.

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1. Watchman, 8, 10 Nov. 1873.
2. K.W.T.Gazette, 27 Oct. 1873.
3. K.W.T.Gazette, 2 Feb. 1874.
4. Weir Papers: 'Jas Weir and Co. Business Affairs', C. A. Smith to Weir, 29 Nov., 1873; 16 Feb. 1874. K.W.T.Gazette, 11 Feb. 1874. Watchman, 23 Feb. 1874.
5. Weir Papers, Letter book, p.400, Weir to J.M.Peacock, April 1875 (precise date illegible).

It remained true that candidates appealing primarily to humbler farmers were less interested in railways than others. For example, one of Samuel Loxton's supporters in Queenstown explained, as Loxton himself had stressed, that they were fully in favour of the border railway, 'yet at the same time this Railway question does not absorb our senses, we would not attempt suicide to obtain it': if railways were to pay, farmers needed an adequate labour-supply and protection against native depredations[1]. Loxton and most of his supporters were led by their preoccupation with stricter laws to regulate the black population to maintain the perspectives of the old Frontier party based on Grahamstown. They had still not accepted a political allegiance based on the border's distinctive interests in public works. Loxton lost the election by about 100 votes to two candidates backed by the town, one of whom was a 'progressive' farmer, John Frost, president of the local Agricultural Society, which put on Agricultural Shows patronised by the local merchants.

Moreover, there was still suspicion in the countryside that a sub-guarantee might be imposed as the price for railways. In Albany, for example, E. C. Wright and J. Gush, the successful farmer candidates, had both declared their opposition to the sub-guarantee[2]. This reflected the strong feelings expressed by a local farmer, Joseph Trower, who urged in the Grahamstown Journal that candidates should be pledged against the sub-guarantee by every farmer, lest 'his estate...go down to his posterity encumbered with a mortgage for

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1. Q.F.P., 13 Feb. 1874: letter to editor by William Rogers.

2. G.T.J., 28 Jan. 1874.

which the only benefit he will get will be the paying of a heavy annual tax, for such I submit will be the case if he allows himself to be bamboozled by the tall talk of rabid railway schemers'[1]. It thus remained fundemental to the success of comprehensive railway proposals that the Government had the revenues and the access to the London capital market through which they could be financed without imposing local taxes and incurring the antagonism of humbler farmers against the elite of town and country.

But these were differences of emphasis only. Bowker apart, no case has come to light where candidates seeking to attract votes from farmers failed to declare support for the local railway interest.

There was, therefore, little exaggeration, as the 1874 Session of parliament approached, in the Port Elizabeth Telegraph's summary of the political pressure on the Molteno Government:

> The Government is pledged to submit to Parliament a scheme of railway construction adequate to the urgent needs of the country, and unless it fulfils this just expectation of the people, strong as it may seem to be, it will most assuredly have to vacate office, and that speedily...Indeed, ministers themselves are firmly persuaded that upon their Railway policy they will be judged by the new Parliament, every member of which rested his claim to the suffrages of his constituents chiefly, if not entirely, upon the understanding that he would support such a scheme as we have just indicated. [2]

Molteno's Plan accommodated all the major territorial alliances which had emerged during the previous three years. Cape Town and the Western Province got the line from Worcester to Beaufort West, which

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1. G.T.J., 10 Dec. 1873 (letter to editor).

2. P.E.Tel., 10 Apr. 1874.

had once more been demanded in petitions from the Cape Town Chamber of Commerce[1] and from Worcester[2], and the branch line from Belleville to Malmesbury, at an estimated cost of £1,390,000 and £228,000 respectively. Moreover, the sub-guarantee was abolished. Amidst a further flurry of petitions from north-western and midland towns[3], it was found that the plan included £900,000 for the line from Uitenhage to Graaff Reinet. There was also £842,000 for the north-eastern line direct to Cradock from the Bushman's River; and £1,069,000 for the border line to Queenstown, passing some miles to the east of Kingwilliamstown, which would be joined to the main line by a branch line. Grahamstown was to be served by a branch line costing £328,000 from the Cradock line. The total cost of the proposed lines was over £4¾ million[4]. Loans would be raised in instalments as they were required, and no extra taxation was proposed.

There was great rejoicing through much of the colony, including Port Elizabeth, where fears for its railway interests under Responsible Government were for the moment allayed. Its newspapers called on Grahamstown to accept the verdict of the engineers and to refrain from any obstruction[5].

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1. V. & P. 1874, I(ii); A.24-'74, Petition of Chamber of Commerce of Cape Town.

2. Cape, H.A.770, 1874, no.53.

3. H.A.770, 1874, nos.28, 31, 41, 95, 109. Argus, 13 June, 1874.

4. E.P.H., 19 June, 1874. This also included a minor sum to link the terminus at Cape Town to the docks.

5. E.P.H., 7 July, 1874; P.E.Tel., 26 June, 1874.

Critics of the plan were few and isolated. In the Western Province, the Zuid Afrikaan expressed anxiety about the scale of the commitments proposed in the railway plan[1]. This contrasted with the Volksblad, rival organ of the Afrikaner elite of the south-west, which had lectured farmers objecting to railway-building because of its impact on the labour market on their blindness to their own true interests[2], and which now welcomed the plan warmly[3]. More important, interests centred on the villages like Robertson, Montagu and Ladismith which had hoped that the Beaufort West line might pass through them, argued in a series of petitions that their districts were far more productive than those of the route chosen. Between one quarter and one half of the signatures on these petitions were Dutch names, indicating that the campaign was based on mixed village communities but supported also by a fair sprinkling of Afrikaner landowners, including several Divisional Councillors[4]. But the heavy gradients and many bridges on this route revealed by the government survey[5] deterred all but directly interested parties, and the petition from the Cape Town Chamber of Commerce[6] voiced the consensus of opinion

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1. Z.A., 18 July, 1874.

2. Volksblad, 6 March, 1873.

3. Ibid., 30 May, 1874.

4. Cape, H.A.770, 1874, nos. 24, 35, 54, 59, 69, 73.

5. V.& P.1874, 1(ii); A 20-'74, Correspondence on Railway from Worcester to Beaufort West, pp.1-2.

6. See above, p. 159.

that the western railway should take as direct a route as possible to Beaufort West, without burdening all interests to north and south by expensive detours to suit particular localities. In the Assembly, only seven votes were given to a proposal to make another comparative survey of the Robertson and other routes, against forty-three rejecting any such procrastination[1].

In the Eastern Province, Molteno's Railway Bill confirmed the worst fears of Grahamstown and many in Kingwilliamstown. At a public meeting in Kingwilliamstown, merchants interested primarily in the European trade like Baker, Malcomess, Gibberd and Townsend joined smaller property owners of the town in demanding that the trade and property of the town should not be neglected in favour of smaller communities further north, and calling on East London not to desert the men who had nurtured it[2]. A petition signed by over 450 was sent to Cape Town[3] praying that the line should go through the town. But as Smith later explained in a letter to the Mayor, such a line would involve an extra 20 miles and 3 shillings per ton for all through traffic[4]. In parliament, Peacock withdrew his amendment to carry the line through Kingwilliamstown, when it became clear not only that it had no chance, but that his most vociferous opponents included other border members[5]. Kingwilliamstown was isolated; at

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1. V.& P. 1874, Assembly, 19 July, 1874.
2. K.W.T.Gazette, 10 June, 1874: meeting of 6 June.
3. Cape, H.A.770, 1874, no.75.
4. K.W.T.Gazette, 13 July, 1874.
5. Argus, 7 July, 1874.

another public meeting, the attendance was poor. As at the previous meeting, Baker and Whitaker were not supported by any of the native traders who had so many customers, clients and partners to the north and the east who would lose by the detour into the town. There were not enough people willing to pay for a new survey[1] and the movement petered out.

Grahamstown was in a worse position, at the end of a long branch line which would restrict it to a local trading hinterland and accelerate its relative commercial decline. It was a very bitter moment for the City which regarded itself as the political and social capital of the Eastern Province, and had in living memory been its commercial and military capital, too. Despite a desperate campaign of public meetings and petitions from Grahamstown and neighbouring villages[2], a large majority in the Assembly accepted the engineers' verdict that a detour of the Cradock line via Grahamstown would involve heavy work, far greater expenditure on building and running the line, besides an addition of 55 miles to its length[3], and were anyway anxious to defend a scheme which offered so much to so many against disappointed factions[4]. By the time Grahamstown opinion had swung round to demanding a Kowie line as compensation, it was too late: the government successfully resisted the claim for a Kowie railway, neglected until the end of the Session, as an unacceptable addition to a large scheme[5]. The

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1. Watchman, 3 Aug. 1874: Meeting of 30 July.

2. G.T.J., 1, 19, 26 June, 1874. V.& P.1874,1(ii); A.13-'74, Petition of Landowners, Merchants, etc...of Grahamstown. H.A.770, 1874; nos. 52, 83, 98.

3. V.& P.1874, I(ii): A.5-'74, Reports of Surveys, etc, in connection with Proposed Lines of Railway, pp.16, 19.

4. Argus, 14 July, 1874: debate of 10 July.

5. Argus, 23 July, 1874: Assembly debate of 21 July; Argus, 4 Aug. 1874: Council debate of 30 July.

Grahamstown press plumbed the depths of bitterness, not only against the government, but against the press and representatives of Port Elizabeth, who had not supported Grahamstown's demand to carry the trunk line through the City, and who had opposed the Kowie railway[1].

The Railway Bill's remarkably easy passage through parliament was a result not only of its scope and contents, but also of deliberate steps taken by the Government to assert its authority, in a manner inconceivable before Responsible Government. Its problem was that there were no stable parties in the Cape parliament. Members felt free to vote for or against the Government, according to their views on each issue, and there was no definable Opposition, prepared or expected to take over if the government were defeated. The government was thus expected to soldier on, while seeing its decisions reversed and amended by 'ad hoc' parliamentary coalitions, as had for example happened to its railway proposals in the Session of 1873. In 1874, the government gave way with increasing irritation to pressures to change a number of Bills, but Molteno finally put his foot down over a dispute about one of the clauses of the Seven Circles' Bill. The government was defeated, but refused to give way, and gave the House twenty-four hours to vote again on the issue as a matter of confidence. Partly through fear of losing the Railway Bill[2], a large majority gave the government its vote of confidence[3]. It was

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1. E.Star, 30 June, 1874; G.T.J., 3,10 July, 3 Aug. 1874.

2. Q.Rep., 14 July, 1874.

3. Argus, 9 July, 1874. This time, the Seven Circles Bill was passed by the Legislative Council, too.

immediately after this show of strength that the Railway Bill went through its crucial committee stage. In an atmosphere of wholesome discipline, the government indicated that it would stand or fall by its decisions on the Railway Bill as a whole, and disappointed factions therefore found themselves isolated.

There was no consensus about where the railways authorized in 1874 should go next. Most summaries of Cape railway development give the impression that the purpose of starting to build the railways was to connect the main ports with Griqualand West. For example, Professor Hobart Houghton has written that 'in the 1870s railway construction commenced from Cape Town, Port Elizabeth, East London, and Durban, all lines heading for the diamond fields'[1]. It will by now be clear that this impression is misleading. The traffic with the Fields was a preoccupation only in 1870-72. The concept of a single trunk line towards the Fields in each Province rapidly disappeared; Kaffrarian, Midland and Grahamstown demands were explicitly based on a rejection of the priority given to the trade of Griqualand West, and the original concern in Queenstown with the diamond-fields' traffic was increasingly eclipsed by concern with coal, land values and trade in border districts and beyond, so that by 1874 the Queenstown Free Press argued, as a point in favour of the border line that it was 'wholly independent of the trade of Griqualand West', and therefore not vulnerable to the hazards of the diamond market[2]. Even the merchants of Port Elizabeth no longer argued for pressing on the

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1. D. Hobart Houghton, 'Economic Development, 1865-1965', in M. Wilson and L. Thompson (eds.), The Oxford History of South Africa, Vol. 2 (Oxford, 1971), p.19. See also D. Goodfellow, op.cit., p.36; Walker, De Villiers, p.62; Walker, History, p.353; Van der Poel, op.cit., p.7; B. Le Cordeur, 'The Relations between the Cape and Natal, 1846-1879', A.Y.B., 1965, i. 174-175.

2. Q.F.P., 10 Mar. 1874.

direct line to the fields and were more concerned to reduce transport costs on the heavy traffic with Uitenhage, the Midlands and north-west and protect their hinterland there. It was in 1874 by no means clear where any of the lines were heading for: it will appear that the years 1878-1881 produced three quite different schemes of extensions and junctions.

Competition between ports was only one element in the plan. It was also the result of claims, based on calculations of the effects of railways on transport costs and the distribution of commerce and property values, articulated independently by inland local interests using their power in the political system.

Those outside the political system were of course at a disadvantage. Molteno made it clear in parliament that customs duties on the trade of the republics would continue to be appropriated to the Cape's requirements, on the grounds that they would benefit from the public works of the Cape[1]. But the railway plan of 1874, in sharing out the spoils between rival territorial alliances within the Cape, excluded the benefit of territories outside it from consideration. There was no alliance of representatives of Bay houses and local interests from the diamond fields or the South African republics within the political system to insist that 'their' revenues were spent on railways which would benefit them. Most of those whose distinctive interests lay in concentrating resources on a trunk line to the interior had no political power in the Cape.

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1. Argus, 2 July 1874; speech in Assembly on 29 June, 1874.

The risks involved in the railway plan were manifold. The wider political situation in South Africa was a fragile one, and the Cape's credit was vulnerable to its dislocation. Peace on the Cape's borders was temporary, and the demands of defence on its public resources were not for long to remain as slight as they were in 1874. The diamond fields provided little freight bound for the ports, and were within a few years to require technological, financial and organisational changes to sustain their value which could hardly be foreseen in 1874; while the value of wool exports would shortly be on a long, downward path. The market for ostrich-feathers would be based on the freaks of fashion. It was pointed out in the press and at meetings of Farmers' Associations that railways by themselves would not solve the formidable combination of problems besetting Cape agriculture; but none realized the scale of investment and state subsidy later required to sustain and develop agricultural export staples in the disease-ridden, poor and ill-irrigated land of South Africa. And there was no chance in the Cape that railway-building would lead to a major inflow of capital to buy up large expanses of Crown Lands. Enhanced land revenues could make but a minor contribution to servicing railway loans.

Moreover, the Government had only an imprecise notion of what railways would cost. There was little idea of how much would have to be paid to secure a labour force to build them; and the engineers' estimates were also vulnerable to rises in the cost of materials. More important, these estimates were rushed, because the government could not contemplate disappointing and angering members of parliament by failing to have a scheme ready. Instructions to Foot, surveying

the Graaff Reinet line, were typical: he had, he was told on 12 March, 1874, to despatch his report from Port Elizabeth by 1 May; 'An accurate survey and section of these various routes is hardly practicable in the little time at your disposal. What is wanted is a sufficiently approximate estimate to lay before Parliament'[1]. It is also possible that the engineers were influenced by the storm of opprobrium which threatened to descend on them from local interests if they were thought to err on the side of exaggerating the cost. For these reasons, the estimates turned out to be much too low. The final cost of the western exceeded the sum authorized in 1874 by 15%; that of the midland line, by 29%; that of the main line to Cradock, by 74%; and that of the border line, by 76%[2].

Equally, there was no firm basis for assessing whether the lines proposed would pay their working expenses and the interest on capital invested in them. The only statistics put forward were those of groups campaigning for their own railway interest. Such groups invariably based their calculations on unreliable estimates of existing traffic; made the wildly inaccurate assumption that all such traffic would travel by rail when the lines were built; and took no account of the effect of other lines, built simultaneously, in drawing-off traffic from their own line. On this basis, each

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1. A.5-'74, Reports of Surveys, etc. p.32.

2. V.& P.1884, 1(3); A.11-'84, Statement Showing Excess in Cost of Railways, etc., pp.6-10, compared with Railways Act, 1874 (Act 19 of 1874).

territorial interest could, by setting such figures against low estimates of the cost of building the line, convince itself that its line was bound to pay. The Government's surveys and estimates of the cost of construction, influenced the routes chosen, but only within a framework of political pressures determining both the number of lines to be surveyed and the number which the Government felt necessary to propose in its Bill. The limiting proviso - also political - was that the lines proposed could be financed, in the short term at least, without extra taxation. Whether or not they would pay was simply a gamble: the Government made no attempt to assess the probable traffic. Molteno spelled out the reason for the scale of the railway scheme:

> It may be said that this is too large a scheme. I quite agree that it is a large scheme (hear, hear). There is no doubt about that; but yet it does not seem very possible to curtail it, and at the same time secure its passing through this House, so as to give reasonable satisfaction to the whole Colony generally. [1]

Richard Southey made a significant comment both on the risks of the Plan, and their relationship to the new political system:

> ...an enormous expenditure has had its foundations laid, and vast undertakings commenced, from which no adequate return may be expected, such as a Railway over the Karroo to Beaufort, another through the barren Zwart Ruggens for 150 miles, between Port Elizabeth and Graaff Reinet, and so on. This sort of thing I always expected to follow from the introduction of Responsible Government, as to be popular, the little noisy lot in every town must be attended to. The same sort of thing on a smaller scale accompanied "Representative" Gov(ernmen)t in 1854 to 1860 - Expenditure largely increased and no taxation - that's the popular ticket, but unfortunately it can't last. [2]

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1. Argus, 2 July, 1874: Speech in Assembly on 29 June, 1874.

2. Merriman Papers 1874/39 : R. Southey to J. X. Merriman, 8 Sept. 1874.

It has indeed been shown how largely attitudes in the Cape to the constitutional question rested on the influence which different interests expected to achieve over the distribution of public expenditure; and how support for the Ministry and, in many cases, acquiescence in the political system, depended on the satisfaction of the railway claims developed by 'the little noisy lot in every town'.

Many of those delighted by the railway plan were, like Southey, convinced that it was a result of Responsible Government. P. J. Watermeyer[1], for example, declared that under Representative Institutions, the House would have thrown the Bill out, with Molteno in the lead in so doing[2]. The Argus argued:

> posit other than an administration feeling that it was alike responsible to the people and backed by the people, could (it) have dared to submit a scheme so vast and varied in its ramifications as that set forth in the Bill we have now been examining? [3]

The Grahamstown Journal, on the other hand, attributed the development of railways to rising revenues and public agitation alone:

> It would have been the same, even under a despotic Government, and to say or to imply that they are the result of Responsible Government, is to say the thing that is not.[4]

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1. See above, p. 137.

2. Argus, 2 July, 1874: debate in Assembly on 1 July, 1874.

3. Argus, 18 June, 1874.

4. G.T.J., 9 Oct. 1874.

Clearly enough, the rapid rise in revenues after the discovery of diamonds was a precondition for a railway plan on this scale, and enabled the Government to avoid the obstruction of disappointed territorial alliances which would have befallen a smaller scheme and the antagonism of taxpayers to a railway plan involving extra taxation. Nevertheless, it is hard to imagine the old Executive proposing and carrying the plan.

Resting on a long history of jealousy and conflict between executive and legislature and between different parties and territorial interests among the colonists, the question of who should distribute and administer public expenditure and patronage could only be underlined insistently by the prospect of rising public expenditure. Rising ambitions after the discovery of diamonds were bound to be channelled into constitutional conflicts requiring resolution before they reached the stage of maturation in a comprehensive railway plan.

Moreover, it made a very significant difference whether or not the Government could be turned out if it failed to give satisfaction in its administration of public expenditure. There had been widespread reluctance to giving the old executive inflated resources of patronage, or to entrusting large sums to a government regarded as inherently wasteful and inefficient by the local interests who did not control it. Much of this reluctance was now dissipated. For example, Parliament even voted a general increase of salaries in the civil service in 1874[1]. Responsible Government thus removed a cross-current of jealousy and antagonism to major public expenditure programmes. Equally, there was under the old system no sanction

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1. V.& P.1883, 1(i); G.110-'83, Report of Civil Service Commission, Report, p.viii.

by which to force officials like Southey to bow to the localized perspectives reflected in the four main lines and two branch lines of the Molteno Plan. The railway ambitions of 1873, if frustrated by the old executive, would surely have resulted in stalemate and renewed constitutional uproar. By contrast, the new Ministry's survival was at risk; the result of their efforts to resist the railway ambitions of 1873[1] was that they were forced to give way, add the border line and a midland survey to their plans after all, and propose a comprehensive railway scheme in 1874, because they were otherwise likely to lose office. Unlike the old executive, they did not have the option of stalemate.

Moreover, the risks in the comprehensive railway-building necessary for winning acceptance in Parliament were great, as Southey perceived. It was one thing for a Responsible Ministry to take on these risks on behalf of the colonial taxpayer; it would have been another matter for the old Executive to have been willing to do so, when its inability to raise extra taxes from the Legislature had been repeatedly shown. The old Executive was inhibited both by the prospect of bitter conflict with the Legislature in the event of financial embarrassment, and by the astringent financial principles which Colonial Office officials brought to bear on their scrutiny of projects for colonial expenditure in colonies where Responsible Government had not been introduced[2]. Those principles were illustrated by the repeated disallowance by the Imperial Government in the

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1. See above, pp. 139-140, 142, 147.

2. B. L. Blakeley, The Colonial Office, 1868-1892 (Durham, North Carolina, 1972), pp.137-138.

early 1870s of Bills passed by the Natal legislature proposing financial arrangements with a contractor to build the Natal railways to which the Colonial Office took exception[1]. For when colonies with an executive responsible to the Imperial Government became financially embarrassed, the Imperial Government could not generally ignore the resulting conflict between executive and legislature or financial chaos; West Indian experience, for example, suggested that the Imperial Government was likely to become involved in giving financial aid and in promoting constitutional changes to accompany financial aid[2]. These inhibiting factors discouraging the old executive from taking major financial risks underlined the importance of constitutional change to major railway-building.

Finally, Molteno's Ministry had the authority not only credibly to propose a plan of the necessary scale to survive, but to safeguard it against erosion by disappointed factions, by forcing its authority on the Legislature through a confidence motion and then standing firm on its railway proposals as a whole.

All these aspects of Cape railway history suggest that one of the major historical functions of introducing Responsible Government in the Cape was to remove constitutional obstacles to major public spending and provide a government capable of performing its role of drawing a new economic map in British capital.

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1. W. J. Busschau, 'Some Aspects of Railway Development in Natal', The South African Journal of Economics, Vol.1, No.4 (December 1933), pp.409-410.

2. H. Wrong, Government of the West Indies (Oxford, 1923), p.78.

# C H A P T E R  F I V E

## THE ARBITRATION OF RAILWAY POLITICS, 1879-1881

The debate about where the railways should go next opened up fully only in 1879-1880. It was equal in some areas in intensity to the debate of 1872-1874, and far wider in geographical scope, because arguments about main line extensions were heard from termini at the ports to possible termini on the northern border of the Colony, while at the same time claims were pressed for branch lines and junctions. The final arbitration was an arbitration by the power of coalitions of interests represented in the Cape parliament.

The arbitration took place there after attempts by the Imperial Government to confederate the states of South Africa had failed. It was clear in these attempts that an element of self-government for sub-divisions of the Cape, within a wider Confederation, was again very much on the agenda[1]. But railway ambitions were not in 1875-1876 central to disputes in the Cape over this question, not least because railway-building which was bound to last some years was already underway: there was no public interest in the question of further railway construction as the storm raged about Carnarvon's plans. For this reason, Professor Walker's contention that 'Carnarvon's despatch (proposing a conference to discuss Confederation) ...was welcomed by Westerners and Midlanders who saw in confederation the best prospect of railway extensions'[2] is misleading and is

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1. De Kiewiet, Imperial Factor, p.74; C. F. Goodfellow, Great Britain and South African Confederation, 1810-1881 (Cape Town, 1966) p.76.

2. Walker, History of South Africa, p.364.

apparently based on a misreading of a passage in J. H. Hofmeyr's biography of 'Onze Jan'[1]. Outside Port Elizabeth, there is no evidence that railway plans were a significant factor in support for Confederation in the west and midlands. Even in Port Elizabeth, specific railway ambitions or grievances did not figure in the noisy public approbation of the Secretary of State's proposals in 1875-1876[2], although in Grahamstown the neglect of their Kowie railway claim wrankled along with the memory of the 1874 Railway Act and a host of other grievances against western interests which fuelled much of the agitation there in favour of Confederation.

There were, indeed, many reasons why the merchants of Port Elizabeth and their London correspondents made much of the running in supporting Carnarvon's policy, which went well beyond a desire for local self-government within the Cape. They included landed investments, commercial accounts and banking interests in the Transvaal threatened by the increasing insolvency of the regime, by sagging land prices, and by the threat of further wars there; the exclusion of 'imperial' banking interests from the republics; heavy commitments by Bay interests to the Lydenburg Gold Fields; the interests of Port Elizabeth men in property and speculations in Griqualand West which were not benefiting from the Southey administration; and irritants like the Cape's difficulty in agreeing satisfactory postal arrangements with the republics[3].

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1. Hofmeyr, op.cit., pp.122-123. This passage describes sources of opposition to the Molteno Ministry in the first years of Responsible Government inspired by a desire for railway extension, and refers to the Session of 1873. See above, pp. 135-142.

2. e.g. E.P.H., 9 July, 1875: public meeting on 7 July; E.P.H.,6 Aug. 1875: public meeting on 4 Aug. 1875; E.P.H., 10 Sept. 1875: public meeting on 9 Sept. 1875.

3. De Kriewiet, Imperial Factor, pp.54-56, 111. C.F.Goodfellow, op.cit., p.88. E.P.H., 9 July,1875: speech of Paterson at public meeting on 7 July. E.P.H., 10 Sept.1875: speech of W. Savage at public meeting on 9 Sept.1875. Parl.Papers 1877, lx (C.-1732); Carnarvon to Barkly, 8 Nov.1876, pp.7-9.

Moreover, the vision of a Confederation with local self-government was one in which Eastern Province interests were not only released from Cape Town rule, but could hope, together with English-speaking, commercial interests in Natal, Griqualand West and the two republics, and buttressed by immigrants from Great Britain, to order the affairs of South Africa as a Union increasingly British in its population and in its laws. The context was considerably wider than that in which the argument had raged in 1872 over Separation.

Nevertheless, general railway ambitions for the future played a part in the very important grievance that Port Elizabeth was not able to command 'it's' own revenues[1] and suffered from a political system in which the commercial rivals and the large Afrikaner population of the Western Province had great weight. When J. Paterson and H. Blaine spoke to Carnarvon privately, 'Public works they said are kept back by the slowness of the Dutch element and by their enforced union with it. If the East were free they would at once make a railway to the Orange State'.[2] Such general ambitions were part of the wider question raised in the minds of Bay men when, under the stimulus of Carnarvon's overtures, they surveyed their long-term future. The wider question was whether the states which put political power in the hands of men

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1. Parl. Papers 1876, lii (C.-1399), Fronde to Carnarvon, 10 Jan. 1876, p.4.

2. P.R.O., Series 30/6 (Carnarvon Papers), vol.51, f.61: Carnarvon's notes of meeting with Messrs. Paterson and Blaine, 7 Nov. 1876.

who defined their interests and policies independently of those who furnished much of the mercantile credit and a good deal of speculative capital from Port Elizabeth to the Limpopo, could be replaced by a Confederation more beneficent to Anglo-South African mercantile partnerships. The Port Elizabeth agitation over Confederation was in this sense about the political weakness of major mercantile interests which was such a fundamental element in Cape railway history, not least in the arbitration of railway claims by the Cape parliament in 1879-1881.

Railway calculations were no more central to the opposition to Carnarvon's plans in the Cape than to support for them. But the uncertainties, including unpredictable financial burdens, to which the Cape might be subject under a Confederation, were an important source of opposition[1], to which the commitment to the Molteno Plan contributed; for the Molteno Plan rested on applying the revenues of the Cape, and customs duties from the trade of the republics, to Cape railways, while others assumed financial responsibility for other parts of South Africa. Moreover, the plan showed that 'progress' had followed the introduction of Responsible Government in a unitary colony. The arguments that the credit of the colony was pledged to public works, that conflicts over Separation had been replaced by comprehensive railway-building, and that this was not the time to upset the financial and political basis of such 'progress', were useful grist to the Cape government's mill[2]. Railways heading for the

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1. De Kiewiet, Imperial Factor, pp.60-65, 212, 239-240.

2. e.g. P. A. Molteno, The Life and Times of Sir John Charles Molteno (London, 1900), i. 439, ii. 12; V.& P. 1875, 1 (iii), Governor's Speech at Opening of Third Session of Fifth Parliament, p.1; E.[illegible].H., 9 July, 1875, Speech of W. Hume at Port Elizabeth public meeting of 7 July, 1875.

interior, promoting increasing intercommunication and a voluntary union of South African states in the course of time, were also sometimes posited as a sounder alternative to a Confederation imposed or engineered by Imperial politicians[1]. There was some rhetoric in these arguments, and there were reasons other than these for opposing the architects of Confederation, but the position of the opponents of Confederation would have been weaker had they not been able to point to railway-building in progress. Railway patronage had also added to the means by which an expanded officialdom was, as Paterson confessed to Carnarvon in 1875, 'now being very effectively worked by an adverse Ministry' in its opposition to the Confederation policy[2].

The main agitation about Confederation was over by the time that the railway debate resumed in full force in the Cape. Wars in the Cape and the war in Zululand and its aftermath had helped to postpone further action on the constitutional aspects of Confederation, and after the annexation of the Transvaal the increasing opposition among Afrikaners to a Confederation policy of which the annexation was part had become a crucial additional factor[3]. By 1879-1880, indeed, Port Elizabeth's railway agitations could not take a constitutional form. For the Sprigg Government which came to power in 1877 was a Government of Eastern Province men, sympathetic to Confederation; this made it difficult to channel railway ambitions into

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1. Molteno, op.cit., i. 430, ii. 433.

2. P.R.O. 30/6/46, f.57, Paterson to Carnarvon, 11 Oct. 1875.

3. Davenport, Afrikaner Bond, p.73.

a crusade against Cape Town rule. Some of the objections in the Eastern Province at large to Cape Town rule were anyway reduced by the spread of railways and telegraphs. And the question of local self-government had become so indissolubly linked to that of Confederation that the obstacles thwarting the designs of the Imperial Government and the Sprigg Ministry were at the same time frustrating Eastern Province aspirations for local self-government. For these reasons, renewed railway agitations were not intertwined with constitutional agitations; and railway ambitions had to be promoted within the political system of a unitary Cape colony.

The idea of an Imperial Guarantee for railway-building as an instrument for promoting Confederation had occasionally been mooted by Imperial officials in South Africa. Sir Garnet Wolseley wanted in 1875 to offer an Imperial Guarantee for £1 million for railway-building in Natal to help the legislature to accept a curtailment of its powers[1]. A little later, Froude hinted in Natal at an Imperial Guarantee for railways to cement a possible 'northern confederation' between Natal and the two republics, although this hint was probably little more than an attempt to frighten the Cape Government with the loss of the republics' trade to Natal and Delagoa Bay[2]. More ambitiously, Sir Bartle Frere suggested confidentially in 1878 a strategy for excluding all other European powers from South Africa comprising the extension of British sovereignty over the whole

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1. De Kiewiet, Imperial Factor, pp.40-42.

2. Molteno, op.cit., i. 391-392.

coastline south of Delagoa Bay, and a Confederation under the British flag which, he asserted, could only be carried out successfully by granting a new constitution to the Transvaal and recognizing the 'necessity of such communication as a Railway only can afford... between the present system of Cape Colonial Railways and Delagoa Bay', presumably hinting at an Imperial Guarantee[1]. Two years later, Wolseley suggested that an Imperial Guarantee for £1 million to build the Delogoa Bay railway would improve the Transvaal's financial position, win Boer opinion over to British rule and promote British immigration[2]. At the same time, Frere had requested the promise of an Imperial loan to complete as far as Kimberley any railway extension to the Cape border undertaken by the Cape Government, as part of a package to make the annexation of Griqualand West less burdensome to the Cape[3].

The last of these proposals was particularly unlikely to receive support in London, since Frere reported in the same despatch that the annexation of Griqualand West was likely to be carried out shortly. No Imperial interest would be served by adding a railway loan to the cost of devolving the burden. But more generally, none of these suggestions was seriously contemplated in the Colonial Office in London. Vociferous opposition to Imperial Guarantees for colonial loans could be expected in parliament as a wasteful use of British credit and a blow against the self-reliance of the colonists[4].

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1. P.R.O., C.O.48/486, Frere to Hicks-Beach, 5 Sept. 1878. Confidential.

2. De Kiewiet, Imperial Factor, pp.255-256.

3. P.R.O., C.O.48/493, Frere to Hicks-Beach, 13 Jan. 1880. Confidential.

4. D. M. L. Farr, The Colonial Office and Canada, 1867-1887 (Univ. of Toronto, 1955) pp.64-67, 72, 78, 84-85, 88.

The hostility to such Guarantees could be overcome, but only on at least one of three conditions: that a clear advantage to Imperial interests was to be gained; that the colonists in question were themselves agreed on wanting the loans for the specified purpose; and that the colonists could be expected to service the loans from their own revenues. The Guarantees authorized by the British parliament for Canadian loans for the Intercolonial and Canadian Pacific railways in 1867 and 1873, for example, served the Imperial purposes of establishing the economic, strategic and political basis for a self-reliant Confederation; these railways were very much desired by a consensus of Canadian interests concerned; and Canada had ample if embarrassed revenues[1]. But in South Africa, the advantage to Imperial interests of a railway Guarantee would depend on whether all the other obstacles to a self-reliant Confederation could be overcome: so long as the threat of major wars, or the opposition of influential sectors of South African opinion, including some Governments, persisted, it was not at all clear in the 1870s whether any Imperial purpose could be achieved. This point was reinforced in the case of the Cape by the fact that the Cape could afford its own railways. Secondly, Natal's revenues were slender, the Orange Free State's even more so, and the South African Republic's worse still: how could they service a Guaranteed loan? Thirdly, the different states of South Africa had conflicting railway interests.

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1. Ibid., pp.66-67, 90.

Colonial Office officials pointed out in 1878 that the Cape would not want the competition of a railway from Delagoa Bay, a point equally true of Natal: so, unless the Portuguese would agree to set aside customs duties at Lourenco Marques, there would be great difficulties in finding the money to pay for it from South Africa[1]. Similarly, an Imperial Guarantee for a railway in Natal only, or in the Cape only, was not in the interests of other South African states and this was an important consideration while Confederation remained the Imperial goal. On all three major counts, therefore, the South African situation before 1881 reinforced rather than overcame the objections to proposing Imperial Guarantees for colonial railways to parliament. The situation was different in 1885 when, because the Cape could not raise further major loans itself, because Confederation was no longer remotely in prospect, and because of a clear financial and military gain to Imperial interests, the Imperial Government made a loan to the Cape Government to build the Kimberley railway[2].

The Imperial policy of Confederation left another minor legacy to railway history in the form of the agreement between President Brand and Carnarvon to settle the Free State's claim to Griqualand West in 1876. In addition to £90,000, Brand was promised a further £15,000 if the Free State should start work on a railway between

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1. P.R.O. C.O.48/486, Frere to Hicks-Beach, 17 Sept. 1878, minutes by Fairfield and Herbert.

2. See below, p. 257.

Bloemfontein and either the Cape or Natal border within five years[1]. This clause originated at a very late stage in the negotiations in England[2] and appears to have been designed to give the bargain the statesmanlike appearance of encouraging railway communication. £15,000 did not build more than about two miles of railway. But consciousness of the time limit may have played a part in prompting Brand to ask the Cape Government when and where the Cape railways might be expected to reach the vicinity of the Free State. This, and the non-committal reply of the Cape Government[3], provided an opportunity for an airing of the question of railway extensions in the Cape parliament in 1878.

This discussion resulted in the authorization of Government surveys of the country between the termini of the lines already sanctioned and the northern border as a basis for deciding if 'one or more' of the lines should be extended[4]. The discussion was notable primarily for Paterson's speech in which he maintained that extensions from the western and midland lines should be joined near Murraysburg, leaving Graaff Reinet at the end of a cul-de-sac, and that extensions of the Cradock and border lines should be joined north of Queenstown, to form two main lines bound for the interior[5].

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1. Walker, History of South Africa, p.367.

2. C. F. Goodfellow, op.cit., pp.99-100.

3. V.& P.1878, 1(iii); A.9-'78, Correspondence with Government of Free State on Railway Communication, Brand to Frere, 15 Jan. 1878. V.& P.1878, 1(ii); G.61-'78, Minute on letter from President of Orange Free State on Railways.

4. G.R.H., 7 Dec. 1878.

5. Q.F.P., 2 Aug. 1878.

This was an early warning of the plan behind which Port Elizabeth mobilized in late 1879: junction lines to intercept the western and border lines in order to maintain its commercial hegemony in the north-west and north-east. For the moment, it was the concept of the midland-western junction, putting Port Elizabeth nearer the north-west by rail than Cape Town, which lodged in the public railway debate, partly because the western and midland lines were nearer completion than the Cradock and border lines. Paterson followed up his speech by a lecture on Confederation, in which he recommended that the Cape should enter a confederation as three provinces, with a large midland province designed explicitly to accommodate a railway striking from Port Elizabeth into the north-west of the Cape[1]. A railway to intercept a western extension was understood to be Port Elizabeth's main railway requirement in 1879; the Government included a junction at a point near Beaufort West in their abortive scheme of 1879; in the Commissioner's words, 'Port Elizabeth laid that connection down as a sine qua non'[2].

After the airing of the railway question in 1878, and as the surveying engineers began their work, it rapidly emerged that local railway claims would be developed in many areas where there had been little railway agitation before: inland towns contending for a particular main line extension, small ports wanting railways, and

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1. E.P.H., 27 Sept. 1878; speech in Port Elizabeth on 26 Sept. 1878.
2. Argus, 23 Aug. 1879: Laing's speech of 21 Aug. 1879.

villages demanding branch lines. These three groups of new claimants are now to be introduced. Many of them developed their claims as a conflicting response to the claims of Port Elizabeth or to those of rival communities: not only could they not be dictated to by the merchants of the Bay, but their claims stood in rivalry to each other. This meant that Port Elizabeth was at a severe disadvantage in forming coalitions to carry its railway plans: the hinterland it was trying to defend was riven by divisions of railway interest. To analyze the new railway claims emerging in 1879 is to analyze the weakness of Port Elizabeth in railway politics.

Substantially the same group of men who had defined Graaff Reinet's distinctive claims in 1872 returned to the attack against the schemers of the Bay in 1878-1879, insisting that any extension of the midland line should be from their town, not from a point south of the town which would leave them at the end of a cul-de-sac. Support for an extension from Graaff Reinet became a key election pledge extracted from candidates in late 1878 and the theme of several public meetings[1]. But north-western and midland villages which had been able to agree on the first stage of a midland line in 1873 were not able to agree on where it should go next. Pritchard, an auctioneer in Beaufort West, stood but failed as Beaufort West's candidate for the Legislative Council against those backed in Graaff Reinet and supported a midland-western junction near Beaufort West in conflict with Graaff Reinet's claims[2], while Richmond interests for a while

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1. G.R.H., 9, 18, 20 Nov. 1878, 13 Aug. 1879.

2. G.R.H., 17 Nov. 1878.

campaigned to secure a midland extension from a point well south of Graaff Reinet to join the western line at Richmond, thus elevating Richmond's status as a commercial entrepot in competition with Graaff Reinet or Beaufort West[1]. All this was a foretaste of the difficulty of securing political support from independent communities for a particular junction line: they could not agree on where the junction should be.

Another aspect of the difficulty was that junctions from the midland and Cradock lines towards the north-west and north-east respectively, as envisaged by Paterson in 1878, threatened to leave a railway-less void in the middle of the colony. This thought struck the men of Colesberg in 1879. A public meeting insisted that the extension from Cradock to Colesberg - the old direct trunk line concept long since abandoned in Port Elizabeth - would be the cheapest and best, although they added that as a second-best an extension of the midland and western lines, joined together as proposed in Port Elizabeth, to Colesberg, would also have advantages. Candidates for the Assembly elections in Colesberg were pledged to the Cradock-Colesberg extension[2]. This agitation prompted a rival movement in Burghersdorp, because Burghersdorp's interests lay in joining the Cradock and border lines and extending them through Burghersdorp, thus attracting through trade and commercial depots to their town.

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1. R.Era., 2, 9 Aug., 22 Nov. 1879.

2. Colesberg Advertiser, 11, 25 Jan., 8 Feb. 1879.

Burghersdorp's local newspaper and Chamber of Commerce developed this claim in conflict with Colesberg[1].

It will already be clear that the railway interests of each town were defined independently of other towns, including the ports. In the course of 1879-1881 in the midlands and north-west, Beaufort West, Victoria West, Hope Town, Richmond and Graaff Reinet defined their own claims, as did Colesberg, Burghersdorp, Dordrecht, and Cradock in the north-east. The kind of men who took the lead in defining the local interests of the smaller villages named was substantially the same as those who had taken up the cudgels in 1872-1873 in Graaff Reinet, Cradock, Queenstown, Kingwilliamstown and were now to do so again. The smaller villages named no longer had their own local banks and did not have local insurance, Trust and money-lending companies like those of the larger towns. But the profits from sheep-farming, property investments, money-lending or trading in the hands of individual businessmen and landowners; local branches of the 'imperial' banks; and finance companies based in other towns and competing for business, provided diversified sources of mortgage financing and other local capital requirements, independent of mercantile credit; and local interests in these towns had as secure a grip on political representation at the local and central level as they had in the larger inland towns. In most of the smaller inland towns named, the influence of local commercial interests and professional men was again a significant factor in the articulation

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1. Burghersdorp Gazette, 17 Jan., 21 Feb., 7 Mar. 1879. Cape, P.W.D. 10, Elliott to Chairman, Burghersdorp Ch. of Comm., 24 Apr. 1879, no.247.

of local railway claims, while the weight in public life of the property agents and auctioneers, many of them Afrikaners with both English and Dutch clients, was comparable to that of those in Graaff Reinet, surrounded by relatively prosperous sheep-farming country and a mostly Afrikaner white population.

In Colesberg, for example, the local interests that staked so firm a railway claim from 1879 onwards in railway committees and at public meetings, independently of Port Elizabeth and rival inland towns, included G. E. Read and J. Shepherd among general importers; J. Campbell who combined retailing imported hardware with building and carpentry; D. Sluiter, auctioneer, considerable landed proprietor[1] and investor in ostriches,[2] and H. Papenfus, a surveyor for whom Sluiter acted as agent in his absence and who no doubt worked with Sluiter in landed property transactions. E. Van Bart was a property agent and trustee of estates, and G. R. Weakley was not only editor-proprietor of the local newspaper, but a property-agent and agent for a Grahamstown finance company. In Richmond, whose railway claims corresponded to those of Port Elizabeth only for a brief period in 1880, and were in line with those of Graaff Reinet in 1880 onwards but not in 1879, the railway leaders included the auctioneer, commission and forwarding agent and future Afrikaner Bondsman, J.S.D. Brink[3]; L. P. J. van der Poel, property agent, auctioneer, agent for some of Graaff Reinet's finance companies and, like Brink, Municipal

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1. Colesberg Advertiser, 15 Mar. 1879.

2. Noble, Descriptive Handbook, p.161.

3. See above, pp. 19, 151.

Councillor; A. G. Blake, another auctioneer; Joseph Atkinson, the editor-proprietor of the Richmond Era; R. Mortimer and J. R. Wills, merchant importers; the Rev. J. Fish, and F. McIntyre, principal of the Richmond Public School. A. P. de Villiers was a lawyer, Secretary to the Divisional Council and auctioneer, and Thomas Theron, who played an active part in local railway agitation in 1881 onwards, was an auctioneer and general agent[1], and a prominent figure in the Afrikaner Bond in the years ahead[2]. Such merchants as L. Mendelsohn and M. Rothkugel of Mosenthal Bros., and F. Ackermann, J. M. Wagner, and J. J. N. Haarhoff whose mercantile connections are not known but may well have been dependent on Port Elizabeth merchants, played no part in the local railway agitation.

These are samples to illustrate the local interests in inland towns formulating their main line railway claims in 1879-1881. Despite local variations, a picture of local railway leaders in Beaufort West, Victoria West, Hope Town or Burghersdorp would not be very different. Such were the men who sought to ensure that their town was, if possible, on a junction of main lines or on a railway to the north of such a junction; or at least on one railway. Their main political difficulty, as of communities nearer the coast seeking allies among them, was that their claims were in many cases mutually contradictory.

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1. R. Era, 11 Nov. 1881.

2. Davenport, Afrikaner Bond, passim (cf. index references to Theron on pp.428-429.).

The proponents of railways inland from small ports formed another group of railway claimants. Grahamstown was still determined to open up the Kowie harbour to reverse the long-term trend for up-country trade to pass directly between the Bay and inland centres. There were similar hopes in Mossel Bay, a port between Cape Town and Port Elizabeth for some of the trade of Oudtshoorn, George and adjoining areas to the north and west, and at which the customs duties were in 1879 roughly the same as those at the Kowie at about £25,000, or less than one fifth of the customs at East London, and well under one tenth of those at Cape Town. Mossel Bay was by no means a satellite of Cape Town or Port Elizabeth; one or two of its merchants like L. Vincent of Prince, Vincent and Co. had their own London correspondents, and there were plenty of localized property, business and trading interests. Their aim was to have a railway over the Outeniquas to secure the trade of Oudtshoorn and George and in due course to join up with the western line and tap traffic north-west of George which would otherwise travel on the Cape Town railway. But the political disadvantage of the small ports was that they were not only projects of interest to relatively few in the colony at large, but also competing against the larger ports and the railways already built. Thus, the Kowie railway would benefit Grahamstown and Albany, and to a lesser extent a few other villages, but at the same time not only would it be a rival claim on resources to all the claims of areas which would not benefit, but it could also only win traffic at the expense of Port Elizabeth and the costly branch line already built to Grahamstown. This was a formidable political liability.

Similarly, the Mossel Bay line would primarily benefit the Division of George, with only two votes in the Assembly, and would be competing for the Oudtshoorn trade with Port Elizabeth and for traffic to the north west with Cape Town and the western railway. Even Oudtshoorn did not attach priority to the Mossel Bay line. Oudtshoorn traders and businessmen fretted under the extra handling charges, losses and delays in the trans-shipment of goods at Port Elizabeth or Cape Town involved in using Mossel Bay, and at the charges of Mossel Bay forwarding agents and wholesalers, geared to the difficulty of access from Oudtshoorn to Port Elizabeth. Oudtshoorn also suspected that Mossel Bay would want as a priority to have its railway extended to the north-west to compete with the western line, rather than to Oudtshoorn. What Oudtshoorn wanted above all, produce-and feather-buyers, auctioneers and property agents, retailersand landowners alike,[1] was direct railway access to Port Elizabeth and to Eastern Province markets by a line from Oudtshoorn to join the midland line at Klipplaat. This claim was pursued vociferously at Oudtshoorn, often in competition with Mossel Bay[2]. There was an effort in 1880 to sink their differences with delegates from the towns of Mossel Bay and George, by jointly demanding a survey of a line from Mossel Bay to George, Oudtshoornand Klipplaat, but the united front was strained by their different priorities[3].

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1. See below, pp. 245-246.

2. O.Courant, 16, 30, 23 July, 1879.

3. O.Courant, 17 Feb., 30 Mar., 27 Apr. 1880. Argus, 23 Apr. 1880 (meeting at Mossel Bay on 17 Apr.) and 29 May, 1880 (meeting at George on 22 May).

Thus, because of the dimension of competition with the major ports and existing railways, the champions of minor ports had a particularly difficult political task. They were not good allies to have in railway politics.

Several branch line claims also emerged by 1880. Like the minor ports, men in areas by-passed by the railways sanctioned in 1874 considered that as taxpayers they had as strong a claim on the state as the proponents of main line extensions, and in some cases could argue that their land was more fertile than the land traversed by main lines heading to the interior. There were claims in the west by 1880 for a branch from the western line towards Somerset West and another to Robertson and Montagu and for an extension of the Malmesbury branch line to Piquetberg. In the east, Fort Beaufort interests wanted a branch line from Cookhuis on the Cradock line, and Kingwilliamstown and Alice wanted a branch line between them.

Again, the political weakness of claims for short branch lines inhered in the fact that only one or two Divisions would significantly benefit. Branch lines were rarely a priority even for the ports of the main railway line from which the branch was proposed: usually, the trade of the local area concerned was theirs with or without the branch line, and the savings or extra volume of trade which might ultimately accrue from a branch line were insignificant by comparison with main lines which established the direction of commerce with the up-country districts and interior. Grahamstown had been 'sui generis' as a major centre of commerce, population and political influence, which none of the new claimants for branch lines to their

village could match. The branch line to Malmesbury had also been a special case because of the quantity of wheat grown in the Malmesbury district, making the line far more important to many south-western districts than the branch lines claimed in 1879-1880. Moreover, the Malmesbury line served the extreme western flank of the colony: there could by definition be no rivals further west to the Malmesbury line. This had been a combination of advantages that no new branch line claims enjoyed.

Because of their political isolation, the champions of branch lines were led where possible to try to find other branch lines to which theirs might be joined, so that individuals proposing branch lines might join forces to become caucuses proposing junctions. The branch line claims of Fort Beaufort, Alice and Kingwilliamstown at an early stage merged into the claim for a Grand Junction Railway from Cookhuis on the Cradock line to Fort Beaufort, Alice and Kingwilliamstown. Similarly, Mossel Bay and Oudtshoorn formed a caucus after 1880 with Beaufort West interests to propose a midland-western junction via Oudtshoorn, George and Robertson to Beaufort West, joined at George by the line from Mossel Bay. But these caucuses incurred new political liabilities. The junctions proposed were now long, with construction costs in the seven-figure bracket, and major rivals to main line claims. Moreover, they now stood in rivalry to other possible junction routes. Thus, the Beaufort West-Oudtshoorn-Klipplaat junction proposed was by 1881-1882 excoriated in towns like Richmond, Murraysburg and Graaff Reinet whose hopes rested on a different junction. And the Grand Junction Railway was in 1880 posited

as a rival claim to a junction between the Cradock line and the border line north of Queenstown, as desired in Port Elizabeth. There was another difficulty. The coherence of these 'branch line caucuses' rested on their proposing their scheme as a costly whole. If the whole scheme could not win acceptance, divisions appeared over priorities - between Oudtshoorn and Mossel Bay, for example, from 1879 onwards, and between Fort Beaufort and Kingwilliamstown in 1880, over which part of the scheme might be built first. Branch line caucuses thus brought with them serious liabilities as allies in railway coalitions.

Many of these new claims - rival main line claims by inland towns, small port claims and branch line claims - were already being agitated by August, 1879, when the Sprigg Government unveiled its first Railway Bill. But there had been no agitation in the ports and some other major towns. For Government surveys of possible routes had been published only in July[1]. There had been no transport breakdown as in 1871-1873 to concentrate the minds of major mercantile communities on the transport question. Most of the railways under construction were not yet finished. Moreover, there had been many developments in Zululand, the Transvaal and Basutoland[2], absorbing public attention to the full. For these reasons, no major port had fully considered or defined its railway demands. The 1879 Railway Bill was a hasty bid for the prestige and patronage of

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1. Argus, 14 Aug. 1879.

2. L. Thompson, 'The Subjection of the African Chiefdoms, 1870-1898', O.H.S.A., ii. 268.

carrying a major railway scheme, uninformed by a previous round of comprehensive public debate. It was the Bill itself that brought the main prize-fighters into the ring.

The Government proposed in 1879[1] to carry the western railway from Beaufort West through Richmond to Colesberg, and to extend the midland line from a point well south of Graaff Reinet to join the new western extension near Nel's Poort, some 50 miles north-west of Beaufort West. The Government had thus chosen Richmond and Colesberg in preference to Victoria West, Hope Town and the diamond fields, confirming the point that the diamond fields were not a crucial factor in railway calculations. This part of the scheme was warmly received in Richmond and Colesberg[2], but Victoria West and Hope Town were left 'in the cold', and Graaff Reinet at the end of a cul-de-sac[3], while Beaufort West rejected a point of junction so far to the north[4]. The border line was to be extended via Dordrecht to Aliwal North, and border communities rejoiced[5], except for Burghersdorp, which would be left altogether without railway connection[6]. The line from Port

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1. See map on p. 196.
2. R.Era, 11, 23 Aug. 1879. Colesberg Advertiser, 16, 23, 30 Aug. 1879.
3. E.R.H., 20, 23 Aug. 1879.
4. E.Courier, 22 Aug., 5 Sept. 1879.
5. E.L.D., 16 Aug. 1879. Watchman, 25 Aug. 1879. C.F.P., 22 Aug. 1879.
6. Burghersdorp Gazette, 8, 21, 29 Aug. 1879.

# RAILWAY PLAN OF 1879

RAILWAYS ALREADY AUTHORISED: ——

RAILWAYS PROPOSED IN 1879 : ——

Orange River
GRIQUALAND WEST
Kimberley
Bloemfontein
Berea
Thaba Bosigo
Ookiep
Hope Town
ORANGE FREE STATE
BASUTOLAND
Orange River
Colesberg
Aliwal North
Herschel
GRIQUALAND EAST
Hanover
Burgher's dorp.
Dordrecht
Victoria West
Richmond
TEMBULAND
PONDOLAND
WESTERN PROVINCE
Murraysburg
EASTERN PROVINCE
Cradock
Queenstown
FINGOLAND
Graaff Reinet
Butterworth
Beaufort West
Aberdeen
Somerset East
Stutterheim
Clanwilliam
Bedford
Alice
Kingwilliamstown
Piquetberg
Fort Beaufort
Tulbagh
Ceres
Grahamstown
East London
Bushman's River
Malmesbury
Wellington
Ladismith
Oudtshoorn
Peddie
Worcester
Bathurst
Uitenhage
Cape Town
Paarl
Robertson
George
Port Alfred
Stellenbosch
Swellendam
Port Elizabeth
Wynberg
Riversdale
Mossel Bay
Simonstown
Caledon

MILES
0 10 20 30 40 50 100

Alfred to the Kowie was included, and so was a short line from Wynberg to Kalk Bay to link the northern and southern coasts of the Cape peninsula and ease communication between Cape Town and Simonstown. The total cost of the plan was just under £4,300,000[1].

There were no branch lines, and nothing for Mossel Bay. No extension of the Cradock line was proposed.

The Government made it clear that their scheme was not based on consideration of which routes would best pay their way: in the Commissioner's words, 'the Government was not wedded to the particular routes which were laid down...let Port Elizabeth go to Colesberg and Cape Town go to Hope Town, or let them if they liked, both go to Colesberg; only let them say where they wished to go'[2]. The political calculus behind the scheme appears to have been as follows: the border communities would never accept a railway scheme which gave them nothing and would in combination with all other doubtful or disappointed interests destroy such a scheme. It was also clear that most western interests would insist that a western extension were included in any scheme; the western and midland lines were nearest completion; and Port Elizabeth wanted a midland-western junction and extension into the interior[3]. Meanwhile, the Cradock line was still two years from completion, and there had been no

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1. Argus, 14 Aug. 1879. This figure included £½ million for interest paid during construction and £172,000 for additional railway works in Port Elizabeth and East London.

2. Argus, 26 Aug. 1879; Laing's speech in Assembly on 25 Aug. 1879.

3. See above, p. 184.

agitation in Port Elizabeth or Cradock for its extension. These considerations suggested that two main line extensions were needed from Beaufort West and Queenstown. The border extension could hardly bend inwards to Colesberg: border communities did much more trade with Basutoland and Aliwal North than they did with Colesberg, and a border line heading into the centre of Port Elizabeth's hinterland would clearly be more than Bay men could endure. The border line also needed to keep to the east if it were credibly to embody a strategic purpose. Therefore, the border line had to go to Aliwal North rather than Colesberg.

This left a large area to be served by the extension from Beaufort West. Colesberg was the best central point for the trade of the Free State and beyond as well as the diamond fields, and should be welcomed as a terminus for this reason in Cape Town and Port Elizabeth. The Kowie line would gather a few more votes and would, by giving Cradock access to the Kowie as well as Port Elizabeth, provide some compensation to offset any disappointment in Cradock at the choice of main line extensions. The Kalk Bay line would, together with access to Colesberg and the Free State, help to compensate Cape Town for the interception of the western line by the midland. Victoria West, Hope Town, Graaff Reinet and branch line claimants would be isolated and outvoted. Such is a conjectural analysis of the Government's political calculations in putting forward the scheme of 1879.

But Cape Town's Chamber of Commerce, when it met to discuss the Bill, was not ready to commit itself. Opinions were divided on the

relative merits of Colesberg and Hope Town as possible termini. Nor had they considered what junction with the midland line, if any, was the best. A resolution was passed condemning the Bill as 'hasty legislation before adequate surveys are made and the different routes fully discussed'[1]. This alone probably sealed the fate of the Bill, since very few representatives of the Western Province south of the karroo could be expected to vote for a costly railway scheme that offered most of them nothing but a main line extension, unless the extension was unequivocally desired in Cape Town. Together with representatives from other areas disappointed by the scheme, their votes were decisive.

But more dramatically, the merchants of the Bay passionately denounced the Bill. C. F. Blaine, H. B. Christian, P. W. Court, A. C. Stewart, H. H. Solomon[2] and J. C. Kemsley of the Port Elizabeth Telegraph expressed their outrage at a crowded public meeting, which carried resolutions protesting at 'the extraordinary omission by the Government of any provision for the extension of the Port Elizabeth and Cradock Railway', and insisting that the Cradock line should be extended simultaneously with the border line and be joined to it north-west of Queenstown. The Bill was characterised as a political attempt to play off western and border interests against Port Elizabeth. J. Miller, the Treasurer-General in the Sprigg Government and elected to the Legislative Council on Port Elizabeth votes, was threatened

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1. Argus, 21 Aug. 1879: meeting of Ch. of Commerce on 20 Aug. 1879.

2. See above, pp. 72-73, 100.

with the loss of his parliamentary seat. There was talk of betrayal of Eastern Province interests by an Eastern Government[1].

The essential perspective of these speeches was that Port Elizabeth had made the trade of the Colony outside the south-west and was its major commercial centre, entitled to rail connection with the major streams of its trade as a priority. By rights, it was repeatedly implied, there would have been no line to Beaufort West over the karroo and no border line to Queenstown. In coming to terms with political facts, it was necessary to accept that the border line would have to join a line from Port Elizabeth via Cradock aiming at the Eastern Free State and north-east of the colony, and that some extension of the western line, with midland junction, had to come. But to allow a line from Cape Town or a line from East London into Port Elizabeth's commercial hinterland before one of Port Elizabeth's main lines had been extended at all seemed a blatant political act of injustice. By the 1879 plan, Cape Town was given access to Colesberg and the Free State; the border line was given an independent run through the north-east to the eastern Free State and Basutoland; and Grahamstown and Port Alfred were to have a railway to compete with Port Elizabeth, too. No word was spoken in Port Elizabeth about achieving more direct access to the diamond fields. The concern in Port Elizabeth from 1879 onwards on railway matters was overwhelmingly with the threat to its commercial predominance throughout the colony

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1. P.E.Tel., 22 Aug. 1879: meeting of 19 Aug. 1879.

and beyond posed by 'political' railways from Cape Town and East London. Port Elizabeth demanded extensions of midland and Cradock lines to north-west and north-east to serve and secure its fan-shaped hinterland. This demand set the terms of the railway debate in 1880-1881.

Outside Richmond, Colesberg, the Grahamstown area and the border, there was therefore little support for the expensive measures proposed. Vintcent of Mossel Bay made a keynote speech in the Assembly criticizing the recklessness of the scheme, although he was to support a more reckless scheme in 1880 when a line to Mossel Bay was included. The Bill was shelved indefinitely by a large majority, and efforts to salvage individual lines were heavily defeated[1]. The ensuing railway agitations revolved primarily around Port Elizabeth's demands.

Despite the completion of the last stage of the western railway in early 1880 and of the last stage of the border line to Queenstown by the end of 1880, the Bay was still in 1880-1881 the foremost commercial centre of the colony, above all in the consignment and export of produce, wool and feathers to Great Britain. This can be gauged in part from the distribution of exports through the three main ports:

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1. Argus, 26, 28 Aug., 4 Sept. 1879.

Table 1

Total Exports through Major Cape Ports (excluding diamonds), 1878-1882

| | Total Exports through three main ports £ | % through Port Elizabeth | % through Cape Town | % through East London |
|---|---|---|---|---|
| 1871 | 3,277,319 | 69 | 29 | 2 |
| 1872 | 4,467,766 | 70 | 27 | 3 |
| 1878 | 2,936,050 | 71 | 23 | 6 |
| 1879 | 3,190,905 | 70 | 22 | 8 |
| 1880 | 3,818,747 | 69 | 23 | 8 |
| 1881 | 3,763,836 | 69 | 21 | 10 |
| 1882 | 3,787,930 | 64 | 23 | 12 |

The share of exports through Port Elizabeth was thus the same in 1881 as in 1871, although it was to fall markedly in 1882 and there was no mistaking the rise of exports through East London, assisted by its harbour and railway development. The fragile boom in the export of ostrich feathers up to 1882 tended to mask the rise of East London in the figures for total exports, since few feathers were shipped from East London. Comparable statistics for the weight of wool exports suggest that, while the predominance of the Bay was still marked, Cape Town's share of wool exports had risen a little since 1871-1872, perhaps because of its railway, and that East London's share had risen more significantly:

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1. These and subsequent trade figures are taken from annual summaries of Customs Returns: V.& P.1873, 1(i), G.29-'73; V.& P.1880, 1(i), G.28-'80; V.& P.1881, 1(ii), G.25-'81; V.& P.1882, 11(ii), G.9-'82; and V.& P.1883, 1(ii), G.36-'83.

Table 2

Wool Exports through Major Cape Ports, 1879-1882

| | Total wool exports through three main ports lbs | % through Port Elizabeth | % through Cape Town | % through East London |
|---|---|---|---|---|
| 1871 | 44,323,673 | 85 | 12 | 3 |
| 1872 | 46,495,807 | 85 | 11 | 4 |
| 1879 | 38,918,926 | 74 | 13 | 13 |
| 1880 | 41,659,583 | 73 | 14 | 13 |
| 1881 | 42,032,548 | 72 | 13 | 15 |
| 1882 | 40,879,539 | 67 | 13 | 20 |

This is not to say that East London's wool exports were not in many cases still consigned or exported on the account of Port Elizabeth enterprises, or that much of the increase in East London's share may not be accounted for by the growth of peasant production among the African population whose wool passed through East London. The point is that the profit-margins or commissions of wool-buying from the grower, and charges for forwarding, handling, insurance and port services were being paid in much larger measure to border interests than before, and that this tendency, along with a longer-run trend to export wool on their own credit from British correspondents, was bound to be encouraged by an extension of the border line without interception from the Cradock line.

Imports followed a similar pattern. Cape Town's share - always greater than its share of exports[1] - remained about the same as in the early 1870s, but East London's had risen and was growing:

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1. See above, pp. 10-11.

Table 3

All Imports for Consumption through Major Cape Ports, 1879-1882

| | Imports for Consumption through three main ports | % through Port Elizabeth | % through Cape Town | % through East London |
|---|---|---|---|---|
| | £ | | | |
| 1871 | 2,452,703 | 59 | 37 | 4 |
| 1872 | 4,050,429 | 58 | 35 | 9 |
| 1879 | 6,515,025 | 45 | 39 | 16 |
| 1880 | 7,235,003 | 46 | 38 | 16 |
| 1881 | 8,628,073 | 46 | 35 | 19 |
| 1882 | 8,945,692 | 42 | 34 | 24 |

The trend cannot be explained by imports of Government railway and war materials. In 1882, imports excluding these materials fell by about £268,000 at Cape Town and about £374,000 at Port Elizabeth but rose by about £418,000 at East London, and the respective shares of such imports were 32% at Cape Town, 43% at Port Elizabeth, and 25% at East London[1].

To sum up the state of commercial competition in 1880: Port Elizabeth was in broad terms as dominant an export centre as it had been ten years before. There were significant trends justifying the concern of its merchants at the prospect of 'political' railway extensions: the weight of wool exports had shifted a little towards Cape Town and markedly towards East London; importing through East

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1. V.& P.1883, 1(ii); G.36-'83, Report on Customs Transactions for 1882, p.5.

London was on the increase; and the relative commercial weight in the colony of independent border interests was significantly greater than in the early 1870s. But with 69% of the exports and 46% of the imports of the major ports passing through Port Elizabeth, and with an unquantifiable portion of the trade through East London moving on the orders, accounts or credit of Port Elizabeth enterprises, there could still be no doubt of the commercial pre-eminence of the Bay.

But not only was Port Elizabeth unable to control the assertion of local railway claims throughout the colony; the odds were also heavily against it in forming decisive political coalitions among the champions of local railway claims. The reasons why the balance of forces in railway politics was weighted against the Bay inhered in the divisions of interest in its own hinterland.

The first problem was that railways to protect the Bay's hinterland, passing, for example, through Nel's Poort, 50 miles north of Beaufort West on the western side, and through a point some miles north of Queenstown on the eastern side, to intercept western and border extensions, left a large area in the middle peopled by communities who would be threatened rather than benefited, such as Graaff Reinet, Colesberg, and Cradock. The next problem came from areas south of the railways demanded in Port Elizabeth. Beaufort West and Queenstown did not want junction lines in this position, because rivals north of the points of junction would benefit at their expense. Moreover, such railways offered no benefits to Mossel Bay, Oudtshoorn, Robertson and Montagu in the

west, nor to Grahamstown and Albany, Fort Beaufort and Victoria East in the east. They hit back in 1880-1881 with demands for their own railways and junctions. The third problem was those against whose ambitions Port Elizabeth's demands were aimed: Cape Town and its allies in the south-west, and East London and Kingwilliamstown in the east, whose interests were fundamentally opposed to the interception of their potential railway hinterlands by lines from Port Elizabeth.

Adjustments to the routes of the lines demanded in Port Elizabeth helped little. If they bent inwards after intercepting the western and border lines, the numbers of opponents in the central area of the colony was reduced, but by the same token opponents appeared in the extreme north-west and north-east. Thus, in Sprigg's 1879 scheme, the western and midland extension was well received in Richmond and Colesberg but rejected in Hope Town and Victoria West. Equally, to intercept the western and border lines further south was likely to increase the number of opponents left in a railway-less void in the centre of the colony, while Port Elizabeth merchants themselves could not contemplate too great an increase in the time and cost of railway connection with the northern Cape and areas beyond the Orange River. For example, the demand for a railway to join the border line north of Queenstown was designed to protect the Bay's hinterland in the north-east and serve the Free State trade; a junction further south would have added substantially to the distance by rail between Port Elizabeth and the interior.

There was only one way of trying to mitigate the opposition to the railways demanded by Port Elizabeth. Some of the large areas of the map which they would leave empty had to be filled in with their own railways if their support were to be won. The political corollary of Port Elizabeth's railway demands, enshrined in Sprigg's railway scheme of 1880, was that they had to be accompanied by other railways. Mossel Bay and Oudtshoorn, Grahamstown and the Kowie, had to have extra railways. With a midland extension passing through Graaff Reinet and joining the western line at Richmond to secure their votes and then bending inwards to appease Colesberg, the extreme north-west had to be filled in with another railway. The routes would be zig-zag, but this was the political price for forming a railway coalition. Thus, Port Elizabeth and the Sprigg Government became the protagonists of large and expensive railway schemes.

The only railway claims that Port Elizabeth merchants controlled were the claims of their own town. They were supported by other sectors of the community, but there could be no doubt in railway matters that the interests defined by its merchants were the interests of the community as a whole. It was typical that, in the aftermath of the 1879 Railway Bill, the merchants discussed railway demands and strategy in the Chamber of Commerce, then secured public endorsement, and dominated the Railway Extension Committee established at the public meeting[1].

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1. P.E.Tel., 18, 28 Nov. 1879.

Conscious of the necessity to conciliate other communities, the Railway Extension Committee issued a circular to towns throughout the colony[1]. The aim of the Circular was to place their basic railway demands - junctions to intercept western and border extensions - at the centre of the railway debate, while arousing as little opposition to them as possible. Lofty sentiments were expressed about the right of Cape Town and East London to advancement; Port Elizabeth only required an 'equal' chance through junctions of the western and midland, and Cradock and border, lines. Emphasis was laid on the right of inland towns to a 'choice of ports', an attempt to rally them behind junctions and against independent extensions of the western and border lines. The Circular merely invited views on the routes for junction lines, thus avoiding the antagonism which specific proposals were bound to arouse; and care was taken to solicit views on branch lines and lines from the minor ports, to show that Port Elizabeth's demands were not intended to exclude other claims.

The effects of this Circular in fanning railway agitations throughout the colony were compounded by steadily rising revenues, assisted by a recovery in wool prices, the rising value of ostrich feathers and of diamond exports[2], and demand generated by major public expenditure on wars and railways. The revenues had recovered and risen as follows.

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1. P.E.Tel., 6 Jan. 1880: Circular of 1 Jan. 1880.

2. See below, p. 226.

Table 4

Total Cape Revenues, 1872-1881[1]

| | £ | | s | | d |
|---|---|---|---|---|---|
| 1872 | 1,039,886 | - | 14 | - | 9 |
| 1873 | 1,213,755 | - | 16 | - | 6 |
| 1874 | 1,518,016 | - | 13 | - | 7 |
| 1875 | 1,602,917 | - | 19 | - | 8 |
| 1876 | 1,433,973 | - | 4 | - | 4 |
| 1877 | 1,407,684 | - | 7 | - | 1 |
| 1878 | 1,753,488 | - | 2 | - | 9 |
| 1879 | 2,453,698 | - | 9 | - | 7 |
| 1880 | 2,620,327 | - | 3 | - | 3 |
| 1881 | 3,336,623 | - | 13 | - | 0 |

Meanwhile, Sprigg made a grand tour of the Colony, attempting to propitiate communities aggrieved by his 1879 railway plan and encourage others by hinting at a generous railway Bill in 1880[2]. Sprigg was acutely conscious of the humiliating denunciation of his previous scheme by the leading commercial centre of the colony, and at an interview with the Bay's Railway Extension Committee in February 1880, he put himself explicitly at the head of the movement in favour of junctions and a choice of ports in east and west, and mentioned £7 million as the sum he had in mind to request from parliament for railways, thus

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1. Source: V.&.P.1882, 11(i); A.35-'82, Financial Statement for 1882-3, pp.24-25.

2. Argus, 20 Nov. 1879. Q.F.P., 17 Feb. 1880.

offering hope to those communities who had claims separate from the main line scheme which he had espoused[1]. The celebrations at the opening of the Graaff Reinet[2] and Beaufort West railways[3] helped to increase the excitement. Port Elizabeth's determination to keep its north-western hinterland was made clear at the Beaufort West celebrations: at least five senior partners of Bay houses attended, and Christian caused a row by a speech expressing the hope that Beaufort West farmers and landowners would benefit in the next round of railway extensions from a railway from Port Elizabeth[4]. The first few months of 1880 were the high tide of Cape railway agitations.

The disquiet was perhaps greatest in some of the border districts. The border interest as a whole emerged as one of the crucial elements in the coalition that destroyed Sprigg's and Port Elizabeth's railway plans.

The desire to extend the border line rested, as ever, not only on commercial ambitions but on hope of attracting capital to the coal-field of the Stormbergen[5]. Burghersdorp's railway claims were promoted

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1. P.E.Tel., 24 Feb. 1880, interview of 20 Feb. 1880.
2. G.R.H., 30 Aug. 1879.
3. P.E.Tel., 6 Feb. 1880.
4. B. Courier, 10 Feb. 1880.
5. See above, p. 88.

by men who subsequently promoted the Cyphergat Coal Mining Company[1] to work the coal seams near their town, and their railway competition with Dordrecht was increased by rivalry with the Indwe coal mines near Dordrecht. By early 1881, James Weir and E. Byrne of Kingwilliamstown were committed, together with Dordrecht businessmen like the auctioneer J. Bradfield, to promoting the Indwe Coal Mining Company[2]. The coalfields, requiring railway communication to make their development economical, added to the urgency of border railway demands.

Moreover, the strength of the border's voice in public debate had been increased by the rise of East London. This community could by 1880 rally an estimated 250 men to a railway meeting[4], led by those managing commercial businesses supported by Kingwilliamstown firms, by independent auctioneers, sometimes combining property transactions with landing and shipping agencies, and by at least one independent wholesaler, consignment agent and exporter, Alfred Webb, with his own London correspondent[5]. East London's prominence in public debate was underlined by the fact that Sprigg was one of its MLAs.

The political coherence of the border railway interest rested primarily on the simple fact that the border was the flank of the

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1. Argus, 13 Dec. 1881.

2. Cape, P.W.D. 10, Elliott to Indure Coal Mining Co., 28 Oct. 1880, no.1236; Ibid., Assistant Commissioner to J. Weir, 1 Feb. 1881, no.114. Argus, 16 Feb. 1881.

3. Q.F.P., 5 Feb. 1880.

4. E.L.D., 24 July, 1880.

5. Advertisement in E.P.H., 27 July, 1875.

colonial settlement. Unlike Port Elizabeth's railway claims, the border railway claim had no rival to the east. Two votes would be lost either from Albert or Wodehouse, depending on the choice of route between Burghersdorp or Dordrecht. But the supporters of the railway extension to Aliwal North could rely on ten votes from border representatives. The question of a junction from the Cradock line was a little more divisive. The towns to the north of such a junction would have a 'choice of ports', and could be expected to vote for the junction - at least if they were not prejudicing the extension from Queenstown to Aliwal North by so doing. But either Albert or Wodehouse would still be left in the cold, so that the votes in the Assembly representing areas north of the junction would be only four, while those representing areas south of the junction or left off the border line would number eight.

Interests in East London and Kingwilliamstown were passionately opposed to such a junction. They wanted to reverse the ascendancy which Port Elizabeth merchants were said to enjoy in most of the areas around Aliwal North[1], and to prevent encroachment on the substantial footholds already achieved by border houses. A correspondent of the Argus reported bitter resentment in East London at Bay firms' successes in purchasing wool in the Dordrecht area[2]. A junction from the Cradock line would not put Port Elizabeth nearer the point of junction than East London, but it would give Port Elizabeth the

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1. E.L.D., 29 Sept. 1880: Sprigg's speech of 25 Sept. 1880.

2. Argus, 6 May, 1880.

commercial advantage because British shipping and insurance companies still charged much higher rates for freight to and from East London. The East London Dispatch complained in April, 1880 that they charged 60 shillings to carry goods to East London which they carried to Port Elizabeth for 35 shillings[1]. The border railway still did not pay its working expenses; and it was only the independent extension of the border line that could enable border merchants to wrest much of the trade of the north-east from Port Elizabeth, and develop the traffic which would make the border line pay and help to reduce freight and insurance charges at East London[2]. The furious campaign in East London and Kingwilliamstown in 1880 to demand the Grand Junction Railway in combination with Alice, Bedford and Fort Beaufort was posited as the only possible compensation for proposing to allow Port Elizabeth to intercept the border line[3]. Since there was no serious question of parliament's authorizing the Grand Junction Railway as well as the junction desired in Port Elizabeth and the border line extension to Aliwal North, even Sprigg did not include it in his proposals. He therefore had to contend with some eight border votes against the junction from the Cradock line.

The relative coherence of the distinctive border interest was thus placed in the balance as a significant weight against Port Elizabeth's railway claims, together with other, more isolated groups

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1. E.L.D., 14 Apr. 1880.
2. E.L.D., 12 May, 1880.
3. E.L.D., 17, 24, 27 Mar. 1880.

in the Eastern Province for which compensating railways could not be found. But the major weight in the same balance was that of most representatives of the Western Province, led by Cape Town.

It had been an assumption since the very beginning of railway agitations in the Cape that no railway Bill could omit a main line of railway in the west. The same assumption applied to an extension of the western railway from Beaufort West. Moreover, once the Inland Transport Company had been established in 1870[1], reaffirming Cape Town's basic ambition to stake out a hinterland north of the karroo, there were very few public meetings to discuss main line railways either in Cape Town or in any other town south of the karroo, although election meetings touched on railways as on other issues. On all major railway Bills, most representatives of the whole south-west of the colony, and most of those from the Western Province north of the karroo, entered the lobbies behind Cape Town's main line railway claims, defined by perhaps two dozen Cape Town merchants in the Cape Town Chamber of Commerce. These facts require explanation, for the mercantile power of Cape Town's wholesale importers, consigning agents and exporters gave them no greater control over the articulation of local railway claims outside Cape Town than did the mercantile power of Port Elizabeth. Sources of local capital accumulation and local political influence were as abundant in the Western Province as in the Eastern.

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1. See above, pp. 68-69.

As in Port Elizabeth, there was no possible source of conflict between the railway interests of Cape Town's merchants and the rest of Cape Town, because Cape Town was a port. Unlike Port Elizabeth, the commercial architects of Cape Town's railway claims did not need to call public meetings and agitate partly because they were on the spot when parliament was sitting and could make direct personal contact with Members and the Government, and partly because they could generally rely on the support of most representatives from the south-west of the colony. Their voting strength was one of the main factors which had underpinned Eastern Province antagonism to Cape Town rule: excluding Namaqualand in the far west, and George and Oudtshoorn which had separate railway claims, the area south and west of the karroo[1] returned a phalanx of no less than twenty-four Members to the House of Assembly.

The cohesion of that phalanx in railway votes cannot be explained by one or two cases of carpet-bagging or of a few M.L.A.s with interests in Cape Town representing another constituency. It has to be explained by common interests.

Cape Town's crucial advantage was that there could be no doubt about the general direction of a main line railway. Any railway within the south-west could only be a branch-line railway; it was only the interior beyond the karrro that offered new streams of trade to be tapped and markets already absorbing much western produce but to which direct access had previously been denied. There had been

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1. The Divisions of Cape Town, the Cape, Caledon, Clanwilliam, Malmesbury, Paarl, Piquetberg, Riversdale, Stellenbosch, Swellendam and Worcester.

no competitor to Beaufort West as the destination of a main line railway from Cape Town on the other side of the karroo; while, because commercial intercourse over the karroo had been so limited, there was no array of towns in the south-west which had grown as forwarding-stations and entrepots for the trade of the interior, comparable to those which divided interests in the Eastern Province over the direction of main line railways from Port Elizabeth. Thus, because the south-western communities were clustered around Cape Town south of the karroo, and because they formed the flank of the colony with no rival main line claim to the west, there was bound to be relatively little contention about the route of the western main line.

Moreover, direct access to markets north of the karroo offered clear advantages to producers and traders in the south-west, and the growth of demand for goods and services in Cape Town as a result of a growing volume of railway traffic could only benefit them. These blessings were not specific enough to arouse general enthusiasm outside Cape Town, but they were enough to secure loyalty to the western line in contention with rival claims and to mitigate hostility to incurring liabilities for main line extensions. This was an important factor in the assumption that south-western representatives would support Cape Town's claims.

The advantages of having no rivals to the west also applied in the area north of the karroo, once Cape Town's merchants had decided to opt for the main line extension via Victoria West to Hope Town.

At meetings of the Chamber of Commerce in late 1879, there was still disagreement about whether the Beaufort West extension should go to Hope Town or Colesberg, but the majority supported Hope Town[1]. Cape Town was more highly developed as an import centre than as an export centre, and had the potential advantage of loading imports onto railway trucks some days before they could be loaded in Port Elizabeth; and it was the diamond fields that offered the largest, single market for imports. Doubts were soon to be resolved by the marked growth in 1880-1881 of the purchasing-power of Griqualand West and of joint stock mining and other companies[2]. Once the agreed terminus was Hope Town, Cape Town's railway claim had the relative cohesion of interests on the flanks of the colony.

It was not only that cohesion that gave border and western interests an advantage. It was the crucial fact that they had a common interest with each other against the demands in Port Elizabeth for railways to keep its hinterland in the north-west and north-east. It will appear that, at the decisive moment in 1880, it was a western-border alliance which destroyed Sprigg's Railway Bill and with it the Bay's railway ambitions. Relatively cohesive flanks united against a centre which was divided.

There was an important financial dimension to the common interests of the flanks. Their basic railway demands were much cheaper than those of Port Elizabeth. Because of their numbers and cohesion,

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1. Argus, 2, 20 Dec. 1879.

2. See below, pp. 226-227.

they did not need to add small port and other lines to secure a majority in parliament. Representatives of south-western areas which might benefit only indirectly from their own main line extension were ready to support it as an alternative to a more costly scheme supported in Port Elizabeth. Thus, in the debate on the Second Reading of Sprigg's Railway Bill of 1880, J. H. Hofmeyr, J. Merriman and J. C. Molteno at first declared that they were in favour of delaying all further extensions, and probably spoke for a substantial body of opinion in the Assembly[1]. But they decided instead that they needed to form a coalition with those who wanted a less expensive scheme incorporating the western extension to Hope Town, the border extension to Aliwal North, and an extension from Cradock to Colesberg, with no junctions and no minor lines[2]. The western-border alliance which carried the cheaper scheme in committee thus rested on two planks of common interest. One was a positive intention of promoting their own, independent main line extensions to increase their wealth and trade. The other was a negative interest in rejecting, on grounds of cost as well as railway interest, junction lines from Port Elizabeth and attendant lines from small ports and fork lines[3] which did not benefit them. Similarly, it was as taxpayers, as well as Western interests who would benefit from the extension of the western line, that the Members for the

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1. Argus, 6 July, 1880: debate in Assembly, 5 July, 1880.

2. See below, pp. 221-222.

3. See above, pp. 219-221.

south-west could be relied on to back Cape Town's interests against the railway demands of Port Elizabeth.

The Session of 1880 did not go well for the Government, even before the Railway Bill. They secured a majority of nine repelling an attack on their native policy, especially that of Disarmament, but this compared with a majority of twenty-three for a similar vote in the previous Session[1]. More important, the Government's proposal to call a conference to discuss the Confederation of South Africa, which was an important part of their platform, had been shelved after four days' debate, when enough opposition and apathy had been manifested to make it clear that there was insufficient support to justify going ahead with the conference[2]. Then the railway Bill, unveiled in June, was crushingly defeated.

The 1880 plan[3] provided for loans totalling over £6¼ million for railway construction, plus £1 million to cover interest on the capital borrowed while the lines were being built[4]. It was proposed to extend the Midland line via Graaff Reinet, to join an extended western line at Richmond. From Richmond, it was proposed to take the line to Hope Town, with a fork to Colesberg. About a million pounds was included for a railway from Mossel Bay via George to Oudtshoorn. Thus, in the Western Province, a zig-zag route, a

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1. Argus, 4 June, 1880.
2. C.P.P., 29 June, 1880; Argus, 26 June, 1880.
3. See map on p. 220.
4. Argus, 29 June, 1880.

# RAILWAY PLAN OF 1880

RAILWAYS ALREADY AUTHORISED: ——
RAILWAYS PROPOSED IN 1880 : ——

ORANGE RIVER
GRIQUALAND WEST
Kimberley
Bloemfontein
Berea
Thaba Bosigo
Hope Town
Cokiep
ORANGE FREE STATE
BASUTOLAND
orange River
Colesberg
Aliwal North
Herschel
GRIQUALAND EAST
Burghersdorp
Hanover
Dordrecht
TEMBU-LAND
Victoria West
Richmond
EASTERN PROVINCE
WESTERN PROVINCE
Murraysburg
Graaff Reinet
Cradock
Queenstown
FINGO-LAND
Butterworth
Beaufort West
Aberdeen
Somerset East
Stutterheim
Kingwilliamstown
Alice
Bedford
Fort Beaufort
Grahamstown
East London
Clanwilliam
Piquetberg
Tulbagh
Ceres
Peddie
Bathurst
Bushman's River
Ouditshoorn
Ladismith
Uitenhage
Malmesbury
Wellington
Worcester
Paarl
Robertson
George
Port Alfred
Port Elizabeth
Cape Town
Stellenbosch
Swellendam
Wynberg
Riversdale
Mossel Bay
Simonstown
Caledon

MILES
0 10 20 30 40 50 100

fork and a major line from Mossel Bay comprised the price for trying to win over Graaff Reinet and Richmond, Hope Town and Colesberg, Cape Town, Mossel Bay, George and Oudtshoorn to support a Bill proposing the midland extension to protect the Bay's hinterland in the north-west. The Wynberg-Kalk Bay line was again proposed.

In the east, the border line was to be extended to Aliwal North via Burghersdorp, although the Government itself split in voting on the choice of route between Burghersdorp and Dordrecht[1]. A junction was to leave the Cradock line 30 miles south of Cradock to meet the border extension some 35 miles north-west of Queenstown. The Kowie line was again included to help win support in the Eastern Province.

The rival scheme agreed between the opponents of the Bill was estimated to cost £3½ million compared with £6¼ million for the construction of the railways proposed by Sprigg. It comprised lines from Beaufort West by the direct route to Hope Town via Victoria West, from Cradock to Colesberg, and Queenstown to Aliwal North via Dordrecht. The direct line from Cradock to Colesberg would put Port Elizabeth nearer the Free State and the diamond fields than the midland-western junction would; but this was not the Bay's main concern. A meeting of the Port Elizabeth Chamber of Commerce expressed outrage at the opposition's proposal to give the western railway an independent run through the north-western districts of the Cape and to 'force' all the trade of the eastern Free State, Basutoland

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1. Argus, 10 July, 1880; debate in Assembly, 9 July, 1880.

and the north-east to East London[1]. But it was western and border interests that had the power in the division lobbies.

Although voting on individual lines varied, the core of the majority which carried the cheaper scheme intact in committee was a coalition of eight border members voting against Sprigg's scheme with some 26 western members[2]. Since about 63 votes were cast in all, the western-border alliance itself constituted a majority. Of the western component, about 22 votes came from representatives of areas south or west of the karroo[3], and the majority on crucial divisions included four votes from representatives of Beaufort West, Victoria West and Hope Town. The two M.L.A.s for Cradock, which would be left on a cul-de-sac by Sprigg's scheme, voted consistently with the opposition, which was further strengthened in some divisions by votes from Somerset East and Victoria East, offered nothing by the Government scheme, and by one or two others voting with the majority when it was clear that the Government's scheme would be defeated.

Apart from the members of the Government itself, there were very few Members for whom loyalty to the Government or expectation of gain from railway patronage in their hands was allowed to override the local railway interest as a determinant of voting. Of the members voting against Sprigg's Railway Bill in 1880, three western

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1. P.E.Tel., 9 July, 1880; meeting of 7 July.

2. V.& P.1880, Assembly, division lists for 12, 14 July, 1880.

3. i.e. Caledon, the Cape, Cape Town, Malmesbury, Namaqualand, the Paarl, Piquetberg, Riversdale, Stellenbosch, Swellendam, and Worcester.

and five border members had supported the Government in a confidence motion three weeks before[1]. And the votes cast for the rival scheme were cast while the Sprigg Government was still in power to administer it.

When the rival scheme had been carried intact, the Government declared its insistence on a midland-western junction to avoid unjust injury to Port Elizabeth's interests, and, since a midland extension via Graaff Reinet had been defeated in committee, proposed the alternative junction line from a point well south of Graaff Reinet to Nel's Poort which they had put forward in their plan of 1879. No doubt the Government hoped to mitigate the political humiliation of defeat by rallying some of those who were satisfied with the rival scheme, particularly border Members, behind the western-midland junction as an alternative to losing what they had gained. It was Cape Town and the south-west that stood to lose from the junction. Perhaps the Government could lead a largely Eastern Province majority against the south-west to defend the rights of Port Elizabeth and emerge with its political authority partially restored? The manoeuvre misfired badly. Border Members who had voted with the west had no interest as taxpayers in an extra junction to benefit Port Elizabeth. The opposition to the Sprigg Plan remained largely intact and was of course now swelled by the enraged Members for Graaff Reinet. The Government's new junction proposal was soundly beaten[2]. Having nailed his colours

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1. V.& P.1880, Assembly, division list for 29 June, 1880.

2. Argus, 14, 15 July, 1880: debates in Assembly on 13, 14 July, 1880.

so firmly to the mast in an effort to reassert his authority, Sprigg could not bear to accept another defeat. He also knew that he still had majority support for his native policy. He withdrew the Railway Bill and challenged his opponents to try a vote of No Confidence[1].

These events in Cape Town aroused passionate reactions in several parts of the colony, not only among articulate elites. The fury in Mossel Bay at the opposition to Sprigg's scheme culminated, after a public meeting, in the burning of 'J. X. Merriman', one of the architects of the rival scheme, on the steps of the town hall[2]. And in Richmond, when it was learned that one of their M.L.A.s, Powell, whose local constituency was Hope Town, had voted for the rival scheme, his effigy was paraded through the town as a 'traitor' and burned in the market square[3]. Of greater political interest was the reaction in the main border towns. Public meetings in East London, Queenstown and Kingwilliamstown had denounced Sprigg's Bill with one voice[4]. When Sprigg withdrew the amended Bill which gave them an independent extension of the border line, Kingwilliamstown's Railway Committee declared that Ministers should resign[5], and in Sprigg's own constituency of East London, a crowded public meeting,

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1. Argus, 17 July, 1880; Sprigg's speech in Assembly on 16 July.
2. O.Courant, 27 July, 1880.
3. G.R.H., 21 July, 1880.
4. E.L.D., 3 July, 1880. Q.F.P., 6 July, 1880. Watchman, 5 July, 1880.
5. Argus, 21 July, 1880.

including many of his supporters on other issues, resolved to request their junior Member to vote against the Government in the approaching No Confidence debate[1].

The defeat of Sprigg's Railway Bill of 1880 had no immediate impact on political history; J. X. Merriman's motion of No Confidence was a formal indictment rather than a serious attempt to dislodge the Government. The storm had just broken in Basutoland, so that the vote was not primarily about railways and fell at a critical moment when the majority supporting Sprigg's policy of Disarmament were disinclined to see the reins of Government transferred to the critics of the policy of 'vigour' in relation to the black population[2]. The Government survived the vote by 32 votes to 24[3]. The main significance of the defeat of Sprigg's Railway Bill lay rather in the rejection of Port Elizabeth's railway plans, in the demonstration that the men of the Bay could not develop the political muscle to preserve their commercial hegemony in the era of railways.

A number of developments in the following months weakened the position of the Sprigg Government. Sir Bartle Frere was recalled in September 1880, and the policy of Confederation with which he and the Sprigg Government were closely associated received a death-blow when war erupted in the Transvaal against the British occupation there.

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1. E.L.D., 24 July, 1880. The junior Member, George Blaine, in fact pleaded 'influenza' and did not vote: Argus, 24 July, 1880.

2. Argus, 22, 24 July, 1880.

3. V.& P.1880, Assembly, division list for 23 July, 1880.

Meanwhile, the wars against the Basutos and against Tambookie and other rebels in the Transkei exposed weaknesses in the much-vaunted defence measures of the Sprigg Government; and in Basutoland, the Sprigg Government were forced to accept the mediation of the High Commissioner on humiliating terms[1]. But the most important political development affecting railway politics was the annexation of Griqualand West to the Cape in late 1880. In the Session of 1881, four Members for Griqualand West entered the arena of Cape railway politics in the House of Assembly. Since the supporters and opponents of the Sprigg Ministry were so evenly balanced, it was unlikely for political reasons that the diamond fields would continue to play a secondary part in railway calculations.

Moreover, an important change was taking place in the production of diamonds. While exports other than diamonds only reached in 1880-1881 a level similar to 1874, the year of the Molteno Plan, the relative value of diamond exports grew very rapidly. The official statistics for diamond exports need to be treated with due caution, but there is no reason to doubt the general trends they displayed:

Table 5

Relative Value of Diamond and other Exports, 1879-1881[2]

| | Diamond Exports £ (to nearest 10,000) | Other Exports £ (to nearest 10,000) |
|---|---|---|
| 1879 | 2,580,000 | 3,810,000 |
| 1880 | 3,370,000 | 4,340,000 |
| 1881 | 4,180,000 | 4,220,000 |

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1. Davenport, Afrikaner Bond, pp.73-75; L.Thompson, 'The Subjection of the African Chiefdoms', C.H.S.A., ii. 269.

2. Source: G.20-'86, Trade Returns for 1885, pp. 4-5.

These trends were accompanied by increased expenditure in Griqualand West by joint-stock companies on machinery to open up the diamondiferous pipes running deep into the ground and on many aspects of urban development, from clubs and hotels to brickworks, transport and laundry services. Some twelve joint stock mining companies had been formed by 1879 with capital subscribed mainly in Kimberley itself[1]. But it was towards the end of 1880 that the 'company mania' set in[2], and this mania led not only to much increased demand for goods and services in Griqualand West but also to the creation of a class of investors in many towns of the Cape heavily committed to the 71 mining companies and host of other companies floated in Kimberley by late 1881. Eight million pounds was subscribed for mining companies alone, and a substantial if unquantifiable proportion of these and other investments in Griqualand West came from the Cape[3]. The unprecedented demand for fuel and machinery for the operations of the mining companies coincided with labour shortages caused by the wars in Basutoland and the Transvaal and with increased demand for farm and garden produce which could no longer be supplied from the Transvaal.[4] There could therefore be no doubt of the much increased importance of Griqualand West as a market, nor of the value of railway communication in reducing the working costs of the companies in which so many Cape investors had a growing stake.

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1. P. H. Emden, Randlords (London, 1935), p.42.

2. J. W. Matthews, Incwadi Yami, or Twenty Years' Personal Experience in South Africa (London, 1887), p.191.

3. Ibid., pp.244, 252; Emden, op.cit., pp.37-44.

4. Argus, 22 Feb. 1881.

Railway agitations adjusted to these new circumstances. For example, amitions in the border districts to share in the trade of the diamond fields were re-awakened for the first time since 1872; their Chambers of Commerce and press urged that the interests of Kimberley in coal, grain, labour and speedy access to the coast all necessitated the extension of the border line and its subsequent connection with the Fields[1]. More generally, a correspondent of the Argus reported in March, 1881 that

> monopolizing the Diamond Fields trade ...seems the goal for which all the Eastern towns are working, if one may judge from the utterances a traveller picks up. [2]

The determination in Cape Town to have speedy railway extension towards the diamond fields led the Chamber of Commerce at a moment of political uncertainty, when it seemed possible that a change of Government could lead to a postponement of railway extension, to resolve in favour of an extension to Hope Town and a junction with the midland railway, to secure the support of Port Elizabeth. No mention was made of any other line[3]. But Cape Town's rivalry with the Bay soon re-asserted itself when anxiety that railway extension might be postponed was allayed.

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1. e.g. Q.F.P., 7 Sept. 1880: Letter from Queenstown Ch. of Comm. to Kimberley Ch. of Comm., 16 Aug. 1880. E.L.D., 23 Feb., 16 Mar. 1881. Watchman, 16 May 1881.

2. Argus, 3 Mar. 1881.

3. Argus, 6 May, 1881; meeting of 5 May, 1881.

There might have been cause for the concern in Cape Town had railway planning been a matter of sober calculation of risks. When parliament met in 1881, it was known that, in addition to some £1½ million spent on wars in 1877/78-1879/80, at least £1,300,000 had been spent in 1880/81, and that war expenditure was still going on[1]. It was also known that the existing railways had returned £1 - 5s - 7d per £100spent on them in 1878, £1 17s in 1879, and £2 - 4s in 1880, leaving most of the interest on borrowed capital and Sinking Fund payments as a burden on the revenues, and that the border line had failed to cover its working expenses at all until 1881[2]. The prosperity of 1881 was soon to prove fragile. But those counselling caution in 1880 had found it politic to join forces with those anxious for the railway extensions carried in committee, and in 1881, as illustrated in the Cape Town Chamber of Commerce meeting, the determination to press on with railway extension to the diamond fields was a source of intensified pressure against further delay. Moreover, neither the outgoing nor the incoming Government could contemplate courting the disfavour of the Griqualand West Members or of the many other interests demanding railway extension by setting their face against a major Railway Bill. Similarly, it was politically naive to suppose that any Government would antagonize the entire Eastern Province outside Port Elizabeth and Uitenhage by proposing a single main line and junction as suggested by the Cape Town Chamber of Commerce.

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1. V.& P.1881, 1(iii); A.20-'81, Financial Statement, p.9.

2. Argus, 31 May, 1881; speech by J. X. Merriman in Assembly on 23 May, 1881.

The Sprigg Government did not last long when the Session of 1881 began. They survived a first vote of No Confidence by 37 votes to 34, thanks to the support of all four M.L.A.s from Griqualand West. This narrow majority soon showed signs of further erosion[1]; and it was an important general factor in the Sprigg Government's inability to use railway promises successfully to preserve its majority that it had twice failed to carry Railway Bills in 1879 and 1880, while the Opposition leaders had in 1880 designed a rival scheme which had won majority support. More specifically, this was an important consideration inducing Rhodes to join F. H. S. Orpen, his colleague from Barkly West, in withdrawing support from the Sprigg Government and precipitating its resignation[2], although it should be noted that, contrary to some accounts of this incident[3], the other two Members for Griqualand West continued to support Sprigg and voted against the Scanlen Government in the division which showed that Rhodes and Orpen had changed sides[4].

The new Commissioner, J. X. Merriman had within a fortnight introduced a Railway Bill containing the basic scheme carried in Committee in the previous Session - lines from Beaufort West to Hope

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1. G.R.H., 30 Apr. 1881; Argus, 5 May, 1881.

2. Cape Times, 6 May, 1881. 'Vindex', Cecil Rhodes. His Political Life and Speeches, 1881-1900 (London, 1900), pp.38-39.

3. Davenport, op.cit., p.75; B. Williams, Cecil Rhodes (2nd edn., London, 1938), p.63; Walker, History of South Africa, p.390.

4. Argus, 21 May, 1881.

Town, Cradock to Colesberg, and Queenstown to Aliwal North - but with one significant addition. For the first time a junction was proposed, not between the midland and western lines, but between the Cradock-Colesberg and western lines, from a point near Colesberg to a point near Hope Town.[1] This junction would put Port Elizabeth 470 miles by rail from Kimberley, compared with 507 miles via the shortest midland-western junction, and would enable the Bay to reach Hope Town by rail at the same time as Cape Town and by a much shorter route. But the junction also put Grahamstown nearer the Fields than the Bay; arrangements were now underway for the Kowie Railway to be built by private enterprise[2], so that Merriman's junction harnessed Grahamstown's old ambition to open up the Kowie in competition with Port Elizabeth behind his 1881 Railway Bill. Merriman also stressed that his junction would later be linked with a junction from the border line, which should accordingly take the western route through Burghersdorp. The border districts would then have competitive access to Griqualand West without any problems implied by trying to achieve such access through the Free State. The Wynberg-Kalk Bay line was included in Merriman's Bill. The total estimated cost of construction for the 580 new miles of railway proposed was just under £4 million[3].

The new importance of the diamond fields, together with Merriman's junction proposal, were a further blow against the Bay's efforts to

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1. This was later adjusted after further surveys to run from Naauwpoort to De Aar - further away from Colesberg and Hope Town respectively than envisaged in 1881.

2. See below, p. 236.

3. Argus, 24 May, 1881; Merriman's speech in Assembly of 23 May, 1881.

maintain its hinterland in the north-west and north-east. They helped to legitimize proposals which, as the Argus put it, made it 'impracticable for Port Elizabeth to poach unduly on our preserves'[1]. They drove a wedge between Griqualand West's Members, wanting direct access to the major ports, and Port Elizabeth, wanting to keep the trade of the north-west and north-east. And they enlisted the interest not only of all the border districts outside Dordrecht, but also of Cradock, Grahamstown and Albany, and Colesberg, behind a junction from the north-east to the diamond fields instead of junctions enabling Port Elizabeth to intercept the western and border lines. In the crucial divisions in committee, the western-border alliance accounted for 28 votes in favour of the Government, but they were joined by all four Griqualand West Members and nine Members from the Eastern Province outside the border districts, notably from Grahamstown, Albany, Cradock and Colesberg[2]. This emphasizes the point that Port Elizabeth's weakness in forming railway coalitions was a function not only of the common interests and relative cohesion of the West and the border, but also of the disunity and rivalry among the independent communities within its own hinterland.

The opposition to the Government Bill mustered only twenty-five votes. Most of these were from representatives of areas interested in some form of midland-western junction, although they were divided on which junction it should be - via Oudtshoorn and Beaufort West, or

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1. Argus, 24 May, 1881.
2. V.& P.1881, Assembly, division lists on 3 June.

via Graaff Reinet and Richmond. Members from Fort Beaufort, Victoria East and Wodehouse, for whom the Bill offered nothing, and from one or two areas wanting other branch lines, accounted for most of the rest. But the Government refused to accept any amendments or additions, proposals for which were all defeated by the same basic voting block[1].

The Port Elizabeth Chamber of Commerce had again demanded a midland-western junction to secure its hinterland in the north-west, sensing that there was no hope of winning a railway to intercept the border line[2]. When it was clear that the midland-western junction would be defeated, there was great bitterness in Port Elizabeth[3]. New railway hinterlands had been marked out for Cape Town and East London at Port Elizabeth's expense, and direct access to the diamond fields was no substitute in the eyes of Bay men for the lost junctions. J. S. Kirkwood, auctioneer and M.L.A. for Port Elizabeth, put this point in parliament in an emotional speech:

> This Bill neglected the people who had toiled for years and years, building up new trades and new enterprises. This Bill rushed off to the Diamond Fields, which would last they could not tell how long; and the people of Port Elizabeth and Victoria and Carnarvon and the old parts of the country were neglected and utterly shunted. [4]

The arbitration of railway politics had finally gone against the merchants of the Bay.

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1. Argus, 7 June, 1881: debates in Assembly on 6 June, 1881.

2. Argus, 30 May, 1881; meeting of Port Elizabeth Ch. of Com., 28 May, 1881.

3. E.P.H., 7 June, 1881.

4. Argus, 31 May, 1881; speech in Assembly on 30 May, 1881.

# CHAPTER SIX

## THE NEW DIMENSIONS OF RAILWAY POLITICS, 1881-1885

The railway plan carried in 1881 effectively closed a chapter in the debate about the Cape's main line railway system. As commercial depression set in after 1882, the Government had no resources for major new railway commitments. Disputes about the route of a border-north eastern junction before 1885 were academic, because the development of the gold-mining industry beyond the Vaal, which would for the first time furnish revenues with which the junction might be built, would also change the terms of the argument. Similarly, the proponents of a midland-western junction had in 1882 onwards even less chance than in 1881 of winning parliamentary majority for their railway. An attempt by the men of Port Elizabeth after the Session of 1881 to champion and strengthen the caucus favouring a junction via Oudtshoorn to Beaufort West together with a connecting line from Mossel Bay[1] served simply to expose again the divided interests in its hinterland; at a conference of delegates interested in a midland-western junction in Graaff Reinet, a symbolic sextet of delegates representing local midland interests voted against the rival junction espoused by the merchants of the Bay: C. Geard the importer of ironmongery and B. J. Joubert, independent commission agent and financier, for Graaff

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1. See above, p. 191.

Reinet; van der Poel and Blake, property agents and auctioneers, for Richmond; J. A. Burger, landowner and flockmaster, and A. J. Herholdt, lawyer, auditor for the Divisional Council, and member of the Afrikaner Bond, for Murraysburg[1]. The political arbitration of 1880-1881 could not be reversed.

In two cases, private companies floated in London tried before 1885 to build smaller lines which parliament had refused to authorize as railways to be built by the state. The results again demonstrated the difficulty of attracting substantial private investment to local railways in areas offering no valuable land or mineral concessions. As in the cases of the Wellington and Uitenhage railway companies, the only realistic prospect of profit for the shareholders was that the Cape Government would either guarantee their profits from the revenues, or purchase the line on favourable terms. Without the intervention of the state, such companies faced bankruptcy sooner or later.

One of the railways built by a private company was the Kowie line. After the collapse of Sprigg's Railway Bill in 1880, S. Cron Wright, M.L.A. for Grahamstown, won a vote authorising in principle a Government subsidy of £50,000 to any company which completed a railway from Port Alfred to Grahamstown within five years according to Government specifications[2]. Cron Wright was acting on behalf of his friend, George Pauling, a contractor in the Cape who was in such financial straits that the bailiffs were shortly in his

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1. G.R.H., 21, 28 Sept. 1881. R.Era, all editions for September, 1881.
2. Argus, 22 July, 1880; debate in Assembly of 21 July.

house. Ralph Firbank, Pauling's associate in London, had insufficient financial backing, and the company failed in its gamble that the Government would give them the subsidy in advance to furnish some working capital[1].

It was not difficult to register such a company in London and attract men, sometimes known as 'guinea pigs', who collected incomes from directorships in return for subscribing some initial share capital but who were not necessarily competent managers or men of financial influence. Much the same group of 'guinea pigs' formed the original Boards of both the Grahamstown and Port Alfred Railway Company and the Central Railway Company, floated in 1883 to build the railway from Worcester to Montagu[2]. Some at least of these Directors, such as Sir Alfred Slade and E. Villiers, did not so far as is known have mercantile or other interests in the Cape: they were investors in directorships. Similarly, the chairman of the Port Alfred Company from July, 1882, Lord Brabourne, formerly Sir E. Knatchbull-Hugesson and a junior Minister at the Colonial Office in the early 1870s, had no other South African interests, but held directorships in four English railway companies and two manufacturing companies[3]. He seems to have subscribed no more than £500 in Port Alfred Company shares[4] but to have received £750 as an annual salary from the Company[5].

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1. G. Pauling, The Chronicles of a Contractor (ed. D. Buchan), (London, 1926), pp.36-41.

2. Merriman Papers 1883/118, Mills to Merriman, 10 May, 1883.

3. Kent Archives Office, Maidstone (K.A.O.) MS U1963/F6: press cuttings in Lord Brabourne's scrap-book.

4. K.A.O., MS U951/F25/36 (Knatchbull Papers): notes of financial commitments at back of Brabourne's diary for 1883.

5. K.A.O., MS U951/F25/35: entry for 16 June, 1882 in Brabourne's diary for 1882.

Some of the men attracted to the Boards of such companies were not the most committed and reliable of directors. The Cape's Agent-General in London reported to the Colonial Secretary in 1885 that the original Directors of the Central Railway Company had appropriated for their private use £30,000 from the Company's capital[1].

The initial capital of the Port Alfred Company was raised by debentures. Debentures were commonly issued on the security of subscribed share capital which had not been paid up, but this Company issued debentures before it had sold most of its shares, i.e. effectively without security. The Company's broker failed and absconded, and the Company was narrowly saved from bankruptcy in 1882-1883[2]. Moreover, thanks to the desperate finances of the contractor, the line was badly built. Trains were constantly delayed and ran off the rails[3]; and once the contractor obtained payment from the Government subsidy, he did no more work on the line, which was left unballasted and unsafe. The Company could raise no more capital; and heavy maintenance and repair costs exceeded working earnings[4]. From early 1884, the Board had been trying to interest the Cape Government in buying the line, and Brabourne had in mind a price of £410,000[5]. But the Cape Government refused to buy the railway in 1885[6]. The Company went into

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1. Cory MS 9860 (Sprigg Papers), Mills to Sprigg, 1 Oct. 1885.

2. Cory MS 9658 (Sprigg Papers), Lord Brabourne to Sprigg, 31 July, 1882. Merriman Papers 1883/41, Mills to Merriman, 15 Feb. 1883.

3. Merriman Papers 1885/85, Julia Merriman to John X. and Agnes Merriman, 10 Nov. 1885.

4. Argus, 25, 30 July, 4 Aug. 1887.

5. K.A.O., MS U951/F25/37, entry for 20 Feb. in Brabourne's diary for 1884.

6. K.A.O., MS U951/F25/38, entries for 4, 19 June in Brabourne's diary for 1885.

liquidation two years later, and the Government finally bought the line for £75,000[1].

The Central Railway Company was based on similarly weak foundations. The promoter, John Walker, had previously attempted to organize agricultural immigration to the Cape for the Government and led a syndicate hoping to colonize land in the Division of Swellendam, which the railway from Worcester was intended to penetrate[2]. The Government offered the Company in 1883 a subsidy of one fifth of the cost of completing the line to Montagu[3]. But the Company went into liquidation in 1889 after building only forty miles of railway[4].

These two episodes could only underline the importance of the state in financing the construction of branch lines and other small railways in the Cape, and help to renew the pressure for a proliferation of public expenditure on such railways when the revenues recovered after the rise of gold-mining.

But there were growing dimensions to railway politics in 1881-1885 with much wider significance for the future. One was the process by which the growth and amalgamation of the Afrikaner Farmers' Protection Associations and the Afrikaner Bond led them to absorb communities and individuals harbouring railway ambitions. This development had important implications. For railway ambitions among Bondsmen illustrated

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1. Cape, P.M.152, Liquidator of Port Alfred Railway Co. to Sprigg, 3, 6, 10 July, 1888, 11 June, 1889.

2. Merriman Papers 1883/118, Mills to Merriman, 10 May, 1883.

3. Cape, P.W.D.10, McNaughton to J. Walker, 13 Sept. 1883, no.754.

4. Cape, P.M.98, Mills to Sprigg, 28 Nov. 1889.

a category of economic interests shared in common with British colonists and dependent on British capital. At the local level, railway interests placed Afrikaners alongside British colonists interested in the same railway and in competition with Afrikaners and British colonists in other localities; and at the colonial level, commitment to the railways already built and ambitions for their extension tended to place Cape Bondsmen in contention with Afrikaners in the two republics when their policies later thwarted Cape railway ambitions, and discouraged radical ambitions to sever the Imperial tie which offered the Cape a host of advantages in raising British capital to finance public expenditure[1]. The economic gains from collaboration with British colonists in the accumulation of capital formed a profoundly important cross-current to aspirations to develop a distinctive cultural and political identity.

That cross-current will already be apparent from the history of railway politics since 1870. In midland and northern towns, Afrikaner businessmen with interests in the market for land, stock, urban property and shares, in legal transactions, in money-lending, banks and finance companies were consistently among the elites articulating railway claims. Afrikaner landowners or commercial farmers with diversified investments were among those lending support to townsmen in agitations about main line railways, particularly by championing the local railway claim in parliament. It has been noted that among future Bondsmen, Brink and Theron of Richmond, Herholdt of Murraysburg

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1. See below, Chapter 7.

and R. P. Botha of Cradock had manifested a marked interest in main line railway claims.

It was also an important coincidence that the rise of Afrikaner political organisations occurred as branch line railway claims grew after 1879. Most branch line railway claims required more extensive support outside parliament from Afrikaners living in the countryside than did the main line claims which were agitated by the towns. For example, the claims to branch lines in the south-west in the early 1860s had been supported by petitions largely signed by Afrikaner colonists[1]. This conformed to a familiar pattern. Not only had many Afrikaners long been involved from time to time in agitations on high political issues:[2] long before the rise of Afrikaner political organisations, there had been widespread involvement by Afrikaner elites, supported by petitions, even in the more remote areas, in local agitations to make demands on government resources. In 1871-1872, for example, petitions poured in from Afrikaner colonists about the disposition of courts, magistracies, and J.P.s, the use of Crown lands as outspans and thoroughfares, and, abundantly, in favour of particular roads, mountain passes and tolls or deprecating those proposed by rivals[3]. Competitive claims on the state for branch line railways were of a kind in which Afrikaner involvement was

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1. See above, p. 54.

2. S. Trapido, 'White Conflict and Non-White Participation in the Politics of the Cape of Good Hope, 1853-1910' (London Univ. Ph.D. thesis 1870), pp.42-43.

3. Petitions to Governor in Cape, C.O.4166-4176, Memorials, 1871-1872; and to House of Assembly in Cape, H.A.769, Memorials, 1872.

traditional and it was Bondsmen in smaller villages and rural areas, as well as those in the towns, that became involved in and out of parliament in local railway agitations.

Although the lowly boer farmer was accorded a prominent place in their speeches and propaganda, the leaders of the Zuid Afrikaansche Boeren Beschermings Vereeniging[1], formed in 1878[2], were town-based businessmen or richer landowners and commercial farmers, unlikely to be indifferent to the blessings of railways. The head committee, or hoofdbestuur, of the organisation[3], comprised an elite of such men.[4] Auctioneers from south-western towns included J. S. Marais, M.L.A., of the Paarl and P. J. Bosman of Stellenbosch. M. L. Neethling, M.L.C., and P. Myburgh, M.L.A., were commercial farmers of wine and corn, both of whom won prizes at the Stellenbosch Agricultural Show in 1880[5]. Myburgh was a champion in parliament of the branch line to Somerset West desired by his constituents, as was Hofmeyr himself[6], who had changed his mind about the line after his disinclination to support it had contributed largely to his election defeat in Stellenbosch in 1875[7]. M. J. Louw, M.L.A. and his son, T. Louw, M.L.A. of Malmesbury,

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1. Henceforth abbreviated to ZABBV.
2. Davenport, Afrikaner Bond, pp.13-18.
3. Ibid., p.16.
4. Names of 'hoofdbestuur' in Hofmeyr, op.cit., p.149.
5. Argus, 29 Jan. 1880.
6. Argus, 6 July, 1880: Hofmeyr's speech in Assembly on 5 July, 1880.
7. Hofmeyr, op.cit., p.141.

had been prominent champions of the Malmesbury branch line, and M. J. Louw was also an enthusiastic advocate in parliament of main line railway extension. He was a commercial farmer of wheat and grain, and in 1871 owned an establishment in Cape Town for pressing linseed and preparing oatcake for cattle[1]. By the later 1870s, he and his partner, J. H. Coaton, also on the hoofdbestuur, owned a business in Wellington comprising a large tannery, boot- and shoe-making works, and extensive purchasing of colonial produce. By 1878, this business paid £1,000 per year for carriage on the western railway[2]. The Secretary to the hoofdbestuur was H. P. du Preez, the Cape Town attorney and M.L.A. who was later a moving spirit in negotiations with the Government on behalf of the contractors building the Kimberley Railway and their sub-contractors, De Waal, Combrinck and Co.[3]

The head of these subcontractors, David de Waal, was among the representatives of local branches of the ZABBV at its first annual general meeting in 1879; he was later an important Bondsman and associate of Rhodes[4]. Another local representative was C. J. Manuel, M.L.A., a prominent Cape Town merchant, director of the Cape of Good Hope Bank and of two Cape Town finance companies, and a champion of Cape Town's railway claims in parliament and the Chamber of Commerce. The proponents of railways outside the ZABBV had little to fear from men of this kind.

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1. G.T.J., 19 May, 1871.

2. G.3-'78, Report of Railway Commission, Minutes of Evidence, p.336. Argus, 21 May, 1880.

3. P. Lewsen, Selections from the Correspondence of J. X. Merriman, 1870-1890 (Cape Town, 1960), pp.215-216.

4. Names of local delegates from S.A.P.L., Hofmeyr Papers, Notulen of ZABBV, Vol. 1: Report of Hoofdbestuur on First AGM of the ZABBV, dated 21 Oct. 1879. For David de Waal's political career, see references in Davenport, Afrikaner Bond, p.414.

The performance in parliament of the 18 or so M.L.A.s who were members of the ZABBV or supported by it[1] from 1879 confirmed their interest in railways, running counter to their differences with British colonists on other issues. Most of them voted in 1880 for the £3½ million scheme carried in committee and for Merriman's plan in 1881, but those whose local railway interests were neglected generally voted on the other side in the relevant division. Thus, J. J. Van Zyl, a wealthy landowner[2] and ZABBV Member for Richmond, fought for the western-midland junction at Richmond in 1880 and voted against the direct line from Beaufort West to Hope Town[3]. A bitter election campaign in Richmond, in which many townsmen had opposed Van Zyl[4], was forgotten when the same town mob that burned Powell's effigy[5], coupled Van Zyl's name with those of Sprigg, Laing and Sir Vartle Frere in a round of cheers after his railway performance[6]. Similarly, Van Zyl, Wilman and W. P. de Villiers of Beaufort West, and Van der Spuy of Oudtshoorn cast their votes against the Scanlen Government's Railway Bill in 1881, because it omitted a midland-western

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1. Davenport, Afrikaner Bond, p.72.
2. Noble, Descriptive Handbook, p.157.
3. V.& P.1880, Assembly, 12 July, 1880.
4. R.Era, 15 Feb., 3 May, 1879.
5. See above, p. 224.
6. R.Era, 17 July, 1880.

junction, and P. Myburgh of Stellenbosch voted against it presumably because it neglected the branch line to Somerset West. J. Joubert of Burghersdorp carried one or two of his ZABBV colleagues into the lobbies with him in 1880 to vote for the Burghersdorp route for the border line, against the rest of the ZABBV Members voting in the western-border alliance for the Dordrecht route. By 1884, Joubert and another Bondsman, D. P. van den Heever, were in the thick of the argument about the route by which the border and north-eastern lines might be joined[1].

The involvement of Afrikaners in branch line railway agitations, from outside as well as within the town elite, may be illustrated from the case of Oudtshoorn after 1879. The agitation there began at a Divisional Council meeting where townsmen including an Afrikaner property agent and an Afrikaner auctioneer and attorney were present with country dwellers like J. C. Bouwer, J. Pretorius, L. van der Westhuysen and C. J. Strydom[2]. At the subsequent public meeting, the proceedings were interpreted by an Afrikaner businessmen, and petitions were drawn up in English and Dutch. Ten Fieldcornets and three J.P.s were among several Afrikaners from outside the town co-opted onto the Oudtshoorn Railway Committee[3]. Town-based merchants and businessmen generally took the lead, but subsequent public meetings

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1. V. & P.1884, II; A.3-'84, Report of Sel. Comm. on Coal Fields Railways, Minutes of Evidence, pp.1-5, 5-7.

2. O.Courant, 16 July, 1879.

3. O.Courant, 23 July, 1879.

were advertised by hand-bills in Dutch in country districts and were said to draw large numbers of farmers[1]. One Committee member, who gave the opening speech at a public meeting in February, 1880, was H. van der Spuy[2]. He won a by-election in Oudtshoorn a year later as the candidate of the ZABBV, also supported by the Patriot, organ of the Afrikaner Bond.[3]

When Du Toit's Bond was still a minor phenomenon, the Patriot denounced the railway Bills of 1879 and 1880 as efforts of English merchants and their agents to plunge the colony into debt and make their fortunes at the expense of the producers, and took a similar line in 1881[4]. But as the Bond expanded as a political movement and amalgamated with the ZABBV, this point of view faded under the influence of the economic interests of its leaders and of the need to broaden its political base. It needed votes in towns and villages as well as the countryside, and it needed men of ability in organisation and public speaking, including men in the towns and villages to run election campaigns and communicate with Bond leaders by telegraph. The Bond therefore encompassed increasing numbers of places harbouring railway claims and of town-based interests of the kind most heavily committed to main line as well as branch line

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1. O.Courant, 27 Apr., 11 May, 1880.
2. O.Courant, 17 Feb. 1880.
3. Davenport, Afrikaner Bond, pp.44-45.
4. Patriot, 22 Aug. 1879, 2 July, 1880, 27 May, 1881.

railway extension. Moreover, just as the Bond needed men of this kind, so, as the influence of the Bond grew, did they sometimes deem it prudent to join the Bond. It is possible that in some cases railway interests were among those that some British colonists hoped to promote through joining the Bond.

It should be stressed that central meetings of the ZABBV and the Bond generally concentrated on matters of distinctive and common concern to Afrikaners, rather than railway claims that divided Afrikaners. Early in 1882, for example, a general meeting of ZABBV delegates received conflicting motions from local delegates on the question of the route for a midland-western junction. The hoofd-bestuur recorded that

> As feelings on this subject vary according to the nature of' local interests, the meeting decided to leave the matter of railway extension in the hands of local associations. [1]

It was in their localities and in parliament that Bond Members were to promote their local railway interests in co-operation with British colonists when the revenues recovered after 1885. The papers in Cape Town of F. K. Te Water's son and Bond member, Dr. T. Te Water of Graaff Reinet, include a plethora of letters from other midland Bondsmen and British colonists about the tactics of carrying their local railway claims in parliament, and Sprigg's major Railway Bill in 1890 was in part an attempt to shore up support for his Government among Bond Members by proposing a large number of branch lines[2].

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1. SAPL, Hofmeyr Papers, Notulen of ZABBV, Vol.1: Report of Hoofd-bestuur on Special General Meeting, 10 Mar. 1882.

2. Davenport, Afrikaner Bond, p.131.

The genesis of railway commitments already contracted and ambitions for more railways therefore illustrated and strengthened the economic stake which many influential Afrikaners had in the existing system of government, in collaboration with British colonists in the Cape, and in the access of the state to British capital on favourable terms. These economic interests were among the more important factors disposing the leaders of Afrikaner organisations in the Cape to work within existing institutions, to include in the concept of the Afrikaner all who aimed at the welfare of South Africa, and to promote distinctive Afrikaner interests without trying to eliminate British authority[1].

The other growing dimension to railway politics after 1881 was that of competition with other South African states. This was already apparent in the pressures building up to complete the main line system in the Cape quickly by building the railway from Hope Town to Kimberley.

The main source of these pressures was the deteriorating condition of the diamond mining industry. The collapse of diamond speculation and heavy losses to investors in diamond scrip were seen as a major cause of the ensuing commercial depression and contraction of credit[2]. The value of diamond exports began to plummet, and depression in the European market for diamonds coincided with reef falls, drought, which

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1. L. Thompson, 'Great Britain and the Afrikaner Republics, 1870-1899, O.H.S.A., ii.303.

2. G.36-'83, Report on Customs Transactions for 1882, p.1.

increased working costs, and smallpox. The bad news from Kimberley was a blow to the Cape's credit in London[1]. To cut fuel and transport costs and mitigate these disasters by building the Kimberley railway seemed of crucial importance not only to mining interests, but to their merchant suppliers in the Cape and Great Britain, to the investors in Kimberley companies wondering if a dividend would ever come, to those suffering from the pressure of creditors and the high price of money, and even to holders of Cape Government bonds. It was against this background that the South African Association in London, comprising mostly mercantile and shipping interests in the Cape trade, sent a memorial to the Cape Government urging the necessity of rapid railway construction to Kimberley[2], and there was heavy pressure in the Cape on the railway engineers to make faster progress with the two lines to Hope Town[3].

But the Kimberley railway was also relevant to rising competition between the Cape, Natal and the South African Republic for the trade of the interior. Natal's main line railway had only reach Pietermaritzburg by the end of 1880 and remained there for some three years. Natal resolved in 1883 to borrow £2 million for further railway extension, and the line began to make further progress in 1884[4]. More important in the short term, however, was the growth and improvement

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1. Merriman Papers 1883/97, Mills to Merriman, 5 Apr. 1883.

2. Cape, P.W.D.10, Merriman to Sir H. Barkly, J. MacDonald, and the other gentlemen who signed the Memorial, 7 Mar. 1883, no.209.

3. V.& P.1883, 1(iv); G.61-'83, Railways, Reports on Construction for 1882, p.12.

4. W. J. Busschau, 'Some Aspects of Railway Development in Natal', The South African Journal of Economics, Vol.1, No.4 (Dec. 1933), p.412.

of Natal's carrying trade as a result of the Zulu War[1], and the lower tariff imposed by Natal on imports. The threat from Natal to the Cape's trade assumed serious dimensions for the first time in our period as the depression set in[2]. The Treasurer-General warned the Cape parliament in 1882 that speedy railway extension to Kimberley was necessary if the Cape were not to be 'distanced in the race as regards the commerce of Kimberley, which is already deriving large supplies of sugar from Natal...'[3]. The Cape's customs house established on the border of Griqualand West in 1883 helped to hold the position there, but Natal was known to be seeking a railway and customs agreement with the Free State, and its commercial advantage was increased when the Cape was forced to raise its customs tariff in 1883. It was against this background that a Memorial of 334 merchants and others of Port Elizabeth urged the Government to extend the Colesberg line to the Orange River, although this was a forlorn hope given the state of the revenues[4].

By 1884, Port Elizabeth merchants were pleading successfully for a customs rebate to be given to customers in the republics and beyond on goods imported through the Cape, in order to eliminate Natal's tariff advantage, dwelling mainly on the Free State trade, but also stressing the prospects for increasing trade through Kimberley with

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1. A.9-'84, Report of Sel. Comm. on Customs Rebate and Excise, Minutes of Evidence, p.3 (C. F. Blaine).

2. Van der Poel, op.cit., pp.12-17.

3. V.& P.1882, II(i); A.35-'82, Financial Statement for 1881-2, p.13.

4. E.P.H., 20 June, 1883: Meeting of Port Elizabeth Chamber of Commerce on 18 July, 1883. Cape, P.W.D.10, McNaughton to D. F. Blaine, and others of Port Elizabeth, 18 Aug. 1883, no.693.

the South African Republic and beyond[1].

Protective duties levied by the South African Republic were another disturbing threat to Cape trade beyond the Vaal. One merchant of Barkly West contended in 1884 that much of the trade between Griqualand West and the South African Republic, which he estimated to have been worth between £½ million and £1 million before 1881, had been driven away from Cape ports to Natal by the combined effects of the Republic's tariff and the Cape's increased customs duties. At the same time, trekboers were athwart the road to the interior to the west of the Republic, raising the possibility that the 33% tariff wall around the Republic would be extended across the road to the interior; Rhodes ensured that the consequences for Cape trade were not lost on Government and parliament, and warned that the Cape's railways would become 'comparatively useless' if a protective wall blocked the road to the north[3].

Anxiety to counter the competition of Natal in the Free State and the South African Republic, and to mitigate the effects of the Republic's tariffs was thus a significant part of the background to mounting pressure to proceed with the construction of the Kimberley railway.

The Cape was already caught in a lasting dilemma, resting partly on the large commitments to railways already contracted. As the following tables show, revenues and railway receipts were stagnating; but the burden of interest and Sinking Fund payments on public debt was growing.

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1. V.& P.1884, 1(ii); A.6-'84, Petition of Mercantile Community of Port Elizabeth, 7 June, 1884.
2. V.& P.1884, II; A.9A-'83: Second and Final Report of Sel.Comm. on Customs Rebate and Excise, Minutes of Evidence, pp.9-11.
3. J.A.I. Agar-Hamilton, The Road to the North. South Africa, 1852-1886, pp.233-236. 'Vindex', op.cit., pp.62 ff. P.R.O., Colonial Office Papers, Series 537, vol.124A: Rhodes to Scanlen, 5 June,1883 (Secret telegraphic conversation).

Table 6

Cape Revenues, 1881/82-1884/85

| Year | Total Revenue Receipts* £ (to nearest thousand) |
|---|---|
| 1881/82 | 3,525,000 |
| 1882/83 | 3,307,000 |
| 1883/84 | 2,954,000 |
| 1884/85 | 3,318,000 |

* V.& P.1886, 1(i); G.1-'86, Appropriation Accounts, 1884/85, Report of Controller and Auditor-General, p.xxii.

Table 7

Cape Railway Receipts, 1881-1885

| Year | Net Railway Receipts (per £100 of capital invested)* | | |
|---|---|---|---|
| | £ | s | d |
| 1881 | 2 | 12 | 0 |
| 1882 | 2 | 7 | 10 |
| 1883 | 2 | 10 | 8¼ |
| 1884 | 2 | 14 | 1 |
| 1885 | 2 | 14 | 5 |

* V.& P.1886, 1(ii); G.38-'86, Report of General Manager of Railways for 1885, pp.38-39.

Table 8

Cape Government Expenditure Chargeable against Ordinary Revenues, 1880/81-1884/85*

| | Total | | | On Public Debt | | |
|---|---|---|---|---|---|---|
| | £ | s | d | £ | s | d |
| 1880/81 | 2,806,022 | 14 | 9 | 667,299 | 13 | 0 |
| 1881/82 | 3,278,785 | 5 | 3 | 801,157 | 19 | 4 |
| 1882/83 | 3,686,288 | 0 | 9 | 931,215 | 10 | 5 |
| 1883/84 | 3,502,487 | 12 | 11 | 1,131,245 | 8 | 0 |
| 1884/85 | 3,375,682 | 1 | 6 | 1,180,289 | 15 | 7 |

* G.1-'86, Appropriation Accounts 1884-85, Report of Controller and Auditor General, Annexure D, p.xxvi.

Moreover, the Cape was in great difficulty trying to raise capital in London for money already spent on wars and railways[1] and it was therefore critically important to try to help its credit by keeping the budget in balance. But, with private resources under unparalleled pressure, it was as politically difficult as ever to increase taxation,

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1. See below, pp. 311-314.

except by raising the customs tariff, which was a form of indirect taxation of which the burden was relatively thinly spread; and to raise customs duties in the Cape now threatened to drive trade away from the Cape railways to Natal.

The dilemma already taking shape was therefore this: railway extensions were wanted, partly to preserve trade for the Cape and its railways against Natal and the South African Republic; but balancing the budget to meet existing burdens, let alone adding to them, implied customs policies which would drive more trade away. This dilemma was perhaps the most important determinant of the Cape's external relations with other South African states in the 1880s and, in modified form, in many succeeding years until the Union of South Africa. It was a dilemma of which the scale of existing railway commitments was a fundamental component.

In those circumstances, and with further borrowing in London ruled out for some years after a £5 million loan had been floated there with great difficulty late in 1883[1], the difficulty of finding money to pay for the Kimberley extension was as great as the pressure to build it. The precedents for private railway-building were discouraging. Nor did the Government want the apex of their main line system owned by a private company: the Government needed the railway rates which the line would earn, and did not wish to see divided control over rating policy and management. They would be paying for a

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1. See below, pp. 314-317.

guarantee or concessions to a private company which they would then have to buy out. In reply to an enquiry from London, presumably made on behalf of a projected company of which Lord Brabourne was chairman[1], the Government therefore ruled out offering significant concessions and incentives to a private Company to build the railway.[2] Yet the Government's resources were meagre. The Scanlen Government, with Rhodes as Treasurer, intended in 1884 to propose that the balance of borrowed money in the Treasury should be used to build the line, with a guarantee for the interest on the capital thus spent imposed on mining property and fixed property in the Municipalities of Kimberley and Beaconsfield. Potential railway contractors were waiting in the wings[3]. But the new Upington Government, heavily influenced by its Bond supporters, decided that there were too many risks involved in committing the balance in the Treasury to the Kimberley railway[4]. The Bill prepared by the Scanlen Government was heavily defeated[5].

As a compromise, Act 36 of 1884 was passed, enabling any mining board, municipality or other public body to contract with the Government, individually or jointly, to build the line, on condition that

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1. Merriman Papers 1884/43, C. I. Posno of the South African Exploration Co., Kimberley, to Merriman, 24 June, 1884. K.A.C., U951/F25/37, entry for 7 May in Brabourne's diary for 1884.

2. Cape, P.W.D.10, McNaughton to A. Van Driel, 22 Apr. 1884, no.257.

3. Pauling, op.cit., p.54.

4. V.& P.1884, 1(i); G.63-'84, Financial Statement for 1883-84, pp.13-14. Lewsen, op.cit., p.177, Merriman to J. B. Currey, 18 May, 1884.

5. Argus, 24, 26 May, 1884: debate in Assembly, 23 and 25 May.

they would surrender the line to the Government on demand on specified terms. They would have to raise the necessary capital, plus a £10,000 deposit, themselves, and would receive a subsidy only when the railway was completed. But no attempt was made by mining boards or municipalities to raise the capital amidst the catastrophe of reef-falls, floods and commercial depression[1].

It was wider South African developments that enabled the money to be found. The Imperial Government lent the necessary capital to the Cape Government on easy terms to minimize the cost of the Warren expedition sent to occupy Bechuanaland and ensure that the South African Republic withdrew from the road to the north[2].

The requirements of the expedition combined with the effects of protracted drought and heavy demand at Kimberley for fuel and other supplies to place an insupportable strain on the transport available between the Orange River and Kimberley. By the end of December, 1884, nearly 1,000 waggon loads were reported to be waiting for transport at the Orange River[3]. Before the expedition, the cost of transport between Hope Town and Kimberley was said to be three shillings per 100 lbs, or three times greater than the cost of transport for a similar distance in most other parts of the colony. By early 1885, the expedition had sent the cost soaring to fifteen shillings. The 74-mile railway to Kimberley would drastically reduce the cost of

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1. V.& P.1885, 1(ii); G.28-'85, Reports of Inspectors of Diamond Mines for 1884, pp.3, 5, 6.

2. Robinson and Gallagher, Africa and the Victorians, pp.203-208.

3. Argus, 31 Dec. 1884.

transporting supplies to the Warren expedition[1]. The Cape Government proposed that the Imperial Government should either build the railway themselves, or lend capital at low interest to enable the Cape Government to build it[2], and the Colonial Office in London agreed that this proposal should be put to the War Office[3].

The War Office estimated that, provided the railway was completed in seven months as the Cape Government proposed, it would save them some £2,250 per month. Lord Hartington, the Secretary of State for War, wanted the Colonial Office to assume responsibility with the War Office for putting the proposal to the Treasury[4], but Lord Derby refused to become involved[5]. It was thus the War Office and the Treasury that were responsible for advancing £400,000 to the Cape Government at 3½% interest. Although the desire to avoid responsibility for such a proposal played its part, it seems that Derby was opposed to lending money to a colonial government in these circumstances because of the precedent that would be established. In early 1887, the Cape's Agent-General reported that

> The Kimberley Railway Loan has proved an awkward precedent for the Imperial Treasury. The officials of that department get just now a good deal of "we told you so" from the Colonial Office where that loan was not approved. [6]

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1. V.& P.1885, 1(i); A.2-'85, Papers on Loan by Imperial Government for Kimberley Railway, Memorandum by Agent-General, 26 Jan. 1885, pp.6-7.

2. Ibid., Schermbrucker to Mills, 31 Dec. 1884, p.3.

3. Ibid., Mills to Schermbrucker, 29 Jan. 1885, pp.3-5.

4. P.R.O., C.O.48/511, War Office to Colonial Office, 2 Feb. 1885.

5. Ibid., Minute of Sir R. Herbert, 5 Feb. 1885.

6. Merriman Papers 1887/6, Mills to Merriman, 12 Jan. 1887.

Financiers in the City also disapproved of the Imperial loan: speculators could not profit from buying securities at a discount and reselling at a profit, and investors could not obtain securities at a discount bearing a safe return. Months after the Imperial Government had lent the money instead, '(The City) continue to feel sore at the Treasury about the Kimberley Extension Loan, and hinted that we were not so completely unable to borrow as was represented'[1].

By the end of 1885, the main line railway system within the Cape was largely complete, and the Cape Government owned over 1,500 miles of railway. For most of the previous fifteen years, the railways had been built to satisfy a majority of interests south of the Orange River, represented in the Cape parliament. In 1880-1881, many of those interests became more dependent on the fortunes of Griqualand West, and the arena for Cape railway politics expanded to include representatives from Barkly West and Kimberley. By 1885, it was already becoming clear that the resulting railway system would not pay for the increasing burdens it placed on the Cape revenues unless the Cape's trade generated beyond its northern borders could be preserved and increased. The railway commitments made by 1885 were already carrying the Cape into a wider arena of commercial and political contention.

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1. Cory MS 9870 (Sprigg Papers), Mills to Sprigg, 17 Dec. 1885.

# CHAPTER SEVEN

## CAPITAL FOR THE CAPE RAILWAYS

The investment of British capital in Cape government securities from 1873 to 1885, mainly for railway-building, formed part of an important shift in the character and direction of British overseas investment. This chapter begins by putting investment in Cape railways in this wider setting. It then focuses on the relationships between the representatives of the Cape Government in London and British financial, shipping and manufacturing interests.

Great Britain was not a net exporter of capital for twenty-five years after 1873: foreign investment did not equal the income from capital already placed abroad[1]. Total overseas issues listed on the London Stock Exchange fell from a peak of £365,593,000 in 1870-1874 to £127,315,000 in 1875-1879 and £252,949,000 in 1880-1884[2]. For while in 1868, the United Kingdom had produced four-fifths in value of what its inhabitants consumed in grain, meat, dairy produce and wool, by 1878 it supplied them with scarcely one-half of what they consumed in the same items. This trend was associated with a population increase of 10% each decade, and increased facilities

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1. A. H. Imlah, Economic Elements in the Pax Britannica (Cambridge, Massachusetts, 1958), pp.167-168.

2. A. R. Hall, The London Capital Market and Australia 1870-1914 (Canberra 1963, Australian National University Social Science Monograph, no.21).

for the more economical transport of food and raw materials from other parts of the world. The effects were exacerbated by bad British harvests in 1875-1879. At the same time, it proved harder to pay for this increased consumption of imports and raw materials through exports. British export values were in decline, and it was increasingly difficult to swell their volume: for the United States and Germany, previously the greatest foreign markets for British goods, became self-sufficient by 1880 in many categories of goods and began to compete in other markets. For all these reasons, the British surplus previously available for increasing foreign investment was switched to paying for increasing consumption at home[1].

As the surplus for foreign investment dried up and Britain ceased to be a net exporter of capital, there were also important changes in the direction of foreign investments that continued to be made. On the continent, rising manufacturing and financial capacity independent of the London capital market reduced European borrowers in London and encouraged the flow of capital elsewhere: Great Britain ceased to be a net investor in Europe in the 1870s[2]. Moreover, within a global shift of investing interest away from Europe and into primary-producing areas to furnish food and raw materials, there was after the early 1870s widespread disenchantment with the results of the huge investment in many foreign government and other securities

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1. L. H. Jenks, The Migration of British Capital to 1875 (2nd edn., London 1963), pp.329-333; Imlah, op.cit., pp.167-168.

2. Hall, op.cit., p.10; Jenks, op.cit., p.192.

outside the Empire. There were defaults in Bolivia, Guatemala, Liberia and Uraguay; the American railway-fed boom collapsed in 1873, by the end of which half the railways in the country were in the hands of the receivers. There was a panic in Vienna and other Germany money-markets, and the trend of British investment away from Europe was further accelerated by the collapse of Spain's credit. An outcry about defaults by Honduras, Paraguay, Santo Domingo and Costa Rica led to a Select Committee of the Imperial Parliament, whose Report[1] revealed scandalous manipulations of the Stock Exchange by loan contractors, bankers and jobbers to create artificial markets for insecure foreign loans, and badly shook the faith of the investing public in many foreign issues. Then came the enormous defaults of Egypt, Turkey and Peru. In Latin America alone, £71 million were in default at the end of 1880 out of a total outstanding British investment in Government bonds there of £123 million[2]. Meanwhile, the British Government had made it quite clear to holders of securities in foreign governments, in particular Venezuela, that it was not prepared to intervene on their behalf to collect the securities on which their loans were based. This underlined the vulnerability of investments in foreign bonds[3].

This contrasted with the experience of investing in the British Empire, above all, India. Something like £150 million was invested

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1. Parl.Papers 1875, xi (367): Report of Sel.Comm. on Loans to Foreign States.

2. J. F. Rippy, British Investments in Latin America, 1822-1949 (Minneapolis, 1959) pp.29-32; Jenks, op.cit., pp.291-293.

3. Ibid., pp.287-288.

from Great Britain in India from 1854 to 1869, half of it in railway debentures from which the return was guaranteed by the Indian Government, and £55 million of the rest in Indian Government bonds[1]. Thanks to the luckless Indian taxpayers, these Indian securities were immune from the chronic insecurity of many foreign investments and returned, in the case of railway debentures, a solid 5% interest. This was the first major extension of the 'gilt-edged' market beyond British Government Consols, which yielded little more than 3% in the 1870s[2]. Some £5 million per annum continued to flow to India in the 1870s[3], but the most striking feature of the years from 1873 to about 1885 was the much increased proportion of investment in other parts of the Empire. Investment in colonial government securities alone, excluding India, rose from some £50 million in 1870 to £275 million in 1890[4]; and some £93 million of this increase were issued in 1876-1883, which are also the years in which the Cape raised most of the loans for the railway-building with which we are concerned[5]. Yet at the same time, British holdings of foreign government stocks did not increase at all[6]. Taking into account all kinds of oversea

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1. Ibid., p.225.

2. Consols yielded about 3¼% in 1870-1875, 3⅛% in 1876, and 3.08% in 1879: R. Giffin, Stock Exchange Securities: An Essay on the General Courses of Fluctuations in their Price (London, 1879 edition), p.127; C. G. F. Simkin, The Instability of a Dependent Economy (Oxford, 1951), p.154.

3. Jenks, op.cit., p.225.

4. Hall, op.cit., pp.4-6.

5. Ibid., p.144.

6. Ibid., p.6.

investments, it seems probable that the Australian colonies alone secured in the early 1880s about half of the total net outflow of British long-term investment[1].

This, then, was a sea-change in the direction of British overseas investment after 1873, of which New Zealand was a major beneficiary, of which Australia took the lion's share, and of which the Cape took a relatively modest but significant part. It was associated, as we have seen, with increasing requirements for raw materials, combined with the effects of rising industrial competition in Europe[2] and specific experiences of lending outside the Empire before 1873, contrasting with the experience of lending to India, in encouraging the flow of investment into the colonies.

One of the crucial aspects of colonial securities was their relative safety. By the end of the 1870s, Australian government securities were regarded as 'colonial consols', and colonial government issues generally extended the 'gilt-edged' market beyond Consols and Indian issues, allowing the expansion of a 'rentier' class in Great Britain dependent on reliable returns from investments for their income. The fortunes of this class were based to a considerable extent on the colonial taxpayer, making up the difference between the interest guaranteed to the investor and the actual returns from unremunerative and extravagant railways and other projects to which

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1. N. G. Butlin, op.cit., p.335.

2. D. C. M. Platt, 'The National Economy and British Imperial Expansion before 1914', Journal of Imperial and Commonwealth History, Vol.2, No.1 (Oct. 1873), p.11.

capital was applied[1]. 'Rentiers' like spinsters, widows, and retired businessmen, and such people as professional men and the upper salaried and administrative classes, formed a slightly nebulous group of individual investors particularly attracted to safe securities, who had a growing impact in the London capital market after 1870. Their strength in the market was partly due to improving communications and the growth of the financial press, bringing them into a more confident contact with the Stock Exchange, and possibly partly due to the faster growth of real income among many middle class people than among the rest of the community[2].

There were also important institutional lenders seeking reliable investments in growing volume. Banks favoured both British and colonial government securities as safe assets[3] and to this general motive were added those of particular Joint-Stock or merchant banks responsible for issuing many colonial loans, who would frequently support these loans by tendering for substantial proportions of them - it will appear that the London and Westminster Bank did this for the Cape loan it issued in 1883 - and those of Anglo-Colonial Banks who performed the same function as issuers of many Australian loans, or who, like the Standard Bank in the case of the Cape, could be induced by their own interest in buttressing their colony's credit, or by

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1. H. J. Habakkuk, 'Free Trade and Commercial Expansion, 1853-1870', Cambridge History of the British Empire (Cambridge, 1940), ii, 796-798.

2. Hall, op.cit., pp.38-45.

3. Ibid., pp.49-50.

Government pressure, to support their colony's loans. Other important institutional investors in safe securities were Life Insurance Companies, whose assets grew from just under £4 million in 1870 to over £12½ million in 1890, and other insurance companies, which invested some £50 million in stock exchange securities between 1870 and 1890[1]. In the case of Cape loans, many larger-than-average direct applications were made not only by the Standard Bank, but also by other banks and insurance companies. The following list is a sample of successful applications of this kind for a Cape Government loan of £1 million for railway-building floated by the Crown Agents in January 1876:

| Applications from | Total |
|---|---|
| Standard Bank of British South Africa | £125,000 |
| Birkbeck Bank | £15,000 |
| Devon and Cornwall Bank | £30,000 |
| Universal Life Assurance Society | £10,000 |
| Guardian Assurance Co. | £20,000 |
| British Equitable Assurance Co. | £29,000 |
| Farmers and General Insurance Co. | £10,000 |
| | £239,000[2] |

These figures do not include the share which these and similar institutions may have ordered, or bought later, from the stockbrokers who bought up most Cape debentures when they were issued. They therefore

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1. Ibid., pp.51-53.

2. Cape, C.O.1031, Sir P. Julyan to Col.Sec., 15 Jan. 1876.

suggest a significant interest in the market for Cape loans taken by institutional lenders[1].

Such were the kind of individuals and institutions with whom many Cape government securities issued in London are likely to have found their permanent home, often because of the safe character imputed to colonial government securities. Why, then, were they regarded as safe?

Part of the reason was that the colonies were protected by the mantle of Imperial defence, and most of the important borrowers were - thanks in large measure in many cases to the action of the Imperial Government on their behalf in previous wars - relatively secure by 1870 from serious threat from external aggression or internal insurrection. The possibility of insurrection by Africans or Afrikaners was the main question-mark over the Cape's credit in much of our period; but then the Imperial Government did assist the Cape in the Ngqika-Gcaleka war, fight the Zulus, annexe the Transvaal, and take over Basutoland after the 'Gun War'. It was only after the Imperial Government made peace with the Afrikaners of the Transvaal after the battle of Majuba and when fears grew that it might in the end withdraw from most of South Africa altogether that, as will later appear, the Cape's credit began to suffer badly.

More generally, although self-governing colonies were of course not administered directly by British civil servants in the same way as India, there was faith in British standards of administration and

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1. I do not know of any particular connection between these institutions (except the Standard Bank) and Cape interests.

British laws under which the colonies were governed, and in British engineers under whom their public works were executed. There was confidence in the effect of the personal experience and participation of many colonial men in the business world in London, the many economic partnerships and family connections linking influential colonists with British business interests, and in the influence of Governors answerable to the Imperial Government, to ensure that the colonies would apply the capital they borrowed for the purposes stated in the prospectus, and would not default on their obligations to British lenders. Moreover, investment in the colonies would be accompanied by a further flow of British experts and immigrants not only to execute public works but to manage them on a permanent basis. These considerations encouraged the view that British colonies were on a different plateau of reliability from most foreign countries[1].

Moreover, the Colonial Stock Act passed in 1877 and increasingly used from the early 1880s by colonial governments as a basis for issuing inscribed stock was designed partly to increase the attractiveness of self-governing colonies' government securities. The Act also represented a characteristic attempt by the Imperial Government to disavow financial responsibility for the finances of such governments. Every document issued to a stockholder had to contain a formal declaration that the revenues of the Colony alone - not the Imperial Government -

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1. H. Feis, Europe the World's Banker, 1870-1914 (New Haven, 1930), pp.94-95; Habakkuk, op.cit., C.H.B.E. ii. 798.

were liable for the return on the stock[1]. When stock was inscribed, its ownership was formally recorded at a specified bank. The main attraction for the owner was that there was then no risk of loss or forgery. By contrast, an ordinary bearer-bond was no more secure than a bank note[2]. But stock issued under the Colonial Stock Act also had the attraction for the buyer that it was not liable to stamp duty, because the Act enabled the borrowing government to pay a composition fee instead[3]. Another significant attraction was that the form used for the stock was familiar: it was the same as that used for Consols. This could only encourage the tendency to regard colonial stock as 'colonial consols'.

These advantages did not mean that the credit of colonies did not fluctuate, nor that particular colonies did not become unpopular in the capital market when their borrowings were heavy relative to the prosperity of their revenues. New Zealand was forced to stay out of the capital market for three years from 1879, and some Australian colonies were in considerable disfavour in the 1890s. Moreover, other foreign investment, particularly in the United States and Latin America, revived in massive proportions from the mid-'eighties. Nevertheless, about half of Britain's total oversea investment in 1914 was in the Empire[4], and the particular attraction to many investors of colonial securities, especially government securities, was the reliability of the return on them.

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1. A. S. J. Baster, 'A note on the Colonial Stock Acts and Dominion Borrowing', Economic History, vol.ii, no.8 (Jan.1933), pp.642-603.

2. F. E. Armstrong, The Book of the Stock Exchange (5th edn., London 1957), pp.230-231, 241.

3. Hall, op.cit., p.95.

4. Ibid., p.36.

Indeed, in the period on which this study is concentrating, colonial government securities did prove relatively reliable. There was no question of default by a colonial government, and the fluctuation in the value of colonial securities was limited by comparison with those of many foreign governments. In the summer of 1883, when the position of Cape credit was regarded by the Cape's Agent General in London as disastrous, Cape 4% securities were quoted at 93. This was below the value of the securities of most other self-governing colonies[1], but was still quite near to par value when compared with many foreign securities. Similarly, it was regarded as a serious blow to Cape credit to issue a loan in 1881 at 94[2]; and in 1891, the Cape's Agent-General followed his report that the Australians were only able to borrow at from 90 to 94 with two exclamation marks[3]. Yet it had not been uncommon for foreign governments to issue loans at a discount of 20% and more.

But if colonial government securities were relatively safe, they were also considerably more remunerative than Consols. While the yield on Consols was, as has been noted, little more than 3% in the 1870s, that on Cape government securities was from 1872 onwards 4⅓%. This should be compared with an estimated average yield per annum on foreign government securities, excluding any gain in market

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1. Cape, C.O.1209, Mills to Col.Sec., 26 July, 1883, no.298. That is to say, that securities with a face value of £100 would fetch a price of only £93.

2. Merriman Papers 1883/88, Mills to Merriman, 29 Mar. 1883.

3. Merriman Papers 1891/297, Mills to Merriman, 9 Oct. 1891.

value, of 5.87% in 1870-1879[1]. The investor sacrificed some interest in choosing a colonial government rather than foreign government issue, primarily for the sake of the security of return, but gained interest by choosing it in preference to Consols.

There was another factor working to create a favourable market for colonial government securities, the majority of which were issued to finance railways and public works. This was the extent to which such loans were likely to be spent on British manufactures and other British exports. The experience of India was again significant: one third of the capital cost of the Indian railways financed by loans in London guaranteed by the Indian government was accounted for by purchases of iron material in Great Britain[2]. Although this might also be true of some foreign governments employing British railway-contractors, other industrialising nations were bound to spend a smaller proportion of borrowed capital on British iron; and it was relatively few foreign nations whose general import/export trade was as completely dominated by British goods and British merchants as the trade with most colonies. What was not spent from colonial issues directly on British goods in Great Britain was likely in large measure to be spent in the colonies on imports from Great Britain. This was as applicable to colonial war loans as to railway and public works loans: the capital went to people likely to raise demand for British goods[3]. This created a corpus of mercantile, shipping and manufacturing interests to whose advantage it was that colonial government loans should be well supported in the City of London.

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1. A. H. Imlah, 'British Balance of Payments and Export of Capital, 1816-1913', The Economic History Review, 2nd Series, Vol.V, no.2 (1952), p.223.
2. Jenks, op.cit., p.175.
3. Habakkuk, op.cit., C.H.B.E. ii. 799-800.

In the case of the Cape, it was stated by the Crown Agents at the beginning of 1880 that they had expended an average of about £320,000 per annum on the Cape railway account since 1873[1] or a total of £1,920,000. This was about 31% of the proceeds of Cape government loans in London for railway construction over the same period[2], and represented about 27% of total expenditure on Cape railway-building up to the end of 1879[3]. The proportion of money spent directly in England was thus large despite the extremely labour-intensive phase of Cape railway-building which had been undertaken in the 1870s.

Moreover, much of the stores needed in working the railways continued to be bought in Great Britain, notably coal from South Wales - colonial coal supplied only part of the border line up to the 1890s. And many of the stores for constructing and working the railways which had not been bought in Great Britain by the Government's representatives were bought from the stocks of Cape merchants who had imported them from the same source. A railway storekeeper told the Railway Commission that the principal items bought in the Colony included wheelbarrows, hammers, iron buckets, small tools like chisels, screws and nails, bar iron and chains. Most of these were

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1. Cape, C.O.1114, Crown Agents to Col. Sec., 26 Jan. 1880.

2. These totalled £6,251,261 4s. 9d., and had certainly nearly all been spent, since the Cape spent heavily in advance of the flotation of its loans and since the last loan had been floated thirteen months before the Crown Agents were writing. Calculation of loan proceeds from V.& P.1886, 1(i); C.4-'86, Statements of Loans, p.2.

3. V.& P.1880, 1(ii); C.55-'80, Statements showing expenditure incurred in the Construction of Railways, p.3. Total expenditure at the end of 1879 was £7,104,180 13s. 8d.

imported by merchants from Great Britain, even if some other items like leather straps and wood were produced locally[1]. The engineers, imported from Great Britain, who decided where goods should be procured, were likely to choose reliable and familiar goods from Great Britain[2]. And it was so easy to indent for supplies from the Crown Agents; Charles Mills, the Cape's Agent-General in London, recalled from his days before 1881 as official head of the Cape Colonial Office, through which all such indents passed, that

> departments infinitely prefer despatching an indent for their wants to England, to seeking to have them supplied locally...rather than search for what is wanted on the spot, or by the shortest direct means, recourse is had to a requisition on an agency, 5,000 miles away in an opposite direction... [3]

One example was that for some years before any experiments were carried out on Cape timber, railway sleepers were imported via England from the Baltic and creosoted in England before being shipped (in British ships) to the Cape[4]. On top of all this, a good deal of the money paid out in wages and salaries was either paid out directly in England to the families of immigrant railway staff and workers, or was spent on British goods imported to the Cape, not least by the black workers who, as a merchant and Mayor of Grahamstown testified, 'spend (their money) freely in British manufactures'[5].

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1. G.3-'78, Report of Railway Commission, Minutes of Evidence, pp.215-216, 222.

2. Ibid., e.g. p.195.

3. Merriman Papers 1891/122, Mills to Merriman, 8 May, 1891.

4. G.3-'78, Report of Railway Commission, Minutes of Evidence, p.13.

5. Ibid., p.60.

Cape railway-building therefore demonstrated the high proportion of funds raised in London by a colonial government which flowed to British manufacturing, mercantile, shipping and insurance interests, and which tended to develop a climate favourable to colonial government issues after 1873.

It was a combination of the many different British requirements and interests discussed so far that underlay the view expressed by The Times of London in a comment on the prospectus for the first million pounds to be raised for executing the Molteno Plan:

> When the great resources of our many Colonies are considered it becomes amazing to think that so little has been spent hitherto on their development of all the vast hoardings which have been accumulating at home. People have preferred to cast their savings away for high usury in Turkey, Peru, Egypt, Spain, and the tribe of needy borrowing States which have infested our money-market for years. These channels are now stopped, the cry is for new outlets. Surely they might now be found in the Colonies of English-speaking people? [1]

In turning to look at the way in which the Cape Government struck its bargains with British financial, manufacturing and shipping interests, there are two main themes to be developed. The first concerns some of the 'informal ties' binding self-governing colonies economically and politically to Great Britain. The advantages to many British interests of investment in the Empire have been considered; it remains to illuminate some of the economic advantages which the representatives of the colonists derived from being part of the

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1. The Times, 18 Dec. 1875, encl. in Cape, C.O.1004, Crown Agents to Col.Sec., 24 Dec. 1875.

Empire, and thus to help to explain why the economic interests of self-governing colonists implied an era of continuing dependence on the Imperial tie. The second main theme is that, within the framework of mutual benefits resting on the Imperial connection, there was conflict between the Cape's representatives and allies in London and and various British interests - notably bankers, stockbrokers, and shipping interests - over the terms on which railway capital-formation in the Cape should proceed. This theme could be summed up in the words of the exasperated Agent-General for the Cape in London in 1885, when he exclaimed in a letter to the Treasurer of the Cape: 'What pigeons the Colonies are for the money-grubbers!'[1]

The flow of British capital into the Cape through Cape government loans accounted for the bulk of all foreign, long-term investment there in our period. Individuals or companies outside South Africa invested a relatively small amount in diamond mining until the period of amalgamation[2]; and British investment in other industries in the Cape seems to have been very limited, although this is a subject that awaits research. There was a marked contrast from the flow of British capital into private concerns in other self-governing colonies like New Zealand and the Australian colonies, which was comparable in magnitude to investment in their Government securities to finance railways, public works and immigration. In New Zealand,

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1. Cory MS 9866 (Sprigg Papers): Mills to Sprigg, 19 Nov. 1885.
2. S. H. Frankel, Capital Investment in Africa (London 1938), pp.63-64.

the expansion of credit to purchase millions of acres of Crown Lands and finance pastoral and mechanical wheat farming in the 1870s was financed to a considerable extent through attracting deposits in England to the New Zealand banks; and in 1882-1885, there was a rise in bank deposits raised in England and an influx of British capital into loan and mortgage companies registered in England, partly to develop the extensive land in New Zealand which had come into the hands of the banks through foreclosures in the depression[1]. In the case of Australia, there was an enormous flow of British savings into the equipment of pastoral stations and fencing as the pastoral industry expanded into new areas, channelled through bank deposits, and through non-banking pastoral finance companies incorporated and registered in London; and there was also major British investment in the debentures and deposits of urban real estate companies, helping to finance the urban building-boom, especially in Victoria, in the 1880s[2]. But in the Cape, the better land was already alienated, and was too poor to attract major private investment or sustain an expansion of the pastoral industry[3]. As far as is known, there was no appreciable foreign investment in the few land companies that were floated in the Cape during the ostrich boom, and

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1. C. G. F. Simkin, The Instability of a Dependent Economy (Oxford, 1951), pp.151-154, 159, 164.

2. N. G. Butlin, op.cit., pp.58-61, 141-163.

3. See above, p. 24.

there is no indication in the available literature that the 'imperial' banks operating in the Cape attracted significant deposits from Great Britain.

Apart, then, from a relatively modest rise in the paid-up share capital of the 'imperial' banks, no evidence has yet been brought to light of significant long-term, British investment in the Cape in our period in private enterprise to compare with that which flowed into other self-governing colonies. Municipalities in the Cape also borrowed very little in London on their own account. The only example recorded by the conscientious compiler of Fenn on the Funds up to 1882 was less than £150,000 raised by the Municipality of Port Elizabeth for its waterworks[1]. This underlines the crucial role of the government in procuring overseas investment to assist in capital formation in the Cape before the discovery of gold and the amalgamation of the diamond mines. Nor, of course, did its role end there: by 1909, the Cape's public debt had risen to £52½ million, some £32½ million of it for railways[2].

The following Tables show the scale of Cape Government borrowing up to 1885 for railway-building and other purposes.

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1. Fenn's Compendium of the English and Foreign Funds (13th edn., London 1883), p.226.

2. V.& P.1909-1910, 1(ii); G.6-1910, Public Debt Statement, pp.49-50.

## Table 9

### Summary of Cape Government Borrowing, 1873-1885

| | | | | |
|---|---|---|---|---|
| Value of loans raised in London[1] | £19,591,770 | - | 18 | - 8 |
| " " " " " " " " specifically for Railway Purchase and Construction[1] | £12,312,792 | - | 5 | - 10 |
| Value of loans raised in Cape[2] | £898,968 | - | 5 | - 5 |
| " " " " " " " " specifically for Railway Purchase and Construction[2] | £417,258 | - | 3 | - 3 |
| Value of all loans raised | £20,490,739 | - | 4 | - 1 |
| " " " " " " for Railway Purchase and Construction | £12,730,050 | - | 9 | - 1 |
| Total outstanding Cape Government Debt on 31 December 1885[3] | £21,672,161 | - | 10 | - 9 |

1. Detailed in Table 10.

2. Detailed in Table 11.

3. Source: V.& P.1886, 1(i); G.4-'86, Statements of Loans, p.12.

## TABLE 10

### CAPE GOVERNMENT LOANS ISSUED IN LONDON, 1873-1885[1]

| Date of Issue | Purpose | Where Redeemable | Rate of Interest Per Cent | Amount £ s d | VALUE OBTAINED: Premium £ s d | Discount £ s d | Amount £ s d |
|---|---|---|---|---|---|---|---|
| Up to April 1873 | Various | Crown Agents | 5 and 6 | 953,900 0 0 | (Varied) | | 972,442 6 5[2] |
| April 1873 | Consolidation | Crown Agents | 4½ | 192,900 0 0 | - | - | 192,900 0 0 |
| From April 1873 (Various) | Cape Town and Wellington Railway Purchase | Crown Agents | 4½ | 722,900 0 0 | (Varied) | | 723,261 15 0 |
| May 1875 | Railway Construction | Crown Agents | 4½ | 300,000 0 0 | | 4,557 7 6 | 295,442 12 6 |
| Jan. 1876 | Railway Construction | Crown Agents | 4½ | 1,000,000 0 0 | | 12,458 1 6 | 987,541 18 6 |
| From July 1876 | Wynberg Railway Purchase | Crown Agents | 4½ | 68,000 0 0 | - | - | 68,000 0 0 |
| Oct. 1876 | Bridges & Harbours | Crown Agents | 4½ | 650,000 0 0 | | 5,126 4 6 | 644,873 15 6 |
| Feb. 1877 | Railway Construction | Crown Agents | 4½ | 1,000,000 0 0 | 15,879 1 6 | | 1,015,879 1 6 |
| March 1878 | Railway Construction | Crown Agents | 4½ | 1,000,000 0 0 | | 4,580 16 0 | 995,419 4 0 |
| July 1878 | Railway Construction | Crown Agents | 4½ | 1,000,000 0 0 | | 24,307 3 0 | 975,692 17 0 |
| Oct. 1878 | Railway Construction | Crown Agents | 4½ | 150,000 0 0 | | 2,480 14 9 | 147,519 5 3 |
| Oct. 1878 (Cont'd) | Harbours, Bridge, Telegraph | Crown Agents | 4½ | 249,500 0 0 | | 3,630 0 11 | 215,869 17 1 |
| May 1879 | (War Expenses | | | 750,000 0 0 | | 12,797 13 3 | 737,202 6 9 |
| | (Railway Construction | Crown Agents | 4½ | 1,865,600 0 0 | | 31,833 15 3 | 1,833,766 4 9 |
| April 1880 | (Railway Construction | Crown Agents | 4½ | 140,000 0 0 | | 2,315 7 2 | 137,684 12 10 |
| | (Immigration | " " | " | 100,000 0 0 | | 1,653 16 6 | 98,346 3 6 |
| | (Harbours & Telegraph | " " | " | 277,000 0 0 | | 4,581 1 10 | 272,418 18 2 |
| | (Houses of Parliament | " " | " | 120,000 0 0 | | 1,984 11 10 | 118,015 8 2 |
| Oct. 1880 | (Liabilities of (Griqualand West | Crown Agents | 4½ | 308,300 0 0 | 9,425 4 9 | | 317,725 4 9 |
| | (Bridges & Harbours | " " | " | 227,100 0 0 | 6,942 16 3 | | 234,042 16 3 |
| June 1881 | War Expenses | Crown Agents | 4 | 2,000,000 0 0 | | 35,156 1 0 | 1,964,843 19 0 |
| June 1882 | Railway Construction | Baring Bros | 4(a) | 3,000,000 0 0 | | 135,031 9 0 | 2,864,968 11 0 |
| Dec. 1883 | (Railway Construction | London & Westminster | 5%Debs | | | 38,479 16 6 | 2,267,616 3 6 |
| | (Various[4] | | 4%Stock | (3) | | 48,663 16 4 | 2,482,740 3 8 |
| | | | " | (3) | | | |

| | | |
|---|---|---|
| Total Value of Loans raised in London 1873 - 1885:- | | 19,591,770 18 8 |
| Total Value of Loans raised in London 1873 - 1885, specifically for Railway Purchase and Construction:- | | (5) 12,312,792 5 10 |

1. Source: G.4-'86, Statements of Loans pp. 2-5.
2. Excluding Loans entirely paid off by end of 1885.
3. It would be confusing to give this figure, since investors had the choice of 5% debentures or 4% stock to a different face value, in exchange for a given sum of money.
4. (The purposes of this part of the loan are not broken down thoroughly in the accounts. At least £600,000 was for Harbour Works. The rest covered expenditure on war, and other public works.)
5. (£400,000 was also advanced to the Cape Government by the Imperial Government in 1885 for the Kimberley Extension; a permanent loan was subsequently floated in London to help repay this sum).

## Table 11

### Cape Government loans issued in the Cape, 1873-1885[1]

### Stock issued to 31 Dec. 1885

| Date of Issue | Purpose | Rate per cent | Amount £ s d | Premium (To be added) | Discount (To be deducted) | Amount £ s d (2 |
|---|---|---|---|---|---|---|
| Before 1873 | Various | 4½ - 6 | 204,408 10 9 | Various | | 202,365 12 9 |
| Oct. 1874 | Construction of Railways | 4½ | 360,000 0 0 | - | - | 360,000 0 0 |
| Jan. 1876 ) | Harbours | 4½ | 70,000 0 0 | - | - | 70,500 0 0 |
| Jan. 1877 ) | | 4½ | 500 0 0 | | | |
| Jan. 1877 | Wynberg Railway Purchase | 4½ | 7,000 0 0 | - | - | 7,000 0 0 |
| Jan. 1879 | Harbours | 5 | 30,000 0 0 | - | - | 30,000 0 0 |
| Oct. 1883 | Harbours & Telegraph | 5 | 94,358 0 0 | | | 94,353 0 0 |
| Jan. 1885 | Harbours & other public works | 5 | 89,800 0 0 | 463 12 11 | | 90,263 12 11 |
| | Kowie Railway Subsidy | | 50,000 0 0 | 258 3 3 | | 50,258 3 3 |
| Dec. 1885 | Harbours & other public works | 5 | 195,200 0 0 | 1,388 9 3 | | 196,588 9 3 |
| | Total value of loans raised in Cape, 1873-1885 | | | | | 898,968 5 5 |
| | " " " " " " " " " , specifically for railway purchase and construction | | | | | 417,258 3 3 |

1. Source: V&P 1886 1(i); G.4-'86: Statements of Loans, pp.2-5.

2. Excluding loans entirely paid off by end of 1885.

It will be seen that a relatively small proportion of public loans - some £900,000 from 1873-1885 - were raised in the colony. This resulted from the imbalance between the capital resources available in Great Britain and the Cape. Even without major additional investment in the Cape in government securities, interest rates in the colony were consistently higher than those in London, and local loans were generally floated when it was felt advisable to stay out of the London capital market to allow previous issues there to be absorbed by the investing public, and sometimes when it was thought that a show of confidence by the colonists in the credit of their own government would have a beneficial effect in improving the Cape's credit in London[1]. It will also be noted that the Cape's borrowings in London began to mushroom from 1878 and particularly from 1881 onwards, when the Cape entered the market repeatedly for large sums to finance the excess over estimates of completing the Molteno Plan, financing further railway extensions and other public works, and for war expenditure. The interest on Cape debentures fell from 4½% to 4% in 1882; but to float the very large loan for £5 million in late 1883, the interest offered on debentures had to be raised to 5%.

Up to 1882 the financial and all other business interests of the Cape Government in London were represented by the Crown Agents for the colonies, who conducted in their offices the business of over

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1. e.g. Cory MS 9865 and 9870 (Sprigg Papers): Mills to Sprigg, 12 Nov., 17 Dec. 1885.

30 colonies at this time. They were appointed and supervised by the Imperial Government, but cost the British taxpayer not a penny, being paid for entirely by the colonial Governments who used their services[1]. The Crown Agents were indeed an important and, as Richard Kesner has recently noted, neglected link in the Imperial connection, for their offices were the channel through which British manufacturers, shipping, insurance and financial interests conducted their relationships with the Governments of all the Crown colonies and, until the 1880s, with one or two self-governing colonies, too. They issued on behalf of the colonies loans worth some £8¾ million in 1860-1869, £25 million in 1870-1879, and over £12½ million in 1880-1889, after New Zealand and subsequently the Cape began to issue their loans through other agencies[2]. In addition, they were responsible for ordering and organising the shipping, inspection and insurance of the vast range of supplies bought in Great Britain on the account of Crown colony and some other colonial governments[3]. Richard Kesner has concentrated in his recent article on the influence which the Crown Agents had on some occasions after our period in the formulation of policy in the Colonial Office; but a study of the Crown

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1. R. M. Kesner, 'Builders of Empire: The Role of the Crown Agents in Imperial Development, 1880-1914', Journal of Imperial and Commonwealth History, Vol.V, no.3, (May 1977), p.316. See also Blakeley, op.cit., pp.94-106.

2. Kesner, op.cit., p.315.

3. Parl. Papers 1881, lxiv (C.-3075), (Papers Explanatory of the Functions of the Crown Agents for the Colonies), Memorandum on the Origin and Functions of the Department by Sir Penrose Julyan, September 1878, p.7.

Agents in action can also illuminate some of the crucial economic relationships within the Empire.

A general description of the Crown Agents' functions in the process of railway-building indicates the range of their operations and contacts. They were responsible for the permanent borrowings of the government. They had to decide when they could best enter the market and advertise for tenders; when they did so, they decided the rate of interest and the minimum rate of discount at which a loan was to be offered, in order to secure the most possible capital and the best possible price. This involved a close understanding of the capital market; the buying and selling of Cape securities through their own brokers in order to test the market, without giving the game away that a new loan was in the offing; and judgement as to how much could be asked for, in the light of the bank rate and of the activities of rival claimants on the capital market.

Once the loan was advertised, they had to orchestrate the support of financial interests, by the way in which the prospectus was framed, and by the exercise of their financial influence. If support for the loan was limited when the tenders were opened, they had to come to terms with stockbrokers and jobbers for the purchase of the rest of the loan. Once the loan was floated, they were generally in charge of receiving the money offered, the payment of interest, and the supervision of the annual drawings by which the bonds were paid off. This constituted the business of permanent loans.

In addition to this, they had to invest funds in hand, or - more frequently - borrow temporarily to tide the Cape over until

the market was ready for a permanent loan. They also had to organise the remittance of capital to the Cape, on the best possible terms.

As a background to these specific transactions, they helped to protect the credit of the colony, quashing rumours likely to damage credit, and using contacts in the City and press to spread information which strengthened it, such as improvements in revenue, or flattering accounts of colonial wars. Informally, they also conveyed to the Cape Government their assessment of trends and opinions in the City, impressing on them at times the need to avoid further recourse to the capital market and to regulate their commitments according to the prospects for the colony's credit.

In addition to ordering and signing contracts for all railway materials purchased in Great Britain, the Crown Agents selected a Consulting Engineer in London who played a very important role in preparing designs and specifications for nearly all these materials, drawing up contracts, advising on all technical aspects of railway business, and selecting railway staff to be sent to the Cape. Engineers, inspectors and many skilled railway workers were appointed and sent to the Cape by the Crown Agents, advised by the Consulting Engineer, and they helped to supervise the Government's Emigration Service and negotiate its agreements with shipping companies. They organised the inspection, insurance and shipping of all the goods they purchased.

Although the Crown Agents required the formal authority of the Cape Government for many of these transactions, they were in practice given wide discretion in the conduct of the Cape's London business.

The fact that the Crown Agents transacted business for so many

colonies meant that extensive contacts and wide experience of railway-building in other parts of the world were at once available to the Cape. They appointed as Consulting Engineer Charles Gregory, who had previously worked under them in a similar capacity in Ceylon's railway-building[1], and the manufacturers, and, later, railway contractors with whom the Crown Agents placed order were firms and contractors whose reliability and experience was known from similar work already undertaken for other colonies. There was, indeed, a certain 'cosiness' in the set-up: the Crown Agents tendered for railway materials only among a select list of firms of proven reliability recommended by the Consulting Engineer. When an Agent-General for the Cape took over the business from the Crown Agents, the select list was extended, but it still comprised 'all the contractors, manufacturers and tradesmen, of high reputation both in London and in Provincial towns, notably those by whom other colonies are supplied'[2]. The Agent-General argued in the same letter that the risks of going beyond firms of known reliability would raise the cost of railway-building in the long run, and there was some force in this argument. There were remarkably few complaints from the Cape of faulty or inferior railway materials. Moreover, although there were occasional comments on Gregory's conservativism in working methods and sources of supply, he accepted the principle of keeping down the 'first cost' of railway-building in the Cape and

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1. Cape, P.W.D., Letters Rd., Col.Sec., Jan.-June 1872; Col.Sec. to Ch.Insp., 30 Jan. 1872, no.256.

2. My emphasis. Cape, P.W.D., Letters Rd., Agent General, 1883; Mills to Commissioner, 17 Jan. 1883, no.100.

of using the 3' 6" gauge[1]. The Cape did not have to fight the battle fought in New South Wales in the 1860s to persuade British engineers to modify the tradition of high cost railway-building of maximum durability in favour of some of the cheaper techniques of lighter construction developed in America[2]. It was crucial to the mushrooming export of capital goods for railway-building overseas, that British engineers like Gregory and his select list of suppliers had accepted modified techniques.

There were therefore on balance many advantages for the Cape colonists in having access, through the Crown Agents, to the contacts and experience of those who had built railways elsewhere in the Empire. Moreover, the combination of so much business in their offices gave the Crown Agents influence to wield in securing good terms. As they put it in 1880,

> It is mainly owing to the magnitude and multiplicity of our transactions that we are able to secure for individual colonies terms, both in financial and commercial operations, with which those obtainable elsewhere cannot compete. 3

Insurance companies, for example, found it

> worth their while - in consideration of the extent of the business performed for many governments - at a fair premium, to settle all claims that arise, with liberality and promptitude. 4

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1. Cape, P.W.D., Letters Rd., Col.Sec., July-Dec. 1872; C. Gregory to Ch. Insp., 24 June, 1872, encl. in Col.Sec. to Ch. Insp., 7 Aug., 1872, no.2052.

2. N. G. Butlin, op.cit., p.355.

3. Cape, C.O.1114, Crown Agents to Col.Sec., 26-1-80.

4. Cape, P.W.D., Letters Rd., Col.Sec., July-Dec. 1872; Memo. by Crown Agents, June 7th, 1872.

Manufacturers on the Agents' list of approved firms had a good deal to gain by remaining in favour; when, for example, the Cape sent an unexpected order for seven locomotives, the Crown Agents exercised their influence with Messrs. Stephenson & Co., with the result that

> despite the extreme difficulty which exists in getting locomotives manufactured by first class firms in anything like a reasonable time...Messrs. Stephenson have been good enough to decline orders so that they might be in a position to extend their contract for the supply of your Government.[1]

If there were advantages to the Colony in using the Crown Agents, there were also strong advantages accruing to the firms on the select list. Messrs. Stephenson were typical of older manufacturers of locomotives for whom the colonial demand for railway materials was particularly opportune, at a time when British railway companies were increasingly building their own locomotives, and who came to rely almost entirely on the demand from the colonies[2]. Moreover, the 'cosiness' of the Imperial railway-building network undoubtedly operated to the advantage of British, as opposed to foreign, manufacturing interests. In 1881, for example, W. Lippert and Company, Cape merchants with Hamburg connections, suggested to the government that Krupps' should be given an opportunity of tendering for steel rails for the Cape's railway extensions. He was told in reply:

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1. Cape, P.W.D., Letters Rd., Crown Agents, Jan.-Dec. 1873; Crown Agents to Col.Sec., 24 Nov. 1873.

2. Habakkuk, op.cit., C.H.B.E. ii.801.

> the Consulting Engineer does not advise the Government to use Messrs. Krupps' Bessemer Steel Rails for the Colonial Railways until they shall have been extensively used by English Engineers, and satisfactory reports obtained of the result of their use for a sufficient length of time, to leave no doubt as to their quality.
>
> I am also to add that the Crown Agents report that in the event of a Contract being taken in a foreign country they would find it impossible to make such economical freight arrangements as they now do, seeing that it is in their power to combine in one cargo heavy and comparatively light materials. [1]

Thus, to realize the potential advantages of the Crown Agents' contacts and their combination of so much different business in their offices, the colony had to 'buy British' in both manufactures and in services like shipping and insurance.

This is not to say that it was the use of the Crown Agents alone that could bring many of these advantages to British and colonial interests. The larger British railway contractors had their own network of contacts dependent on the business involved in the range of different contracts which they undertook. Indeed, one of the ways in which the Crown Agents assisted their clients was to interest railway contractors in their business; in the case of the Cape it was through them and the Consulting Engineer that a contract was arranged, after tendering among selected firms, with Faviell and Co., who had previously built railways in Ceylon in consultation with Gregory, to build part of the line to Graaff Reinet. But for colonial

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1. Cape, P.W.D.10, McNaughton to W. A. Lippert & Co., 14 Oct. 1881, no.1342.

governments wanting to build some of their railways on the departmental system, the Crown Agents offered a means of procuring British capital goods and other supplies of good quality, on terms conditioned by their substantial influence with manufacturing and business interests.

Indeed, the Crown Agents offered some advantages to colonial governments as a medium for the transfer of capital goods that even the larger railway contractors could not offer. For the Crown Agents could make use of the fact, in coming to terms with manufacturers, shipping and insurance interests and in making up cargoes of freight, that they combined railway with all the other business of the colonial government in London. More important, they were not a profit-making organisation, and, partly because of economies of scale, their services were cheap.

Until 1877, no extra charge whatever was made by the Crown Agents for the growing railway business of the Cape, and the sum paid by the Cape towards the costs of the Department for all business apart from that of permanent loans was £400 per year. After 1877, the Cape paid an extra charge to cover its increased demand on the Crown Agents' Department of only £600 per year. On the financial side, the Crown Agents' charges were laid down by a Colonial Office circular, and comprised only ¼% commission for negotiating new loans, plus ¼% for brokerage which did not go to them and which had to be paid whoever issued the loan; ¼% for the payment of interest, and ½% for paying off the principal at maturity. They claimed in 1880 that the issuing of loans which they did for ¼% plus ¼% for brokerage, would normally be done by a Bank for 2%[1]. They received no payment

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1. Cape, C.O.1114, Crown Agents to Col.Sec., 26 Jan. 1880.

for redeeming debentures by annual drawings, and none for all the work of temporary loans and investments. These charges were certainly below those subsequently made by banks for the Cape's financial business, even under special agreements which, as in the case of most other self-governing colonies, gave a monopoly of the business to a particular bank. For example, when Baring Bros. took over the Cape's business, they charged ½% commission on new loans, plus brokerage, and ½% for the payment of interest or dividends - in other words, twice as much as the Crown Agents - and in addition charged for brokerage of temporary loans[1]. The Crown Agents dealt directly both with the banks in temporary loan and investment transactions, and with manufacturers and insurance companies, thereby eliminating the costs of profit-seeking brokers and middlemen.

In the business of temporary borrowing in London, the Crown Agents had two advantages. The most important was their tested reliability and credit. The other was the multiplicity of their business, which meant that banks stood to lose a good deal by incurring the Crown Agents' displeasure and to gain a good deal by cooperating with them. It may be, too, that some who benefited from other business with the Crown Agents - manufacturers hoping for colonial contracts, or stockbrokers whose fortunes were tied in with loans which the Crown Agents issued - could through their banking contacts help the Crown Agents to secure good terms from the banks.

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1. Cape, T.227, Crown Agents to Messrs. Baring Bros., 5 June, 1882, encl. in Agent General to Treasurer, 28 Nov. 1890, no.257. T.1268, Orpen to Agent General, 3 Mar. 1884, no.41/475 A.G.

These advantages were also relevant to the business of permanent loans. But the crucial factor in this business was the relationship which the Crown Agents had built up with powerful stockbrokers[1].

For, despite the dangers of committing Cape Government securities to speculative buyers, who bought up securities in the hope of re-selling them to permanent investors at a profit, the fact was that speculative bids for Cape loans were an indispensable element in their successful flotation. Tenders for Cape loans were invited through the financial press from the general public, but bids from them were relatively small, and it took a considerable time for loans of £1 million upwards to be absorbed by permanent investors, many of whom did not have the expertise to tender for loans themselves when they were issued and who made purchases from time to time through stockbrokers when it suited their individual requirements. Tendering was a hazardous business: if the tender turned out to be too low, the effort was wasted, and if it was successful, it would often turn out to be more expensive than necessary. It was convenient to let the experts take on these risks, and purchase from them when the going price became clear in the course of time[2]. The results were illustrated in 1876, when only half of a million-pound Cape Government loan for railway-building was taken up at the prescribed minimum, despite the fact that more tenders than usual had been received from

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1. See Blakely, op.cit., p.95.

2. Hall, op.cit., p.102.

the general public. Sir Penrose Julyan, one of the Crown Agents, explained that this had happened because, owing to a sudden jump in the bank-rate, preventing speculators from borrowing cheaply, and the high price of the last Cape loan, which had prevented profitable speculation, 'speculative offers were not forthcoming, and in a speculative loan we necessarily rely to a considerable extent on such offers'[1].

It was a relatively small number of stockbrokers who purchased large portions of Cape loans - about six - and of these the most important over time were three firms which did a very large business in colonial securities generally: William Westgarth and Co., whose head also led a group of brokers specialising in Australian government issues[2]; Mullens, Marshall and Co., brokers for the Bank of England and advisers and brokers to the associated banks issuing Victoria's loans[3]; and most important of all in purchasing Cape loans, Messrs. Scrimgeour and Co., who were the most important brokers dealing in the issues of the Crown Colonies up to the end of the century[4], and who were also brokers for Baring Bros.

The bids of such stockbrokers for Cape loans partly represented orders already made by their clients, but were to a large extent speculative ventures on their own account. Their importance in the market for Cape loans was illustrated in their purchases of the first four millions issued to meet expenditure on the Molteno Plan. Of the

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1. S.A.P.L., Molteno Papers, Julyan to Molteno, 5 Jan. 1876. Cape, C.O.1031, Crown Agents to Col.Sec., 5 Jan. 1876.

2. N. G. Butlin, op.cit., p.343.

3. Ibid.; F. Lavington, The English Capital Market (2nd edn., London 1929), p.196.

4. Ibid.

million pounds floated in 1876, Scrimgeours took up well over a quarter (£279,100) of the whole loan, and with two other contributors, accounted for well over half[1]. Of a million loan in 1877, nearly a quarter went to Scrimgeours, and half the whole loan to the three biggest contributors[2]. Of a million floated in early 1878, Scrimgeours took nearly £200,000, and the three biggest contributors over a third of the total[3]. And later in the year, Scrimgeours took over half of another million-pound loan, and the three main contributors no less than 87% of the total[4]. In larger loans, their importance tended to be correspondingly increased.

To rely on the co-operation of key stockbrokers, if inescapable, was also dangerous. For they could rapidly use their power in the market for colonial securities to flood the market and lower their price. They were likely to do this if they still held some or all of the securities which they had bought up at the last issue, when the Government entered the market for another loan; for the effect of a new loan would be to make it difficult for them to sell at a profit the securities which they already held. In this situation, they could be expected, when the loan was announced, to 'bear' the market by glutting it with their holdings of securities, in the hope of driving down the price of issue of the next loan, buying it up cheaply, and selling it at a handsome profit later. Colonial

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1. Cape, C.O.1031, Julyan to Col.Sec., 15 Jan. 1876, no.6/909.
2. Cape, C.O.1039, Julyan to Col.Sec., 1 March 1877, no.9/564.
3. Cape, C.O.1060, Julyan to Col.Sec., 14 March 1878, no.11/710.
4. Cape, C.O.1060, Julyan to Col.Sec., 18 July 1878, no.12/329.

securities were perhaps particularly vulnerable to this manoeuvre, because of their solid reputation among the investing public: the public would absorb a colonial government loan even if stockbrokers had temporarily 'beared' it when it was issued. If stockbrokers managed to buy up colonial debentures and stocks cheaply, they would not lose their reputation with the investing public by reselling them at a relatively high price.

On the other hand, if the key stockbrokers were given time to sell the colonial securities which they bought up, the risks that they were taking by large purchases of colonial securities were relatively small, because of the reliable market for them, and they did not, therefore, need a sizeable 'jobber's turn' - the difference between the price at which dealers bought up loans and the price at which they sold them. Moreover, it was then in their interests to support the credit of the Colony in question by whatever means they could, to keep up a good price for the securities they were trying to sell. When they had succeeded in selling them, they would compete with each other for the steady business of reselling colonial securities when the next issue came on the market. It was when they became aware that the colony had to float another large loan soon, when they still held its securities, that they were given the opportunity and incentive to form syndicates to make the colony pay dearly for it. The bigger the loan, and the longer it would take for the investing public to absorb it, the greater the price that such syndicates could exact for buying it. The key to the business of permanent loans on behalf of the colonies was thus to obtain the essential co-operation of

speculating stockbrokers and to promote competition between them, without giving them scope to 'bear' the next loan.

The Crown Agents offered the substantial advantage to colonial governments as financial agents that, unlike banks acting in the same capacity[1], they were not tempted to buy up large portions of colonial securities themselves for speculative purposes. In addition, they had developed a close rapport with leading stockbrokers and had great influence over them. Scrimgeours and Mullens Marshall both did brokerage business for the Crown Agents, as well as buying up many of the loans which they issued, and therefore stood to lose in broking business if they lost the favour of the Crown Agents. Significantly, the son of Sir William Sargeaunt, one of the Crown Agents, was a partner in Messrs. Scrimgeours in October 1884 when Scrimgeours were still employed as the Crown Agents' brokers and still buying up their loans[2], although whether he was in the firm during the 1870s is not known. The Crown Agents were therefore likely to have an intimate knowledge of the state of the market, and of the requirements of the stockbrokers on whom colonial governments depended.

As a result of the close understanding between them, stockbrokers had a number of reasons for co-operating with the Crown Agents

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1. See below, p. 317.

2. Cory MS 9846 (Sprigg Papers): Mills to Sprigg, 30 Oct. 1884.

in the business of permanent colonial loans. They knew that the Crown Agents would try to keep out of the market until previous issues had been disposed of to permanent investors; and the Crown Agents on many occasions told the Cape Government that they could not yet re-enter the market because speculators still held their securities, and that the Government should go on borrowing temporarily on the security of hypothecated debentures until in some cases the whole of the next loan had been anticipated[1]. Similarly, Julyan advised Molteno not to 'dribble' loans onto the market in frequent, small sums, because 'frequent little operations defeat all the calculations of Brokers, who you will, in common with all large borrowers, be greatly dependent on'[2]. In short, the stockbrokers could rely on the Crown Agents to reflect their requirements in their advice to colonial governments on the scale and timing of their loan operations. They knew, too, that the Crown Agents, enjoying good credit for temporary borrowing, had the means to enable colonial governments to stay away from the market to let stockbrokers dispose of the last issue. They also knew that the Crown Agents would try to wait until the bank rate was low enough to enable stockbrokers to borrow money, before they issued the next loan; and when in 1876 speculators did not buy up all of a Cape railway loan partly because of an unexpected jump in the bank rate, the Crown Agents lent money obtained from the

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1. For example, all but £118,000 had already been spent of a loan for £1 million floated in March 1878, after repeated advice from the Crown Agents in 1877 that speculators still held part of the previous loan: Cape, C.O.1039, Julyan to Col.Sec., 28 June, 19 Oct. 1877; C.O.1060, Crown Agents to Col.Sec., 14 Mar. 1878.

2. S.A.P.L., Molteno Papers, Julyan to Molteno, 26 Apr. 1875.

loan 'to one of the principal investors in your loan' in order to help him to buy up more of it[1]. The prospects of speculators for selling a forthcoming loan also featured prominently in the Crown Agents' calculation of an acceptable minimum price[2]. Finally, the interests which manufacturing and other interests had in avoiding the Crown Agents' displeasure may have given the speculators a lever in reselling some of the securities issued by the Crown Agents.

Taken together, those considerations explained why the speculators thought it good business to work with the Crown Agents rather than against them - so long as the colonial government in question did not borrow too much too often, and so long as external factors did not seriously undermine its credit. The fact that the Crown Agents obtained on the Cape's behalf the support of stockbrokers, without paying a heavy discount, despite such setbacks to credit as a marked decline in the revenues due to drought and a fall in the price of diamonds in 1876-1877, the war with Sekhukhuni in the Transvaal, and the Ngqika-GcalekaWar, has partly to be attributed to the Crown Agents' financial influence and contacts, available to the Cape through the Imperial connection.

If there was a certain 'cosiness' about the Crown Agents' relations with the key stockbrokers, it did not at this stage result in bargains struck on easy terms at the Cape's expense. This seems clear from the relatively light discounts paid the Cape in the 1870s,

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1. Cape, C.O.1031, Julyan to Col.Sec., 15 Jan. 1876.

2. Cape, C.O.1031, Julyan to Col.Sec., 5 Oct. 1876.

displayed on page 279. Moreover, the big stockbrokers in effect underwrote Cape loans, without claiming a pound of flesh when called on to buy up portions which had not been taken up at the prescribed minimum. In 1875, the Crown Agents received applications for only £262,800 out of a £300,000 Cape Government loan at or above the minimum price, which was fixed at 98[1]. They then 'received an offer' for the balance at 99[2]. And when about half of the million-pound loan of 1876 was not at first taken up, four firms of stockbrokers, including Scrimgeours and Mullens Marshall, bought up the rest without lowering the minimum price[3]. Moreover, there was in the 1870s frequently an element of competition among the leading stock-brokers to buy up Cape loans; and to maximize their business in Cape securities they also had to compete against direct tenders from permanent investors. This meant that they sometimes bought up a loan, as in July 1878, only by offering a higher price than most of the tenders received direct from the general public[4]. It was only in the 1880s when more frequent and larger-scale borrowing by the Cape combined with external factors tending to undermine its credit, that the sharks of the City began to show their teeth to the Cape Government's representative in London. By that time, the Cape's financial agency was no longer with the Crown Agents.

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1. i.e. £98 had to be paid for debentures worth £100.
2. Cape, C.O.1003, Julyan to Col.Sec., 5 May, 1875.
3. Cape, C.O.1031, Julyan to Col.Sec., 15 Jan. 1876.
4. Cape, C.O.1060, Julyan to Col.Sec., 18 July 1878.

After 1881, the Cape Government's representative in charge of all its business transactions in London was, on the pattern adopted by other self-governing colonies, its Agent-General, Charles Mills, a salaried Cape Government official; while, under his overall direction as representative of the Government, the permanent loan and sometimes some other financial business was transacted by a Bank.

The initiative in having the Cape's financial and other business transactions transferred to agencies other than the Crown Agents came not from the Cape, but from the Imperial Government. The point at stake was the principle which was crucial in the British Government's posture towards colonial self-government: that the British Government should in no way be responsible financially for colonial governments who controlled their own internal policies. It was the enormous increase in the Crown Agents' business in the 1870s for the Cape and New Zealand, perhaps coupled with the fact that New Zealand lost the confidence of the capital market by the end of the decade, that convinced the Colonial Office that the Crown Agents should cease transacting the business of self-governing colonies,

> inasmuch as it is liable to be misconstrued as involving Her Majesty's Government, both indirectly and directly, in responsibility for acts and obligations over which it has no control. [1]

In 1880 and, after Treasury pressure, again in 1881, the Secretary of State for the Colonies instructed the Cape to make other arrangements for the conduct of its London business.

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1. Parl. Papers 1881, lxiv (C.-3075), Colonial Office to Treasury, 26 Nov. 1880, pp.8-9. See also Blakely, op.cit., pp.97-104.

2. Parl.Papers, 1881, lxiv (C.-3075), Kimberley to Robinson, 19 May, 1881, p.10.

This insistence that Her Majesty's Government should avoid financial responsibility for self-governing colonies co-existed with the profound relevance of the Imperial connection to self-governing colonies' financial fortunes. For example, the stipulation that stock issued under the Colonial Stock Act should declare the revenues of the borrowing Government alone to be liable for interest and repayment was one side of the picture; the other was that the same Act conferred special financial privileges on the colonies, and that their belonging to the Empire was a fundamental component of their credit. Similarly, the Imperial Government's desire to avoid financial entanglements did not mean that it would not spend large sums in defending its paramountcy in South Africa. Equally, it was only after many years, and after the transaction of major loans and other business for self-governing colonies by the Crown Agents, that the British Government decided to put pressure on those colonies to make other arrangements; and one Secretary of State had said explicitly that the decision should be delayed because of the benefits which the existing arrangements brought to political relations with the self-governing colonies concerned[1]. It remains to show how the political connection with Britain remained crucial to the Cape's efforts to procure capital after 1881, and how by implication the colony's economic interests helped to buttress political loyalty to the Empire.

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1. Blakeley, op.cit., p.103.

The Cape Government was not reluctant to transfer its business to an Agent-General, although it took time, particularly to convince a majority in the Legislative Council that the suggested Agency would not be a 'party' appointment by the Cape Government of the day. There were two main reasons why the Cape Government was ready willingly to appoint its own Agent-General. The first was that the use of the Crown Agents' Department, simultaneously conducting the business of thirty other colonies, had long-term disadvantages once the Cape's business had grown to the proportions it assumed by 1881. There were savings to be made in money and efficiency through the perpetual economising vigilance that a full-time Cape Agent was able to offer. One important example was the difference in the method by which the shipping business of the Cape was handled: Mills dealt directly with the shipping companies, whereas the Crown Agents had devolved the agency of shipping business to shipping agents. 'Bear in mind', Mills told Sprigg in 1890, 'that if the work had been done as formerly by the Crown Agents, - the commission of Shipping Agents alone would have cost the Colony twice as much as the whole of this establishment[1]. Thus, debate in parliament on the possible appointment of an Agent-General in 1879 showed a widespread opinion, extending to the Government itself and largely justified in the event, that an Agent-General could perform some of the colony's business more cheaply than the Crown Agents[2]. But perhaps more influential was the view that the Cape had

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1. Cory MS 10,006 (Sprigg Papers): Mills to Sprigg, 30 Jan. 1890.

2. Argus, 23 Aug. 1879.

growing, distinctive interests of its own which required somebody to fight its corner both economically and politically. There was a feeling that the Crown Agents had allowed Natal to steal a march on the Cape by arranging for the terminus of the submarine cable link with Great Britain to be placed at Durban rather than Port Elizabeth, that the Crown Agents had not pounced quickly enough on rumours likely to damage Cape credit, and that in any dispute between the colonial and Imperial Governments, the loyalties of the Crown Agents would be fundamentally divided. By contrast the Agent-General could perform many of the functions of an Ambassador[1]. He was, for example, a full-time watchdog on rumours likely to damage Cape credit and publicist of good news; orchestrator in London of opinion favourable to Cape Government interests; and its political eyes, ears and sometimes, mouth.

The Agent-General had a number of special privileges because he represented a colony. For example, in his role as conveyor of information and expertise, he had access to the Imperial network of representation and information. Thus when the Cape wanted an expert in tobacco-growing, Mills could write to the British consuls from Charlestown and Savannah, to Leipzig and Hamburg, for assistance. Or when the Cape contemplated a customs' union in 1887, Mills sent the parliamentary records of Australian colonies, and information on the German Zollverein from the Foreign Office, Board of Trade, Royal Colonial Institute, the London Chamber of Commerce, and from parliamentary papers[2]. This information service could be tapped for the

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1. Ibid.; Argus, 4 Sept. 1879, debate in Assembly of 1 Sept. 1879; Argus, 5 Apr. 1882. For the increase of ambassadorial functions performed by colonial Agents-General, see Blakeley, op.cit., pp. 123-124.

2. Cory MS 9933 (Sprigg Papers): Mills to Sprigg, 15 Dec. 1887.

whole range of Cape government enterprises. In the work of promoting Cape products, the Agent-General could ensure the representation of colonial goods in Imperial exhibitions.

A colonial agent also had extensive contacts in the British press; particularly those sections generally favourable to strengthening the bonds of Empire. These were used to serve both political and financial ends, in the latter case by publicising news favourable to Cape credit. It is unlikely that any foreign Ambassador could have written what Mills could write to Sprigg in 1885:

> I have personally seen the editors of the leading journals. The following papers will give us their unqualified support, whenever your course of action is decided on - 'The Times' - 'Daily News' - 'Morning Post' - 'Standard' - 'Pall Mall' - 'St. James' - 'Economist' - 'Statist' - 'Money', and 'Railway Times'...With such support we need not fear failure, in whatever steps you may choose to take. [1]

Mills could also claim: 'I am personally acquainted with every politician who is likely to be appointed to the Colonial Office, and you may rely upon a due and loyal representation of whatever it may please you to place in my hands for communication to him'[2]. He acted as channel of confidential communication from the Cape Government to the Colonial Office and to Ministers[3], would sometimes urge sympathetic M.P.s to move in parliament on issues relevant to the Cape's interests,

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1. Cory MS 9851 (Sprigg Papers): Mills to Sprigg, 1 Jan. 1885. The issue at stake was a proposed change in the domicile of certain Cape loans.

2. Cory MS 9865 (Sprigg Papers): Mills to Sprigg, 12 Nov. 1885.

3. e.g. Cory MS 9852 (Sprigg Papers): Mills to Sprigg, 15 Jan. 1885. Blakeley, op.cit., p.123.

and was generally well equipped to write his weekly accounts of gossip and opinion for the benefit of the Cape Government on all relevant, political issues, because of the close integration with political, official and social elites in London which his status as colonial representative helped to give him.

In 1883-1884, there was one theme above all others that preoccupied the Agent-General as the custodian of Cape credit. This was the future of the imperial connection with South Africa. In April 1883, Mills wrote that 'To mention the possibility of (the British flag's) being in danger of coming down would be most embarrassing if not fatal to our financial and other business transactions in this country'[1]. The prevalence of such rumours was a major cause of the depreciation of Cape securities -

> all last year (1883), when our securities were sinking lower and lower, an impression obtained, not only in the City of London, but also on the continent, that H.M. Government entertained very grave doubts as to whether the Cape should be longer held as a British possession - ... if any member of H.M. Government had in July and August last year (when solicited to do so on my bended knees at the Col(onia)l Office) made the declaration which L(or)d Derby gave to the Deputation that waited upon him on the 3rd inst. - our securities would have held their value, our credit would have been maintained, and we should have obtained our last loan on much more favourable terms. [2]

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1. Merriman Papers 1883/110, Mills to Merriman, 13 Apr. 1883.

2. Cory MS 9848 (Sprigg Papers): Mills to Sprigg, 13 Nov. 1884. The declaration by Derby to a deputation including Sir Donald Currie was to the effect that the British Government would not on any account give up any of its colonial possessions - Cory MS 9847 (Sprigg Papers): Mills to Sprigg, 6 Nov. 1884.

The rumours circulated against the background of the uncertainty about whether the British Government would keep the road to the north through Bechuanaland open to British and Cape interests[1], or give way to the Transvaal on all its demands. This uncertainty was compounded by fear that the Afrikaner Bond would carry all before it in the next Cape general election and strengthen anti-British influence in South Africa[2], and the protracted war with the Basutos further undermined confidence at a time before it was known that Basutoland would be taken over by mutual consent by the Imperial Government. James Anthony Froude led a sector of opinion which held that the Dutch Republics had been badly treated by the British Government in the past and that Bechuanaland should be abandoned to the South African Republic, and The Times adopted the latter point as its editorial position[3]. The idea that Great Britain should restrict its influence in the subcontinent to its naval base was in the air, and Mills complained that

> continual discussions of the d-d-able (sic) theory, tend to keep the hateful idea before the public.
>
> Lord Salisbury in his speech of last night gave prominence to the notion and inflicted another blow not on H.M. Government, but on our credit.[4]

Together with commercial depression, these factors created a feeling of despondency about the Cape: 'This feeling', wrote Scanlen from London,

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1. See R. E. Robinson, 'Imperial Problems in British Politics, 1880-1895', The Cambridge History of the British Empire, Vol.III (Cambridge, 1959), p.139.

2. Merriman Papers, 1883/238, Sir H. Barkly to Merriman, 21 Nov.1883.

3. Merriman Papers, 1883/224, Sir H. Robinson to Merriman, 8 Nov.1883.

4. Merriman Papers, 1883/126, Mills to Merriman, 28 June, 1883.

> gets known in the city and with fear of the Boer and native elements, has created great misgiving as to the future of the Cape. We shall pay the discount for this in our forthcoming loan. If H.M. Gov(ernmen)t would take up a strong attitude our condition would improve, but as long as they are half-hearted and vacillating there will be distrust. [1]

And as Mills put it on another occasion, 'The idea of a Dutch Republic is indeed the bete noire of the English capitalist with respect to investment in our securities'[2]. The experience of 1883-1884 demonstrated the dependence of the Cape in its economic interests on the political tie with Great Britain. It was the basis of its ability to finance economic development.

By the same token, capital investment in colonial securities created a group of bondholders dependent on the Imperial connection to secure their investments. Mills put much faith in their power. 'The Bondholders will be found quite strong enough to keep the flag flying in the Colony', he assured Merriman in 1883[3]. A week before, he had described

> a speech in the City by Sir Wm. McArthur against growing Boer Influence and injustice to the Bechuanas. One of his main arguments in favour of a firm policy by H.M.G. was "the interests of the holders of £10,000,000 Cape Gvnt Bonds!!" - This will give you (Merriman) some idea of the feeling in the City. [4]

And in October, 1884, as part of the public outcry in favour of the

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1. Merriman Papers 1883/244, Scanlen to Merriman, 29 Nov. 1883.

2. Cory MS 9842 (Sprigg Papers): Mills to Sprigg, 15 May 1884.

3. Merriman Papers 1883/104, Mills to Merriman, 12 Apr. 1883.

4. Merriman Papers 1883/97, Mills to Merriman, 5 Apr. 1883.

Warren expedition, Mills pointed out that 'the Cape and Natal bond-holders are of course anxiously working for the security of their investments, and no-one knows better than yourself what a power they are'[1]. The point at stake is not the relative importance of bond-holders in the formulation of Imperial policy - though their influence should not be neglected - but rather the general point that investment in colonial securities created a partnership between British investors and the colonial government which rested on the foundation of Empire.

When the Crown Agents no longer served the Cape Government, the support of a Bank was needed to conduct its permanent loan business. Most self-governing colonies ended up by giving a monopoly of this business to a single bank; the Cape's experience illustrates the reasons for this and the dangers it portended for colonial interests.

By May 1882, the Cape's liabilities for money already borrowed temporarily and spent amounted to more than two million pounds, so that the Cape badly needed a bank's help to support its next loan issue[2]. The first bank to be chosen on the Crown Agents' advice was Baring Brothers. It was of course true that Barings was a prestigious firm with wide experience of the market for Canadian loans, but there were other reasons for the Crown Agents' choice. Barings' claim was strengthened by the fact that they had lent the Cape £200,000 in April, 1882 on very favourable terms[3]. Moreover, the Crown Agents had very close relations with Barings' brokers, Messrs. Scrimgeours, and the

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1. Cory MS 9845 (Sprigg Papers): Mills to Sprigg, 23 Oct. 1884.
2. Cape, T.1360, Hutton to Crown Agents, 22 May, 1882.
3. Cape, T.1361, Hutton to Crown Agents, 8 Aug. 1882.

crucial hazard in the market for the next Cape loan was the fact that Scrimgeours held large parcels of the previous Cape loan floated by the Crown Agents[1]. The Cape was in 1882 dangerously dependent on the Scrimgeour-Baring interest, and this certainly helped Barings to secure the monopoly of the Cape's permanent loan business.

There is some evidence that Barings and Scrimgeours tried to take full advantage of the colony's financial embarrassment. The loan of £3 million floated by Barings in June 1882 was issued at a minimum of only 94, which the Cape Government regarded as too low[2]. Whatever the truth of that view, it seems probable that Barings subsequently worked with Scrimgeours and, as Mills suspected, Sir William Sargeaunt, who was on his own Advisory Council, to try to encourage the Cape to issue another permanent loan at a heavy discount. Scrimgeours and Westgarths held large amounts of Cape 4% securities issued in 1881; and 'the old ring which (until 1882) had our financial business in its grasp'[3] had by 1883 formed a syndicate to keep flooding the market with Capes, 'so as to obtain cheap paper to sell ultimately at high rates'[4]. Mills explained further that

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1. Cape, T.1361, Hutton to Crown Agents, 25 Sept. 1882.
2. Cape, T.1361, Hutton to Crown Agents, 11 July 1882.
3. i.e. the stockbrokers who worked in intimate rapport with the Crown Agents.
4. Merriman Papers 1883/88, Mills to Merriman, 29 Mar. 1883.

> A large amount of our 4% debentures have been held by brokers who are in close connection with Barings, and it is to be feared, also with Sir W(illia)m Sargeaunt. At all events, they seem to learn and anticipate our intentions, by manipulating the price of our debentures in the market to suit their own purposes. As soon as a loan is dreamt of, they place a large number of our securities and depress the value so as to compel us to fix a low minimum on which to buy up a new issue, and to ensure a profit. [1]

Mills had a row with Scrimgeour and threatened to seek the Cape's next loan abroad if Scrimgeour's syndicate kept depressing Cape credit[2]. Barings and Sargeaunt tried to persuade the Cape to issue a loan at a minimum of 93 or 93.10, but the Cape refused to pay such a heavy discount and continued to borrow temporarily[3]. This was increasingly difficult, particularly because Barings, their own financial agents, refused in the summer and autumn of 1883 to lend the Cape any more money or help in procuring temporary loans from elsewhere[4].

Before seeing how the Cape escaped from the Baring-Scrimgeour syndicate, it is worth stressing the general point that much of the strategy of Cape government financing in the 1880s was concerned with combatting such hostile syndicates of speculators in the City and trying

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1. Merriman Papers 1883/55, Mills to Merriman, 1 Mar. 1883.
2. Merriman Papers 1883/41, Mills to Merriman, 15 Feb. 1883.
3. Merriman Papers 1883/88, Mills to Merriman, 29 Mar. 1883.
4. Cape, C.O.1209, Mills to Col.Sec., 6 Sept. 1883. Merriman Papers 1883/220, Sir H. Robinson to Merriman, 25 Oct. 1883. When Barings waived their right to transact the Cape's temporary loans and Mills transacted them himself, he claimed to save in nine months over £17,000 in brokerage and commission: Cape, C.O.1209, Mills to Col.Sec., 26 Sept. 1883.

to appeal direct to the investing public. The use of the Colonial Stock Act to issue inscribed stock was frequently designed in the case of the Cape - and the same may well be true of the other self-governing colonies - to hasten their absorption by permanent holders and so to minimise the power of the syndicates. In 1883, the conversion of Cape 4% debentures into stock was posited as a response to the Scrimgeour syndicate's use of 4% debentures to flood the market and buy up cheap paper: 'The sooner we get our (18)81 loan out of their hands by converting it into inscribed stock the better. It will then assume its proper value, and we shall be able to come into the market unfettered by the dodges of those usurers'[1]. The same consideration later underlay plans to inaugurate a 3% stock with quarterly interest payments in 1890; this would not be popular in the City because of the diminution of syndicates' power, but would appeal to 'just the class of customers to conciliate if we wish to keep our credit out of the hands of the city sharks'[2]. After Victoria and other colonies had been trapped by syndicates and forced to pay dearly for money in 1891, Mills wrote of a phenomenon to which historians of the colonies' economic relations with Great Britain seem to have given little attention:

> There is no doubt a strong financial combination in the City exists to force colonies to pay more for capital, and to take money at a higher rate of interest than they do now. These money-grubbers are a formidable power. Our only chance against this combination is to appeal to the outside public directly, by throwing our stocks open permanently (or at least for so long as we want money) for public subscription at a price fixed from time to time... [3]

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1. Merriman Papers 1883/55, Mills to Merriman, 1 Mar. 1883.

2. Merriman Papers 1890/144, Mills to Merriman, 21 Nov. 1890.

3. Merriman Papers 1891/216, Mills to Merriman, 10 July, 1891.

In London in 1883, the Cape's Prime Minister, supported by the Governor, Sir Hercules Robinson, managed amidst acrimony to make the break with Barings after Barings had refused to help the Cape in its need for temporary loans. The Cape wanted to place its financial agency with the Bank of England instead, as a number of other self-governing colonies had done or were to do - and it is worth noting that the advantages of employing the Bank of England as financial agent were not open to foreign governments, and were open to colonial governments only through the Imperial connection. The importance of these advantages was open to dispute, although Mills believed in them passionately. He believed that the unrivalled credit and resources of the Bank of England would be the most effective protection for Cape securities, and that it would minimise the threat to Cape Loans of simultaneous competition from other colonies working through the Bank of England. Equally important - and underlined by the Cape's subsequent experience with the London and Westminster Bank - 'there would be much less danger of the directors and clients of the B(ank) of E(ngland) endeavouring the secure Colonial stock at low prices for speculative purposes than that experienced in other institutions'[1].

In November 1883, however, the Bank of England eventually declined the Cape's business, as it always did if there were even a suggestion of a breach of faith with another major bank, in this case, Barings. The colony faced a severe financial crisis.

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1. Merriman Papers 1891/20, Report on the Hon. Mr. Merriman's Memorandum on Finance by Agent-General, 5 Feb. 1891, encl. in Mills to Merriman, 6 Feb. 1891.

Most of the external factors attacking Cape credit, above all by encouraging speculation that the British Government might cut its commitments in South Africa, have already been discussed[1]. Moreover, Cape Government loans were all secured on the general revenues of the colony, and amidst acute commercial depression, the tribulations of the diamond fields and bad harvests, the Cape revenues were by the end of 1883 'fearfully depressed'[2]. Another important influence on the City's attitude to Government loans for railway-building was the performance of the railways; and in the case of the Cape in late 1883, 'the fall in Railway returns is bad, and will operate against us when we come into the market for money. Money for Railways which do not appear to pay will not be regarded as a hopeful investment'[3].

Against this background, the scale of the Cape's commitments forced it to go on asking for money; in addition to £2 million in 1881 and £3 million in 1882, the Cape had actually borrowed temporarily and spent in advance another £4 million, mostly on railways and wars, by November 1883[4]. There were many advantages in temporary borrowing as part of the Cape's financial strategy, so long as new commitments were kept in bounds and the external situation was favourable to Cape

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1. See above, p. 305.
2. Merriman Papers 1883/244, Scanlen to Merriman, 29 Nov. 1883.
3. Merriman Papers 1883/222, Scanlen to Merriman, 7 Nov. 1883.
4. Merriman Papers 1883/244, Scanlen to Merriman, 29 Nov. 1883.

credit; for in this situation, temporary borrowing by the Government gave time to the speculators to sell their holdings of Cape securities. Moreover, it was generally much more profitable to borrow temporarily and float a loan later than to float the loan earlier and invest the proceeds in London at the low rates of interest prevailing. But when the temporary borrowing was on the grand scale of 1882-1883, while Cape credit was deteriorating, it served to advertise to speculators the fact that the Cape would soon be forced into the market for a very large loan, and gave them their opportunity to use the Cape securities they held to 'bear' the market. It was by this process that Cape credit had fallen to a low point in 1881-1882, when a war loan for £2 million was followed by the Railway Act of 1881, presaging a lot more expenditure: 'the Bears' made sure that the next £3 million loan floated by Barings in 1882 carried a substantial discount[1].

Matters were even worse in 1883, when the Cape's borrowings became widely known in the City. 'The system of getting largely in advance for our works', Scanlen reported from London, 'is disastrous - we are completely at the mercy of the city men, and they are not slow to take advantage of our necessities'[2]. At one stage, the Cape had borrowed so heavily from the banks that they would lend no more[3],

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1. Cory MS 9921 (Sprigg Papers): Mills to Sprigg, 11 Aug. 1887.
2. Merriman Papers 1883/244, Scanlen to Merriman, 29 Nov. 1883.
3. Cape, C.O.1209, Report of Meeting of Agency Council on 20 Aug. 1883 (Bound loose according to date).

while the permanent loan market was virtually closed not only by the glut of Cape securities and all the factors attacking Cape credit, but by a flood of Australian securities - the most frequent and formidable competitors to the Cape's - discharged on the market by banks who had bought them up. Significantly, despite all the disclaimers of financial responsibility for self-governing colonies made by the British Government, Mills' thoughts turned to help from them. He wrote to the Governor 'to say that he could get no more money, and that the Colony was face to face with disaster and discredit. He thought he should have to ask me to return to London to support him in trying to procure a loan from the Imperial Government of a Million!'[1] The Cape was not far from being forced to submit to extremely expensive terms to secure the necessary money from the City. Despite high political issues concerning the future of Bechuanaland and Basutoland, Scanlen's view when he wrote from London on the eve of the Cape's entry into the capital market for £5 million was that 'this financial business eclipses everything else and will need the devotion and earnest efforts of every good man in the House to pull the Colony through'[2].

The Cape's main ally in extricating itself from this crisis was the bank with the second-highest credit in Britain, the London and

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1. Merriman Papers 1883/162, Sir H. Robinson to Merriman, 22 Aug. 1883.
2. Scanlen to Merriman, 29 Nov. 1883, quoted in Sir P. Laurence, The Life of John Xavier Merriman (London, 1930), pp.94-95.

Westminster. By December, 1883, it had, despite the scarcity of money, lent £1,100,000 in temporary loans to the Cape. More important, they agreed to accept responsibility for floating a permanent loan of £5 million, and to support it by buying £½ million of debentures[1], even though they knew that the Baring-Scrimgeour syndicate would do their best to sabotage it. In the decision to take on this risk, Sir Penrose Julyan was probably an important figure. The Crown Agent who had floated the Cape's previous loans until his retirement in 1878, he was now a Director of the London and Westminster. He agreed to manage the issue of the 1883 loan for the Cape. Not only was he himself a holder of Cape securities, but as Crown Agent, he had used his influence and reputation to persuade his financial connections to invest in Capes. Thus his experience - he had floated 92 loans by late 1883 - and his influence with the London and Westminster, were working to help the Cape avoid 'disaster and discredit'. Sir Henry Barkly, ex-Governor of the Cape, was also on the Board of the London and Westminster. Sir H. Robinson, in London with Scanlen, was another man of influence in financial circles, as was reflected in a Directorship of the Bank of England after his retirement from the Cape. One can only speculate whether his masters in the Colonial Office, to whom the failure of the Cape loan would certainly not have been helpful in

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1. Merriman Papers 1883/267, Scanlen to Merriman, 13 Dec. 1883.
2. Merriman Papers 1883/276, Scanlen to Merriman, 20 Dec. 1883.

restricting their own financial responsibilities in South Africa, made their support for the loan known through the discreet and informal channels so well described by Herbert Feis[1]; but one does not need to prove such support to establish the overlapping of the financial and political elites of London and the relevance of this overlapping to the interests of colonies like the Cape. In addition, the Cape bondholders, anxious about the vacillation of the Imperial Government, may well have reckoned that it would not do their cause any good to let the Cape's loan fail. These influences working in the Cape's favour in late 1883 derived from the fact that the Cape was a colony.

Barings and Scrimgeours did their best to 'bear' the £5 million loan[2]; confident that the loan would fail, Scrimgeour led a syndicate to lower the price of issue by making extensive speculative sales of the new loan in advance at a low price, expecting that they would be able to buy up £2 million of the loan at or below the stipulated minimum[3]. But the Scrimgeour syndicate were 'cornered' by the London and Westminster Bank and the Cape's other allies: the whole of the loan was taken up by others at and above the minimum of 98, and as a result the syndicate had to pay dearly to obtain the scrip to execute the engagements they had made in order to 'bear' the loan[4]. The

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1. Feis, op.cit., pp.85-87.

2. Merriman Papers 1891/20, Report on the Hon. Mr. Merriman's Memorandum on Finance by Agent-General, 5 Feb. 1891, encl. in Mills to Merriman, 6 Feb. 1891.

3. Cory MS 9851 (Sprigg Papers): Mills to Sprigg, 24 Dec. 1884.

4. The efforts of the Scrimgeour syndicate, and the success of a rival syndicate in 'cornering' them, were classic stock exchange manoeuvres, as described in R. Giffen, Stock Exchange Securities: An Essay on the General Causes of Fluctuations in their Price (London, 1879) pp.48-51.

Cape's representatives were successful in their effort, primarily by offering 5% interest, 'to look beyond what is known as "the market", and to appeal to the outer multitude of bona fide investors to whom the charm of a 5 per cent. rate has peculiar attractions': an unprecedented number (1291) of tenders were received for the loan, and 'the market' was defeated by the London and Westminster and its clients and the investing public[1].

There was a 'quid pro quo' for the support of the London and Westminster: a tacit understanding between Scanlen and the Directors, that the monopoly of the financial business of the Cape in London to be handled by a bank in the future, would go to them[2]. The sequel again showed the vulnerability of colonies which became thus deeply obliged to a single Bank. For in 1891, the London and Westminster itself led a syndicate to 'bear' Cape loans and buy them up cheaply, and tried to issue loans on the Cape's behalf at a correspondingly low minimum price. It became one of Mills' preoccupations to combat speculative operations, at the Cape's expense, of the Cape's own financial agency[3].

Repeated efforts to nurse the securities of the colony into the hands of the class of permanent investors attracted to colonial securities and to use it to minimise the influence of City speculators,

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1. V.& P.1884, 1(i); A.3-'84, Joint Report by Sir Penrose Julyan and Captain Mills on the Floating of a Loan of £4,837,500 Sterling, pp.1-2.

2. Cory MS 9863 (Sprigg Papers): Mills to Sprigg, 29 Oct. 1885.

3. Merriman Papers 1891/9, 55 and 307, Mills to Merriman, 16 Jan., 26 Feb., 6 Nov. 1891.

implied floating loans in London, rather than elsewhere. There was a suggestion in 1891 that the domicile of Cape loans might be shifted to Rothschilds; Mills' response was significant:

> In my humble opinion everything possible ought to be done to keep our stock out of the hands of speculators. To place it on the foreign Markets will have precisely the contrary effect. The "stocking" on the Continent knows little or nothing of British Colonies and their securities, it will have none of them; hence the Speculators only will have to be dealt with! Need more be said? [1]

Another running battle fought by Mills was against the 'freight ring' organised by the Union and the Castle Steam Ship Companies, led by Sir Donald Currie. The strength of these two companies lay in the fact that freight from the Cape to Great Britain was relatively light for much of the year; they were therefore able to demand a subsidy to keep a frequent and regular mail service going at all, and to threaten that their Cape service would have to close down unless they were given all the shipping of the Government Emigration Service and all Government freight[2]. Then, using the advantage over competitors which the mail subsidy gave them, the two companies gave special privileges to some of the largest private shippers to and from the Cape in return for their using the Union and Castle Companies alone; lowered freights drastically whenever a competing steamship company encroached on South African trade, until it was forced to withdraw, or bought it

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1. Merriman Papers 1891/87, Mills to Merriman, 26 Mar. 1891.

2. Cape, P.W.D., letters Rd., Works, Agent-General: Mills to Commissioner, 5 Dec. 1882, no.40. Cape, P.M.260, J. Murison (Agent of Union Co.) to Scanlen, 12 July, 1883.

off, or persuaded it to join their 'ring'; and recouped these expenses handsomely when the freight monopoly was in their hands[1].

Donald Currie's 'ring' usually got its way in the end, but Mills fought a campaign of harassment to minimise the prices it could exact. In early 1883, Mills successfully engineered the intrusion of a rival company, the International, to carry emigrants to the Cape for the Government Emigration Service, and, despite the threats, protests and other manoeuvres of the mail companies and their allies in the 'ring', the International was able for a while to compete for other freight and drive all freight prices down[2]. In the end, however, the 'ring' forced the International to withdraw and re-established its monopoly[3]. Mills also succeeded on occasion in forcing the 'ring' to offer the government rates equal to those it offered private interests[4]; and in 1891, managed to take advantage of Currie's absence on a yachting tour to call for tenders for the shipping of Government railway materials and secure a reduced rate before Currie could bring the ring into action[5].

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1. Merriman Papers 1887, 'The Mail Contract and Rates of Freight', Private and Confidential Circular of Port Elizabeth Chamber of Commerce, 17 Jan. 1887.

2. Merriman Papers 1883/19,25,35,41,55, Mills to Merriman, 23, 25 Jan., 7, 15 Feb., 1 Mar. 1883.

3. Cory MS 9855 (Sprigg Papers): Mills to Sprigg, 3 Sept. 1885. Merriman Papers 1890/106, Mills to Merriman, 7 Aug. 1890.

4. Merriman Papers 1884/13, 16, Mills to Merriman, 4, 14 Feb. 1884.

5. Merriman Papers 1891/71, 103, 122, Mills to Merriman, 20 Mar., 17 Apr., 8 May, 1891.

Mills fought similar battles at times against British Insurance companies charging exorbitant rates[1]; and against the Standard Bank, whose charges for brokerage of Cape Treasury Bills, to take only one example, had to be reduced by introducing a competitor, and a consequent row[2].

Indeed, one of the main conclusions from this study of the supply of capital for Cape railway-building is to emphasise the importance to the Cape government of combatting particular interest groups seeking to profit at the colony's expense; and of these the most important were the shipping freight ring holding South African trade in its grasp, and the speculating stockbrokers of the City of London, the thwarting of whom became a central aim of the Cape's financial strategy in London.

The other main conclusion to emphasise is the relevance of the political connection with Britain to the Cape's economic interests. It was because of that connection that the Cape had recourse to the Crown Agents, their credit, experience and contacts, on which it heavily depended for the initial transfer of capital, materials, information and expertise implied in railway-building and other public works. The effectiveness of both the Crown Agents and the Agent-General depended in turn on the Imperial connection. For, most importantly, it was the major support of Cape credit, on which the whole process depended; and for a variety of reasons, there were particular attractions in investing in British colonies as relatively

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1. Cape, C.O.1255, Mills to Col.Sec., 14 May, 1884. Confidential.

2. Cory, MS 9871 and 9873 (Sprigg Papers): Mills to Sprigg, 24 Dec. 1885 and 7 Jan. 1886. For Mills' general view of the Bank, see Cory MS 9864 (Sprigg Papers), Mills to Sprigg, 5 Nov. 1885.

safe investments in the period with which we are concerned. Beyond that, the defence of credit was assisted by the degree of access to the organs of public opinion, offered to the colonial government representative. In financial affairs, the political connection was responsible for the support in time of need of men of financial influence like Julyan, Robinson, Barkly, and perhaps, informally, of the Colonial Office; and the Cape bondholders could also be relied on to try to protect their investments by moving to support the Cape's credit. The colonial government representative had access to political and social elites; and in his role as conveyor of information to the Cape, he had as colonial representative, access to the Imperial repositories of experience and networks of Imperial representatives throughout the world.

Economic development under Responsible Government operated to maintain colonial dependence on the Imperial connection. This implied in turn that it was British, not foreign, interests, which reaped the profits. Because the colony derived advantages from the network of connections and favourable influences available to it in London, it was with British investors, financiers, manufacturers and shippers that the deals were made. It was only by 'Buying British' that the economic advantages to colonists of living in the British Empire could be realised.

# CHAPTER EIGHT

## RAILWAY LABOUR, 1871-1876

Labour for the Cape railways has received little attention in the historiography. H. M. Robertson, and later S. Van der Horst, made a number of important observations based on the printed sources[1], but labour on the railways has more often been accorded brief, if any, mention, as attention has been focused on the larger-scale and permanent phenomenon of labour in the diamond and gold mines. Professor Hobart Houghton, for example, noting that over 9,500 miles of railway were opened in South Africa between 1860 and 1919, simply wrote:

> During the periods of rapid construction large numbers of skilled and unskilled workers were employed on railway-building, and this added significantly to the process of adaptation from farming to industrial employment, but it was never of the same magnitude as mining. [2]

But, while it is clearly the case that mining labour is a subject of more fundamental importance in South African history, Cape railway-building represented a new scale of demand for wage labour from many blacks who had never worked on the diamond fields. Apart from the southern Sotho of Basutoland, very few blacks from the Cape or the Transkei laboured in Griqualand West in this period; most of the labour at the fields came from the area between the Zambezi and the Limpopo[3].

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1. H. M. Robertson, '150 Years of Economic Contact between Black and White: A Preliminary Survey', The South African Journal of Economics, Vol.2, No.4 (December 1934), pp.12-13; S. J. Van der Horst, Native Labour in South Africa, (London 1942), pp.87-119.

2. D. Hobart Houghton, 'Economic Development, 1865-1965', O.H.S.A. ii. 20.

3. Van der Horst, op.cit., pp.76-77.

In 1883, 3,762 'new hands' registered at Kimberley included only 149 men from the Cape Colony[1], and in 1884 the 'Colonial' men, which may include those from Natal, numbered 375 out of 5,476 'new hands'[2]; yet in 1883, an average of something like 5,000-6,000 black labourers, mostly from the Eastern Province, were working on the Cape railways at any one time - a number which had been as high as 8,000-9,000 in early 1877[3]. The response of men in the Cape and Transkei to this new level of demand for their labour; the interaction of developments in the black peasant economy there with the economic requirements of the white settlement; a significant phase in the struggle between whites and blacks over the terms of black wage labour; and the specific characteristics of railway labour, are all lost from view if railway-labour in our period is passed over as an insignificant prelude to the themes of labour for the mining industries of Kimberley and the Witwatersrand.

The available sources do not permit a comprehensive analysis of these subjects. The papers of the Cape Railway Department for this period, which would be a basic source, have nearly all been lost. Moreover, selective searches in court records for areas and periods in which railway-building was underway and in which, for example, major disturbances are known to have taken place at the railway works, have

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1. V.& P.1884, 1(iii); G3-'84, BBNA 1884, p.28.

2. Van der Horst, op.cit., p.84. Of the 30,889 'new hands' (on a different definition) registered at Du Toit's Pan and Kimberley in 1882, only 597 were British subjects of the Cape Colony - Cape, N.A. 195, C.C. Kimberley to USNA, 27 March, 1883: encl. Return of Old and New Hands Registered at Kimberley and Du Toit's Pan in 1882.

3. See below, p. 389.

proved disappointing. The main reason - apart from the scrappiness of the court records - is that one of the crucial characteristics of railway labour was that it was mobile over wide geographical areas, often far from the nearest policeman or Resident Magistrate's court. It was because there was no court at hand, wrote the Resident Magistrate of Worcester in 1877, that disputes between contractors and labourers on the western railway works so frequently involved threatened or actual violence; and neither side was prepared to lose time and money by travelling to the nearest Magistrate. The Commissioner ruled out the provision of special courts as likely to encourage 'cheap and frequent litigation'[1]; and we are deprived of the kind of evidence in court records of the experience of work and workers' responses, of which, for example, Charles van Onselen has made such fruitful use in studying gold-mining labour in Rhodesia[2].

There is, in fact, little evidence available about the distinctive character of the actual work which railway labourers in the Cape did; nor have records survived, if indeed they were ever made, of illnesses, accidents or deaths at the work-place or of many other aspects of conditions in the railway camps. In addition to the reasons just given, this lack of evidence stems from the fact that the colonists were not interested in the experience of labour at the work-place or the nature of the contribution which labourers made to the building of the railways,

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1. Cape, C.O.3276; R.M. Worcester to Col.Sec., 10 Feb.1877, and Minute on it of 15 Feb. 1877 by J. X. Merriman.

2. C. van Onselen, Chibaro (London, 1976).

choosing to see railway-building as an achievement of engineering rather than muscle, pick and shovel.

Nevertheless, the records of the Public Works Department provide a great deal of information, particularly for the period up to 1877; this Department was responsible for the railway works until 1873, and played a crucial part thereafter in the recruitment of black and the importation of white labour on behalf of the railway engineers. The records of the Native Affairs Department contain much material on labour for the railways in the period when central government was active in its recruitment, and on the pressures on the black population to seek wage labour for the colonists, and there is further material in those of the Cape Colonial Office and of a number of Civil Commissioners and Resident Magistrates in the areas where railways were built and of Magistrates in the areas from which most of the African labour came. These are the most important primary sources which have been combined with printed sources to give as full a picture as possible. The bias in the sources is heavily towards the period up to about 1877, because the central government Departments were then heavily involved in labour recruitment, and because the demand for labour was greater and the problems in procuring it newer and more acute than they became later.

Railway labour had a number of important, distinctive characteristics, which conditioned the conflict over the terms on which it should be conducted.

There was a general lack of central supervision over the labour force. The remoteness of most of the proposed lines and the mobility of railway labour over a large geographical area made it impossible to

develop the sort of techniques available to mining interest to control labour concentrated in one place. Second, railway-building was temporary; once the line was built, the labour-force was disbanded, and it was open to doubt whether or when the same force would be needed again elsewhere. This militated against the development of regulating machinery, to which consideration was more likely to be given in industries with permanent labour requirements. These two factors interacted with the sparsity of police resources in the Cape.

Small bodies of municipal policemen, and constables working under inspectors of Locations under the Location Acts after 1876, were limited in the area and scope of their functions. The Cape Mounted Riflemen and Cape Field Artillery, which replaced the Frontier Armed and Mounted Police after 1878, had by 1881 'for some years' ceased to perform other than strictly military functions[1]. General police duties outside limited areas were thus largely confined to bodies raised under the District Police Act of 1873 - and their numbers were limited by the fact that the initiative in creating and determining the size of these forces was vested with Divisional Councils, who had to pay one-third of the cost. The result was that there were in 1881 only 227 Divisional policemen of all ranks in the entire Colony[2]. The Public Works Department gave little help: in February 1877, the Railway Department employed six armed and mounted policemen on the western railway works, and three on the north-eastern line[3] - at a time when there were an average of

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1. V.& P.1881, II; A5-'81, Report of Sel.Comm. on Defence Organization, p.iv.
2. ibid., Appendix L, p.xvii.
3. Cape, C.O.3276, R. M. Worcester to Col.Sec., 10 Feb. 1877: Minute by Commissioner, 15 Feb. 1877.

some 3,200 men working on the western line and over 6,300 on the midland and north-eastern lines.

This lack of regulatory and coercive machinery meant that the men could with relative ease come and go from the railway works as it suited them, exercise the power of refusing to work until specified conditions were met, and desert if it suited them better than remaining there. It meant that threats and actual violence were common features of contention over terms of labour. These circumstances could all be turned to advantage by workers in periodswhen their bargaining-power was not undermined by other factors. But the remoteness of the works also underlay their vulnerability to exploitation through tommy-shops, and, when workers' bargaining-power was at a low ebb, encouraged engineers and sub-contractors to take advantage of their distance from home.

The difficulty of establishing close supervision also encouraged endemic drunkenness, although one should note that the geographical concentration of labour at the diamond fields did not prevent many complaints of the same phenomenon there in this period. Efforts to improve the situation through the licensing laws were frequently abortive. 'It is quite clear', was a typical comment from an engineer on the Midland line, 'that on the whole length of the railway the liquor licence is being set at nought, by the sale of liquor of all sorts from carts despatched from the canteens, under a pretence of delivering goods to order'[1]. Similarly, in early 1883, the Civil Commissioner of

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1, Cape, 1/UIT 10/56: Watson to C.C. Uitenhage, 27 Jan. 1877.

Beaufort West reported that 'The Police Force here is wholly inadequate to prevent illicit dealers in brandy and other strong drinks from carrying out their nefarious traffic along the line of construction'[1].

It was also partly because of the remoteness and mobility of railway labour that convict labour was not employed. Convict labour with its chains and close supervision was inherently immobile, and most economically employed on a limited number of works which were geographically concentrated and so heavy and unpleasant in character that free labour would have extracted a high price. In our period, convicts numbering under 1,000 until 1877, but between 1,500 and 2,400 thereafter, bore the brunt of the heaviest work at Table Bay, East London and Kowie harbour works and at one or two mountain passes[2].

The other important distinguishing features of labour on the railways stemmed from the Government's being in overall charge of railway-building. The fact that up to 1877 the Government was both employer and recruiter of railway labour sometimes gave black railway workers a lever to use against their employers: railway engineers had to reckon with the interests and aims of officials of the Native Affairs Department involved in recruiting, whose credibility with the black population under their charge was threatened if men whom they had persuaded to seek work on the railways on specified terms found that the engineers or contractors were not prepared to abide by

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1. V.& P.1883, 1(vi); G.8-'83, BBNA 1883, p.26.

2. The main printed sources on convict labour are the annual Memoranda upon the Discipline and Maintenance of Convicts in the Cape parliamentary papers.

those terms. There were a number of occasions when blacks bargained with or put pressure on their Government employers through their magistrates, in a way that was in many respects impossible in the case of private employers.

More important, the political pressure for economy in public spending was relatively slight in the early 1870s as the revenues burgeoned. Because the Government was the employer, there were no rigid economic imperatives determining the wage levels of railway labour. Loans for sums far in excess of original estimates could be, and were, floated in London on the basis of the total credit of the Government, rather than the financial results of particular enterprises; and the credit of the Cape Government in the 1870s allowed room for manoeuvre. Similarly, the charge on the revenues of interest on extra capital from London was a more or less serious matter depending on the total financial position of the Government. The position changed after 1877, but in the earlier 1870s, there was no short-term threat of significant extra taxation on the white population, and the absence of inflexible economic imperatives allowed wage-levels on the railways to rise.

Moreover, up to 1877, the most powerful pressure on the Public Works Department was undoubtedly to press on with the works as vigorously as possible, tending to enable workers to raise the price of labour. The effective prosecution of public works was a crucial political issue in the early 1870s, and enemies of the Molteno Ministry sought to use signs of inefficiency in public works to attack it.

The Journal summed up this point in April 1873:

> Advertising for labourers at two shillings per day will not do. A creepy-crawly, dilly-dallying with earthworks at half a mile a month will not do. Simply saying that farmers would grumble if labour were attracted away from their employ will not do. These are but irritations and vain excuses - absolute premiums offered to political agitation. The result at which Mr. Molteno and Mr. Smith must arrive is simply this: - Railways must be constructed within reasonable limits of time - if this cannot be done by Government with colonial labour, it must be done by foreign labour; or if Governments cannot do it through the Public Works Department, then it must be done by companies and contractors. We assure the Ministry that the renewal of political agitation in this province is to a large extent the result of their own trifling with the interest which people care about more than they care about anything else. The strength of Separation, Federation and Distributive Administration is, we repeat, the weakness of the Government in the department of Public Works. [1]

Movements in parliament in favour of binding the Government to the contract system in 1873 and 1874 featured strong criticism of the lack of progress on linesalready authorised. For the pressures behind the adoption of the Molteno Plan applied equally to its execution. In particular, interested communities could not bear to see rival lines built faster than their own, and feared that the consequent diversion of trade would be permanent. Not only the Government's enemies in Port Elizabeth and Grahamstown, but its friends in Graaff Reinet and Queenstown, were up in arms in 1874-1875[2]. C. A. Smith later recalled the pressure in a dialogue with the Railway Commission:

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1. Quoted in Argus, 15 Apr. 1873.

2. e.g. G.R.H., 14 Nov. 1874; Q.F.P., 21 Dec. 1874.

> 'Was there at that time (early 1875) an excessive pressure?'
>
> 'There was very great pressure indeed.'
>
> 'Was it political pressure or what?'
>
> 'Public opinion and political pressure to push on with the railways which had been authorised...'
>
> 'Then those who were at the head of the Government at that time felt it necessary in their position to hurry matters on?'
>
> 'We did our best to hurry matters on.'

And he later added:

> 'I daresay that if the Government had asked the Parliament to wait for detailed estimates and detailed surveys before commencing construction, they would have forfeited the confidence of the House and would have had to make room for others.' [1]

Later, during the agitation over Carnarvon's Confederation policy, the Government's enemies were ready to turn delays in railway-building to political advantage, and the pressures to press ahead with railway-building remained the paramount consideration until, in 1877, the soaring costs came to public notice and themselves became an important target for political attack.

There was, however, also strong pressure on the Government from the start to keep the rise of wages for black workers in bounds. Private employers demanded that the Government should take steps to minimize the effects of its intervention in the market for black labour. Private employers had two basic requirements[2]. First, they wanted permanent farm labourers or domestic servants under a variety of relationships

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1. G.3-'78; Report of Railway Commission, Minutes of Evidence, p.356.

2. I have drawn in the following paragraphs on ideas in an unpublished seminar paper by Dr. S. Trapido, 'Landlord and tenant in a colonial society. The Transvaal 1880-1910' (Institute of Commonwealth Studies, Oxford 1977).

ranging from full-time service to sharecropping or tenurial obligations to labour for part of the year. The second requirement was for wage-labour, often, in the case of farmers, of a seasonal kind, and for which farmers were generally unwilling to pay as much as many other employers were prepared to pay when labour was scarce. There were complaints of scarcity of both kinds of labour from farmers in the 1860s[1], but the scarcity became much more acute in the 1870s. The 'virtual "explosion" of peasant activity in the 1870s, which affected the lives of the great majority of the Cape's Africans'[2] furnished inducements (and perhaps resources, in the case of share-croppers or labour tenants who had plots of their own) to leave permanent labour obligations and set up as cultivators elsewhere, e.g. as 'squatters' on land carrying rent rather than labour obligations, and the generally increased demand for wage-labour after 1870 must also have affected some permanent farm-labourers and domestic servants by offering them more remunerative opportunities elsewhere. But, perhaps more drastically, the rise in wages resulting from the use which blacks made of the demand for their labour cut the supply of wage-labour, particularly the farmers' seasonal labour, at prices which employers were accustomed to pay.

By 1873-1874, a formidable outcry had arisen in many parts of the colony. In no recorded case was the cry that the Government should

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1. Houghton and Dagut, op.cit., pp.175-176, 178-180, 183.

2. C. J. Bundy, 'African Peasants and Economic Change in South Africa, 1870-1913, with particular reference to the Cape' (Oxford Univ. D.Phil. thesis 1976), p.95.

not build railways, or indeed build them rapidly. It was rather that, since the Government itself was intervening so largely in the labour market, it had a duty to import labour from beyond the borders of the colony, and by other legislative measures lower the terms of labour which blacks would accept, to offer relief to the private employer. The demand that the Government should import labour for its own use on the railways frequently merged with the demand that labour should be imported on long-term contracts for the use of private employers. Variants on these demands poured in from 1872 onwards from areas as diverse as the Paarl[1] and Stellenbosch[2] in the west to Fort Beaufort[3] and Albert[4] in the east, and became a leading item in much of the colonial press.

The demands for importing labour were loud in parliament in 1873[5] and louder still in 1874, when they focused in part on the introduction of Indian or Chinese coolies. Even before the terms governing Indian immigration were fully known many of those recommending the importation of cheap labour had reservations about this idea, ranging from the view that coolies would leave service and become settlers, as some had done in Natal[6], to prejudices about their racial characteristics, or a sense

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1. Cape, C.O.953, petition of 26 Dec. 1872, no.123.
2. Cape, C.O.4176, undated petition of 1872, no. S.120.
3. Cape, C.O.966, petition of 22 Oct. 1873, no.48.
4. Cape, C.O.980, petition of 24 Mar. 1874, no.44.
5. Argus, 5 May, 1873: debate in Assembly on 6 May.
6. L. M. Thompson, 'Indian Immigration into Natal, (1860-1872)', A.Y.B. 1952, Vol.2, pp.63-64.

that the colonists had to accept the necessity or duty of 'civilizing' the black races among whom they lived. The running in favour of coolie immigration was made by English-speaking farmers and landowners of the Eastern Province and by merchants and shipping agents there and in Cape Town. It may even be that further research would suggest that some of those seeking to concentrate the demand for cheap labour on coolie immigration had in mind, not only interests in their shipment and experience in other parts of the world, but also the fact that it would relieve pressure to move against 'squatters' who furnished land-owning companies and individuals with a healthy rent income from their estates[1].

These pressures on behalf of private employers were an incentive to the Government to keep the wages paid to black railway workers as low as they could, and were of fundamental importance in the decision to make extensive use of relatively highly-paid and expensive white labour in railway-building. But they did not mitigate the pressures to push rapidly on with railway-building. Provided that the Government demonstrated that it was trying to meet the interests of private employers through importing labour and, from 1876, through legislation affecting 'squatters', the labour difficulties of private employers constituted much less of a political threat than its own difficulties in getting the railways built.

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1. For a selection of evidence on the agitation to import coolies, see Argus, 2, 4 July, 1874: debates in Leg. Council and Assembly of 30 June; G.T.J., 1 Apr. 1873: speech of J. B. Hellier at Bedford Agricultural Show; G.T.J., 2 Nov. 1874: meeting of Albany farmers; Cape, C.O.980, Petition of Port Elizabeth Ch. of Comm., 24 Mar. 1874, no.44; Minutes of Cape Town Ch. of Comm. (Cape Archives), vol.C.C.8, A.G.M. of 3 Apr. 1876. The outcome of the Government's enquiries about the terms of Indian and Chinese immigration are discussed below, pp. 375-377.

Although the scale of the Government's involvement as employer was one of the important features of railway labour in the Cape, not all the work was executed under the direction of their own staff. Main contractors built over 100 miles of the line between Uitenhage and Graaff Reinet; the final section of the Cradock line; and, later, 90 miles of the extension north of Queenstown to Aliwal North and the line from Hope Town to Kimberley[1]. These contractors were responsible for the labour under their charge, although they sometimes enlisted official help in recruiting. Government engineers also gave numerous, small sections of the works under their charge to sub-contractors from 1877 onwards. On the midland and north-eastern systems, the numbers of men engaged on contract work in 1876 averaged only 530 per month out of a total of over 4,000[2], but in 1877 the proportions altered until in July they were about equal[3], and on the border line, those on contract work exceeded the rest from about May onwards[4]. This was a way of harnessing sub-contractors, through the profit motive, behind an economical and rapid execution of works involving heavy payments for

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1. Van der Horst was, however, wrong in writing that the railways generally were built by contractors: Van der Horst, op.cit., pp.87-88.

2. V.& P.1877, 1(ii); G.49-'77, Railways, Report and Annexures for 1876, p.21.

3. V.& P.1878, 1(ii); G.32-'78, Railways. Report and Annexures for 1877, p.32.

4. Ibid., p.33.

piece-work to get them done[1]. When work was given out in small contracts, the Government engineers had only an indirect control of the wages sub-contractors paid, through the sums they allowed for labour in drawing up the contracts. Swindles of the work-force by sub-contractors were later to become common, but, when the bargaining-power of labour was not too low, main and sub-contractors sometimes bid up the price of labour and hampered Government efforts to control or reduce wage-rates[2].

The distinctive characteristics of railway labour may, then, be summarized as follows. Railway labour was remote, mobile, and temporary. It was not subject to close regulation and control. The Government was largely involved as recruiter and employer, and the over-riding imperative up to 1877 was to get the railways built rapidly. There was no rigid ceiling to the wage-bill, but there were strong pressures from the start to limit the effects of demand for railway-labour on the market for cheap, black labour.

Some of these factors prescribed a major role for white labour. While the proportion of white to black in the railway labour-force varied from place to place and from time to time, whites generally comprised at least one quarter and sometimes a good third of the total. When the labour-force was at its peak in the earlier part of 1877, there were probably between 3,000 and 4,000 white men working on the railways[3]. A substantial proportion of these had been imported from Europe.

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1. G.3-'78, Report of Railway Commission, Report, p.xvii.

2. See below, p. 404.

3. See below, p. 389.

In the Session of 1873, parliament voted funds to finance an emigration service with a full time Emigration Agent and staff based in London. There were three basic aims here, resting on assumptions which are considered later. One was to provide urgently required skilled and unskilled labour for the railways and other public works in contemplation. The second was to open up a source of skilled and high-quality, unskilled labour to private employers, who were complaining about the increasing shortage of both; for a contribution (initially £7 per head) towards the cost, the employer could have a specified individual shipped to the Cape at Government expense, or alternatively specify the kind of labour required and the terms, and have the emigration service select and send someone to fit the bill. This scheme for private employers was known as Aided Emigration, distinct from the 'Government' or 'Ordinary' Emigration of people ordered by the Government, carried out by the same staff. The third aim was to take advantage of these two requirements to fulfil the ambition of many colonists to swell the 'civilized' sector of the population and so add to the strength and resources of the colonial settlement. The following Table summarizes the number of people sent out to the Cape by the Emigration Service:

## Table 12 [1]

### Numbers shipped to the Cape by Cape Government Emigration Service 1873-1883

| | For Railways and Public Works [2] | Total ordered by Government [3] | Aided (for private employers) | Total Emigrants |
|---|---|---|---|---|
| 1873 | n.a. | 506 | 4 | 510 |
| 1874 | (729 men reached railways [4] incl. c. 500 navvies) | 816 | 173 | 989 |
| 1875 | 1230 (1170 men incl. 756 navvies) | 1349 | 447 | 1796 |
| 1876 | 1126 (877 men incl. 446 navvies) | 1561 | 711 | 2272 |
| 1877 | 672 (576 men incl. 274 navvies) | 1312 | 890 | 2202 |
| 1878 | 330 (152 men) | 467 | 289 | 756 |
| 1879 | 316 (155 men) | 475 | 862 | 1337 |
| 1880 | 137 (74 men) | 1205 | 1402 | 2607 |
| 1881 | 324 (257 men) | 1550 | 2613 | 4163 |
| 1882 | 183 (121 men) | 1246 | 3399 | 4645 |
| 1883 | 19 (8 men) | 361 | 1029 | 1390 |
| Total | (4119 men) | 10,848 | 11,819 | 22,667 |

1. Source: Annual Reports on Immigration in Cape Parliamentary Papers, 1876-1884. All totals include women and children. Government Emigration was suspended in 1884-1885.
2. These people were nearly all required for the railway service, though not all for construction work.
3. Includes recruits for defence forces and agricultural settlers as well as workers for railways and public works.
4. V.& P.1875, 1(i): G.35-'75, Report of Railway Engineer for July 1873 to 31 Dec. 1874, p.7. The figure for navvies is an estimate based on the orders for navvies and others made by the Railway Department: ibid., p.2. In addition to those who had reached the railway works by December 1874, there would be others on their way to the works, not included in these figures.

Up to the end of 1877, about 2,000, or well over half of the white workmen for the railways shipped to the Cape, were navvies. Most of the rest were the class known as 'artisans' - masons, quarrymen and miners, blacksmiths and carpenters. Thereafter, as the numbers sent from England declined, the relative importance of specialized railway workers increased - men to lay and maintain the permanent way, or assemble and maintain or drive the engines.

It is not difficult to understand the need to employ white, skilled and semi-skilled labour and to import much of it from Europe, given the urgency of railway-building. There was no time to wait while labourers in the Cape were trained. Artisanal, let alone specialized railway skills were in limited supply after a decade of relatively low demand, and the difficulties of the Government and of private employers in obtaining semi-skilled labour when demand was greatly increased were acute. The remoteness and heaviness of railway work limited its attraction to many artisans in Cape towns, and in 1875, when work began on all the lines authorized in 1874, the shortage of semi-skilled workers was the single most acute labour shortage holding up the progress of the works[1], for little progress could be made in much blasting, bridge- and culvert-building work until masons and miners were brought in from Europe. The main question for analysis is why so many unskilled white workers were employed and so many navvies imported.

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1. Cape, P.W.D., Letters to Emigration Agent; Commissioner to Emigration Agent, 5 Aug. 1875, no.11/2.

There was in fact nothing unusual about importing hardened navvies on grounds of speed and economy to provide the driving-force in railway construction in countries where few railways had been built. Navvies accustomed to the techniques, heaviness and danger of tunnelling, blasting, and moving vast quantities of rock and earth were exported from Great Britain all over the world. Even in France, Thomas Brassey had found it worthwhile to import British navvies paid at least twice as much as French labourers to attack the heaviest work on the Paris and Rouen railway at a rate of which local workers were not yet capable[1].

In the Cape, too, local men did not do some of the heaviest work on the railways. Even in 1876-1877, when the flow of black labour was abundant, hardened navvies were ordered from England in gangs to tackle rock-cutting and other particularly heavy work[2]. Partly because they were paid about twice as much as blacks doing similar work and were better fed and watered, but partly because of their habituation to the work, twelve navvies could, according to one engineer on the midland line, probably achieve more 'rock work' in a given time than six navvies and twelve black labourers[3]. Indeed, he reported that 'we have had to take black men out of the rock cuttings and put white men in them so as to get better and cheaper work'[4].

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1. T. Coleman, The Railway Navvies, (London 1965), p.166 and passim.
2. e.g. Cape, P.W.D., Letters to Emigration Agent, 1875-1881; Commissioner to Acting Emigration Agent, 30 Dec. 1876, no.11/501.
3. G.3-'78, Report of Railway Commission, Minutes of Evidence, p.171.
4. Ibid., p.167.

The relative importance within the white labour-force of experienced but unskilled workers on the heaviest railway works is suggested by the following Table of white wage-rates on the notoriously heavy Grahamstown branch-line works in 1877. A variety of evidence suggests that those earning 7s. 6d. or more per day were artisans, gangers and specialized railway workers; that those earning up to 6s. per day were unskilled and inexperienced; and that the men earning 6s. 6d.- 7s. were for the most part the more experienced navvies, although some of the lower-paid miners and engine firemen were also paid 7s. The last four months of the year were unusual because of the outbreak of the Ngqika-Gcaleka War and other factors, but the first eight months of the year witnessed a significant build-up of highly-paid navvies at a time when black labour was not in short supply.

Table 13

Daily Wages of White Workers under Government Engineers on Grahamstown Line, 1877 [1]

| | Numbers paid at: | | | | Total Whites | Total Whites & Blacks |
|---|---|---|---|---|---|---|
| | 5s-5s6d | 6s | 6s6d-7s[2] | 7s6d and upward[3] | | |
| Jan. | 21 | 23 | 31 | 70 | 145 | 670 |
| Feb. | 20 | 37 | 51 | 132 | 230 | 844 |
| Mar. | 18 | 57 | 61 | 153 | 289 | 1014 |
| Apr. | 17 | 79 | 71 | 144 | 311 | 928 |
| May | 25 | 53 | 98 | 170 | 346 | 929 |
| June | 18 | 33 | 113 | 133 | 297 | 864 |
| July | 24* | 23 | 131 | 138 | 316 | 879 |
| Aug. | 16* | 30 | 165 | 149 | 360 | 1052 |
| Sept. | 28 | 53 | 142 | 126 | 349 | 840 |
| Oct. | 36 | 58 | 73 | 106 | 273 | 673 |
| Nov. | 43 | 51 | 59 | 105 | 258 | 619 |
| Dec. | 41 | 54 | 90 | 92 | 277 | 570 |

* (includes 1 at 5s. 9d.)

1. Source: G.3-'78, Report of Railway Commission, Appendix to Report, p.vii.

2. Those in the 6s. 6d. category numbered 18 or less up to August and show no correlation with changes in the numbers at 6s.

3. There were never more than 24 men receiving 7s. 7d.; the changing numbers at 6s. 6d. and 7s. cannot therefore be explained by men 'dropping' from 7s. 6d.

But the need for speed and efficiency, particularly in tackling the heaviest work, cannot be a complete explanation of the scale on which navvies were imported, particularly up to 1875, nor of the scale on which inexperienced white workers were employed on the railways, as illustrated in the last Table, at wages much higher than those of black workers. The lowest wage for whites on the Grahamstown line, 5 shillings, and the average white wage, varying between 7s. 7d. and 7s. 8d., have to be compared with the average black wage ranging during the year between 2s. 9d. and 3s. 2d.[1]

One of the most compelling reasons for employing white unskilled labour was the failure, which will be discussed shortly, to procure an adequate black labour-force on terms which the Government was willing to offer. Those terms were conditioned by the interests of colonial employers generally, as manifested in the outcry from them after 1872, in limiting the increase in black wage-rates; and the importation of navvies in 1873-1875 took place against the background of strenuous efforts to keep the wages of black railway labourers within bounds. In 1876, it was made explicit to the Emigration Agent in London that

> the extent to which the manual labour necessary for the construction of Railways in this part of the country (Western Province) interferes with the labour required by the Agriculturalists, leaves no room to doubt that it will be necessary to a more considerable extent, to supplement this class of labour by the introduction of more European navvies. [2]

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1. G.3-'78, Report of Railway Commission, Appendix to Report, pp.vi-vii.

2. Cape, P.W.D., Letters to Emigration Agent; Elliott to Emigration Agent, 7 July, 1876, no.11/262.

The same consideration was relevant to the wage-differentials established between white and black labourers, and to the fact that only small numbers of blacks were introduced to skilled jobs. It also conditioned the widespread assumption, based also on military and ideological grounds, that it was desirable to use the specific requirements of the railways to swell the ranks of the white colonial settlement by importing white labour, rather than to allow blacks to move towards the wage-levels and skills of white artisans and navvies.

The resultant tendencies towards a racial division of labour and wage-differentials tended to be self-perpetuating. The differentials tended to be increased by the need to attract reasonably orderly navvies and artisans from Europe; and it was not surprising if men who were better paid, fed and watered worked more reliably and effectively in many cases than blacks doing the same jobs. For the shifting character of the black labour-force was exaggerated by the way in which it was used. It will appear that the Government repeatedly tried to use the devastation of wars and drought and the importation of cheap, black labour to lower the cost of black labour currently employed. Increased supplies of black labour were the signal for attempted wage-reductions. There were unexpected stoppages from wages which were either swindles or had not been explained or understood. There was physical ill-treatment at the hands of sub-contractors. All these practices provoked black resistance in various forms, including frequent desertions, which helped to sustain the view that black labour was generally worth much less than white.

But the impermanent character of most of the black labour force was also due to the fact that whereas most white labourers were proletarians, most of black ones were members of peasant families with access to land from which the peasant family economy could furnish at least part of their subsistence requirements. The result was that, although a substantial sector of the white work force was also impermanent, blacks came and went from the railway works to a much greater extent than most whites as it fitted in with the requirements of the peasant economy, with family and social life in their homes and with opportunities to enter the carrying-trade or other wage-labour as alternative, periodic supplements to the resources of the family. An additional aspect of having homes in areas of dense African settlement was that those areas were in some cases politically and militarily insecure, sometimes causing black workers to return home in a hurry at times of crisis. There were, of course, some exceptions. An engineer working on the railways from Port Elizabeth in 1878 claimed that he had 'trained large numbers of natives who are now very efficient workmen. Some of them on the Midland Railway have been on the works for $2\frac{1}{2}$ years'[1]. A few black men on the border line were trained to do drilling work as effectively as whites[2], and others became expert rivetters on bridge-work[3]. There were cases where

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1. G.3-'78, Report of Railway Commission, Minutes of Evidence, p.48.
2. Ibid., p.224.
3. Ibid., p.62.

blacks were put,under white supervision, on to laying and fastening the permanent way[1], or were made gangers[2]. But the characteristic comment of the railway engineers was that while most whites on the railways from Port Elizabeth were there under some sort of agreement and kept to them, 'as for the natives, they all come and go as they please'[3], or that nothing could induce Mfengu shipped to the Western Province on fixed contracts to stay there when the contracts expired[4], or that the blacks sent under contract to the border line in 1875 'had to be a great many weeks on the line, before they could become at all handy at their work, and a great many of them went away as soon as they began to be of use'[5], or that at least one or preferably two out of a gang of four men maintaining a section of permanent way should be white, because the blacks were liable to disappear without warning[6]. The fact that the centre of gravity in the economic and social life of most black labourers was not at the railway works, interacting with the effects of the way in which they were used, reinforced the disposition of the colonists to believe that black men were fit in most cases only for unskilled work at relatively low wages.

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1. Ibid., pp.167, 170.
2. Ibid., p.15.
3. Ibid., p.10.
4. G.32-'78, Railways. Report and Annexures for 1877, p.2.
5. G.3-'78, Report of Railway Commission, Minutes of Evidence, p.199.
6. Ibid., p.305.

The interests of white workers did not feature in the outcry from private employers and, so far as is known, were not championed at all in political or public life. But, although bargaining and other action taken by white workers at the railway works cannot generally be documented, it must have been an important factor in their extensive deployment on the railway works at higher wages than those of the blacks. A note has survived from 'The White Gang' on the western railway works in 1873, complaining that they had received no equivalent to the rise of 6d. per day given to blacks[1]; that skilled workers and hardened navvies used their bargaining-power is suggested by the fact that the Government was forced to abandon the long contract-periods to which imported whites had been bound, as a result of 'the dilatory way in which long contract men work'[2]; and there is no doubt that many semi-skilled whites, navvies, and the more desperate unemployed men like discharged sailors, soldiers, or deserters from previous contracts, who arrived at the railway camps, were rough men whose demands were rejected at the peril of engineers largely bereft of police resources. An atmosphere in which, at times, 'industrious men are constantly being driven from the camps by bands of drunkards, who endeavour to prevent them from working'[3] was not one in which white workers would be slow to take action to defend advantages over blacks in their terms of employment, nor one in which it was easy to refuse employment to whites who wanted it.

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1. Cape, P.W.D., Letters Rd., Works, Semi-official, 1873; Wells Hood to Ch. Insp., 12 June, 1873.
2. Cape, P.W.D., Letters to Emigration Agent, 1875-1881; Commissioner to Emigration Agent, 25 Aug. 1875, no.11/29.
3. Cape, 1/UIT 10/96; Watson to C.C. Uitenhage, 14 Aug. 1876.

The numbers of unskilled whites seeking employment on the railways was swelled in 1876-1877 and in the 1880s both by commercial depression, making it harder for recent emigrants and other colonists to find work in the towns, and by drought. For example, many Afrikaner farmers laboured on the midland line in 1877-1878 because of the drought[1]. Similarly, newly-arrived white agricultural immigrants found their plots of land stricken by drought in 1878-1880, and, like many blacks, took to wage-labour to try to feed their families and gather resources to set up as peasant cultivators[2]. The Government probably felt concerned to assist agricultural immigrants brought in under their auspices by offering them work, and it is also possible that more general assumptions about the status of white men in colonial society prescribed a generally sympathetic attitude towards employing unemployed or impoverished whites at wage-rates higher than blacks, as a way of giving relief and opportunities to white men while obtaining labour in return.

It was partly the increasing supply of white labour under the impact of drought and depression that led to the cessation of imports of navvies and artisans after 1877. It was also relevant that the total labour-force on the railways was never again as large as it was in 1877, and that most of the heaviest railway work was done by the end

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1. S.A.P.L., Molteno Papers, Merriman to Molteno, 24 Aug. 1877. G.3-'78, Report of Railway Commission, Minutes of Evidence, p.172.

2. V.& P.1879, 1(i); G.5-'79, Immigration Report and Tables for 1878, p.5. V.& P.1881, 1(ii); G.56-'81, Reports of Superintendents of Immigrants for 1880, pp.6-8.

of 1878. White workers within the colony had also had time to grow accustomed to railway labour. But the most important factor, as political pressure to economize grew from 1877, was the cost of importing white, unskilled labour, particularly when compared with the cost of black labour.

The Government paid a high price for importing white workmen, in addition to their higher wage-rates and the cost of accommodation which they, like all other white workers but unlike most blacks, were given at the railway works[1]. The cost per adult of sending Government (as opposed to Aided) emigrants to the Cape was reckoned to be £19 4s. 0½d. for 1875[2]; exact figures are not available for other years, but the cost had been about £21 10s. per adult in 1873-1874 and was roughly £18 in 1876 and 1877[3]. These costs became a very serious matter when many of the navvies turned out to be a poor investment. The first consignment of navvies in 1873 was affected by the stiff competition between contractors' agents in Great Britain, as a result of which the Cape's agent found that most of the reputable men he had engaged 'were crimped away by other Agents'[4]. There were high rates of desertion among those who were sent. The Emigration Agent

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1. G.3-'78, Report of Railway Commission, Minutes of Evidence, p.48.

2. G.8-'76, Report on Immigration and Labour Supply for 1875, p.7.

3. V.& P.1884, 1(iii); G.58-'84, Reports of Immigration Agents for 1883, p.3. A child was reckoned to be just over one third of an adult. The imprecision of the figures stems from the fact that this source gives the net cost to the Government of all emigration, i.e. included Aided Emigration, for which a contribution of £7 was paid by the prospective employer. The average cost of sending a Government Emigrant was thus higher than the average cost per adult for all emigration.

4. Cape, P.W.D., Letters Rd., Crown Agents, Jan.-Apr. 1874; Emigration Agent to Crown Agents, 10 Apr. 1874, encl. in Crown Agents to Col. Sec., 15 Apr. 1874.

then signed on labourers disbanded from large contracts in Belgium and elsewhere on the continent, who comprised at least 450 of the 760 navvies sent to the Cape in 1875; but the Commissioner rapidly came to the conclusion that

> Your continental agents appear to be mere tools in the hands of the police who have palmed off the scum and refuse of the large towns. The matter is a very serious one as the cost of Railway Construction is greatly enhanced by the necessity of employing these men.[1]

The men were riotous and 'insubordinate', no better workers than the blacks, and far more expensive, and the order went out to the Agent to restrict himself in future to the United Kingdom[2].

Better results were achieved after 1875 by concentrating on developing an expertise and contacts in the labour market of the West of England, particularly Cornwall, for both navvies and artisans[3]; by offering higher wages - English navvies were offerred at least 1s. per day more than the 6s. per day earned by the Belgians[4]; and by reproducing in the Cape some of the conditions to which both navvies and those in cruder and tougher types of artisanal work such as quarrying and rough masonry were accustomed in Great Britain to provide motivation for such exacting labour.

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1. Cape, P.W.D., Letters to Emigration Agent 1875-1881; Commissioner to Emigration Agent, 3 Sept. 1875.

2. Ibid., Commissioner to Emigration Agent, 5 and 25 Aug. 1875.

3. Ibid., Commissioner to Emigration Agent, 26 Oct. 1875. V.& P.1876, 1(i); G.8-'76, Report on Immigration and Labour Supply, p.5.

4. Johannesburg Mun. Lib., P.L.B., Pauling to J. Hill, 13 May, 1875.

The most important of these conditions was freedom from binding contracts of long duration and early opportunities to switch to piece-work[1]. Another, in the case of the navvies, was the prospect of being promoted to ganger over groups of black works. Indeed, one of the purposes of continuing to send for selected groups of English navvies in 1876-1877 was to procure navvies 'of good character' who could lead gangs of black workers skilfully. The successful ganger could also hope, increasingly after 1876[2], to become a sub-contractor to the Government engineers or main contractor. The conditions were thus reproduced in the Cape that pertained generally in England, whereby the hardened navvy was motivated partly by relatively high wages, partly by the prospect of piece-work, and partly by the possibility of rising to the position of ganger and sub-contractor - the ladder by which such famous men in railway history as George Stephenson and Joseph Firbank had risen from rags to riches[3], with the difference in the Cape that this 'cursus honorum' was generally closed to black men, so that a white navvy enjoyed much less competition than in England. Another important technique developed to 'tame' the workers sent out from England and encourage them to stay in the colony was to hold out as a bait the fact that the Government would ship to the Cape the wife and

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1. See below, p. 378, for black resistance to binding contracts.

2. See above, p. 336.

3. Coleman, op.cit., pp.51-55.

family of any man who earned by his work and general conduct a recommendation from the engineer in charge[1].

But the development of more effective incentives and techniques to improve the returns from investing in white immigrant workers were accompanied by a halt in the general importation of navvies from 1875. Select and small groups were sent instead in 1876-1877, primarily to tackle particularly hard works and to gang black workers. The disastrous experience of 1873-1875 encouraged the Government to rely for general, unskilled labour on whites and blacks in the colony. In particular, the failure of the navvies in 1873-1875 was a major factor enabling black workers in the same period to force wage-rates up as the price for meeting the demand for unskilled railway labour in a way far cheaper than importing whites.

To sum up the little that is known about the pattern that emerged in the deployment of white labour after 1875: in addition to performing most skilled jobs, whites were employed extensively as more experienced and better-paid navvies on some of the toughest railway work, most frequently on piece-rates. Many of them subsequently became gangers of black workers and sub-contractors, and the pressures to economize put an end to the importation of selected navvies 'of good character' to gang black workers after 1877. In addition to the skilled and hardened white workers was a substantial sector of inexperienced and unskilled white workers, employed partly as a means of giving opportunities to the white unemployed and impoverished, partly as a cushion

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1. Cape, P.W.D., Letters to Emigration Agent, 1875-1881; Commissioner to Emigration Agent, 9 Feb. 1876.

against the fluctuations in the numbers of black labourers, and partly as an instrument for, and as an effect of, keeping the wage-rises of black workers within bounds in the interests of colonial employers. The resulting white element in the work force, usually between one quarter and one third of the total, could sometimes be much more expensive than the much larger black element. If the numbers of whites and blacks recorded as receiving daily wages on the Grahamstown line in each month of 1877 is multiplied by their average wage in each month, i.e. if it is assumed for the purposes of a rough calculation that they were all paid on the same day for one day's work, the relative wage bills for whites and blacks would be as follows.

Table 14

Relative Wage Costs of Black and White Labour on Grahamstown Line, 1877 (excluding those on contract work) [1]

| | No. of whites paid | No. of blacks paid | White wage bill for 1 day (to nearest £) | Black wage bill for 1 day (to nearest £) |
|---|---|---|---|---|
| Jan. | 145 | 525 | 59 | 83 |
| Feb. | 230 | 614 | 88 | 97 |
| Mar. | 289 | 725 | 112 | 100 |
| Apr. | 311 | 617 | 118 | 87 |
| May | 346 | 583 | 133 | 87 |
| June | 297 | 567 | 114 | 87 |
| July | 316 | 563 | 114 | 87 |
| Aug. | 360 | 692 | 137 | 101 |
| Sept. | 349 | 491 | 128 | 78 |
| Oct. | 273 | 400 | 101 | 60 |
| Nov. | 258 | 361 | 95 | 50 |
| Dec. | 277 | 293 | 99 | 42 |

1. Source: G.3-'78, Report of Railway Commission, Appendix to Report, pp.vi-vii.

Although the Grahamstown railway was not typical of many, these figures serve to underline the much greater cost of employing white labour when their higher wages were combined with the cost of accommodation at the works and, in the case of some skilled workers, of importing them and often wives and children from Europe: the perceived blessings of employing white labour extensively carried a high price. It was a price that rose appreciably when the flow of black labour decreased: dependence on an abundant supply of black labour for railway-building, made clear by the debacle of the white navvies in 1873-1875, was exposed again in 1877 in the form of a rising total wage-bill when black workers deserted the railways in large numbers and had to be replaced by unskilled whites[1]. The Government needed to keep the cost of black labour as low as they could, both because of the desirability of economizing and because of the interests of colonial employers; but at the same time they had to keep up an abundant flow of unskilled black labour to limit the far greater cost of unskilled white labour.

In the framework of the account which has been given of the distinctive characteristics of railway labour, the pressures operating on the Government as an employer, and the extensive deployment of white labour, the rest of this chapter looks at the use which blacks made of their bargaining-power up to about 1876 in forcing the Government to improve the terms of their labour on the railways, and the ways in

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1. G.3-'78, Report of Railway Commission, Minutes of Evidence, p.7.

which the Government tried to counter-attack. The next chapter will then concentrate on the character and changing fortunes of the black labour-force from 1876-1877 onwards against the background of changes in the economies of the areas from which they came.

A number of general points are at stake in analysing the conflict over the terms of black labour in the early 1870s. The first is that blacks were not passive objects of market forces and other economic pressures; analysis on the level that 'in the coastal colonies the competition of employers in the towns and on public works led to a rise in the price of labour'[1] can sometimes suggest an automatic connection between a given situation of supply and demand and the price of labour which omits from the reckoning the calculations, bargaining and resistance through which blacks made use of the demand for labour to force employers to improve its terms. It is argued here that the terms of labour were a function of conflict, of offensive and defensive action by both employers and workers to promote conflicting interests[2]. Second, this study underlines the point that employers, when they 'spoke of plenty in connection with supply, had in mind not only quantity but also price'[3]: descriptions of 'labour shortage' can serve to obscure the realities of conflict between employers and labour.

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1. Van der Horst, op.cit., pp.100-101.

2. In developing this approach, I owe a good deal to the work of Dr. C. van Onselen which culminated in his book Chibaro (London, 1976).

3. G. Arrighi, 'Labour Supplies in Historical Perspective: a Study of the Proletarianization of the African Peasantry in Rhodesia', Journal of Development Studies, vol.6, no.3 (April 1970), p.200, quoting M. Dobb, Studies in the Development of Capitalism, (London, 1963), p.274.

Shortages of labour on the railways were shortages of labour on particular terms, just as efforts by the Government to import black labour from beyond the Cape aimed not simply to add to the numbers of its black work-force, but to reduce their wages.

Thirdly, the black bargaining documented here is not compatible with the conviction of many colonists in the Cape that black reluctance to labour for the white man was to be explained by the inherent work-shy primitivism of traditional African societies, a notion incorporated into the model of the 'dual' economy, which is discussed in Chapter Nine[1]. The point at stake is partly that made by Arrighi about the Rhodesian Africans:

> if "little" labour-time was sold on the labour-market, this was more likely to be due to the fact that the effort price of cash income earnable through the sale of produce was lower than that earnable through wage-employment, rather than to an alleged lack of African response to market opportunities for increasing their incomes. [2]

But the point is also that 'the effort-price of cash income earnable... through wage-employment' was not a variable determined only by factors beyond the control of the blacks, at least in the Cape in our period: blacks could through various forms of bargaining and resistance affect

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1. See below, pp. 382-384.

2. Ibid., p.203. Arrighi's definition of effort-price was 'the quantity of labour time of given drudgery necessary to obtain a unit (measured in real terms) of cash income': Ibid.,p.229. The word 'drudgery' is perhaps not quite sufficient to comprehend the severance from the family circle and some other aspects of wage-labour which affected its relative attractiveness of lack of attractiveness.

the terms of wage-labour, and action taken in this way needs to be seen as part of 'the African response to market opportunities for increasing their incomes'. An account of black bargaining in the labour market may suggest an additional dimension to studies of that response which have focused primarily on developments in the peasant economy[1].

The opportunities to bargain implied by the difficulty of regulating railway labour closely and by the urgency of the need to secure an abundant labour-force interacted in the early 1870s with circumstances strengthening the position of those whose labour was sought. For in the short run, the trends which so greatly inflated the demand for labour, also increased the opportunities open to blacks to avoid labouring for the colonists: peasants with access to the healthy market for produce, wool, and skins had less need than ever to sell their labour on unacceptable terms. Moreover, the growing carrying trade offered to many blacks an important alternative source of income, while the multiplicity of labouring jobs on offer put them in a position to pick and choose.

The government planned in 1871 to pay 300 blacks 1s. to 1s. 6d. per day with rations of mealies to start building the railway from Port Elizabeth[2]. This was based on the rates of wages previously paid on local road works and other day labour[3]. The word went out

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1. See below, pp. 381-384.

2. Cape, C.O.934, Ch. Insp. to Col. Sec., 27 Nov. 1871.

3. V.& P.1872, 1(i); G.28-'72, Report of Ch. Insp. of Public Works for 1871, p.246.

to magistrates of black locations in the Ciskei to obtain labour on these terms; the word came back that the Africans were bargaining. The Civil Commissioner of Victoria East had to report, after sending messages to all the locations under his charge and visiting several, that not a single man would go unless meat or milk were added to the rations[1]. The Superintendant of Middle Drift in the Kingwilliamstown Division spoke to 20 headmen, but then wrote to say:

> I am sorry to say I have failed in obtaining native labourers for the Railway Works. The excuse is that the pay is not sufficient. The real reason is that they think we cannot do without them...[2]

In short, as the Eastern Province Herald complained,

> Great difficulties are experienced in the procurement of native labourers and the Kaffirs throughout the country have virtually combined to demand a higher rate than 1s. 6d. per day and rations - the terms originally contemplated. [3]

Blacks from the Port Elizabeth area were already being paid more than 1s. 6d. with mealies. The Government's reason for turning to the Ciskei locations was to bring in 'raw kaffir' labour to reduce the pressure on wage-rates from blacks of Port Elizabeth, many of whom were more experienced in the labour market and had no income other than wage

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1. Cape, P.W.D., Letters Rd., Works, Semi-official, 1872: Nightingale to Robinson, 5, 10, 19, 27 Jan. 1872.

2. G.28-'72, Report of Ch. Insp. for 1871, p.247: Fielding to Ch. Insp. 6 Feb. 1872.

3. E.P.H., 15 Feb. 1872.

labour with which to meet their families' needs. Thus, the arrival of twenty Mfengu from Peddie at the works was used to try to reduce the wages of other railway labourers to 1s. 6d. and mealies. But instead, the Mfengu refused to work until they were offered rations including meat - for a pound of meat cost 5½d. They had to be paid the daily equivalent in cash and food of 2s. 3¾d.[1] The word then went out to the Ciskei to try offering 2s. per day without rations, but the response showed that many Africans were well aware of the situation in Port Elizabeth and of how to counter the Government's efforts to undercut wage-levels there: 'They say', came a report from Peddie,

> that 2s. a day is not sufficient, if they receive no rations, as the price of food is said to be high at Port Elizabeth. The Fingo chiefs tell me that their people prefer going to Port Elizabeth in a small number at a time, and that they are then supposed to belong to the Port Elizabeth District and have 3s. a day offered to them. They also tell me that when the twenty men from this district joined the Railway Works at 1s. 6d. a day that the pay of the other men was reduced to that amount. I am informed that a good many Fingoes have gone to Port Elizabeth from this district, to try to get the highest price they can for their services. [2]

In April and May, the wage generally paid on the Port Elizabeth line was worth 2s. 6d. and contemplated as the official rate; and it was at this point that the Government began to develop new recruiting methods to remedy, not a shortage of labour, but a shortage of labour on the

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1. G.28-'72, Report of Ch. Insp. for 1871, pp.241-242: Bissett to Ch. Insp., 28 Feb., 1 Mar. 1872.

2. Cape, P.W.D., Misc. Letters, Jan.-June 1872; Acting C.C. Peddie to Ch. Insp., 18 Apr. 1872.

Government's terms. The Civil Commissioner of Kingwilliamstown drew up plans to pay special incentives to headmen supervising bodies of 15-20 men, to offer advance payment for rations, and to pay recruiting agents, as a response to 'the contemplated wage of 2/6' with the intention of reducing wages to '1/3 if not 1/- per day'[1].

A pattern of contention was taking shape: wages rose, because black men used their opportunity to force them up; those further afield, rather than allowing themselves to be used to undercut wage-levels, took advantage of their bargaining position; and the Government tried to defeat them by recruitment incentives and seeking reservoirs of cheaper labour. Thus, in June, 1872, there was a 'strike' at the Port Elizabeth railway works, which lasted 'a few days'. The engineer refused to raise wages and discharged all but 'the best men', who were taken on at the same wages as before. The trouble was, however, that the labour-force which remained was much too small[2]. Boatmen at Port Elizabeth struck for higher wages in August, and Port Elizabeth merchants complained to the government about the 'high rates of wages paid to boatmen and Fingo and Kaffir labourers'[3]. The Divisional Council of Uitenhage were obliged to raise the wages of 'raw kaffir labour' to 2s. 6d. per day, and found that 'there is difficulty in getting even raw kaffirs to work for that'; noting the wage-increases to Council workers, 'The Kaffirs at the Woolwashing works

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1. Cape, P.W.D., Letters Rd., Works, Semi-official; C. Brownlee to Robinson, 27 May, 1872.

2. Cape, C.O.950: Ch. Insp. to Col. Sec., 28 June, 1872.

3. G.T.J., 9 Sept. 1872.

have threatened to strike for wages', to secure an extra 6d. on their wage of 2s. per day[1]. At the same period, road workers in Kingwilliamstown went on strike when their demand for an increase on 1s. 6d. was rejected, and had struck 'on more than one occasion' by the end of the year[2].

The exertions of magistrates in the large African locations of the Kingwilliamstown Division to procure railway labour, failed. Most of the men to whom the Civil Commissioner had spoken 'expressed a willingness to go and many were prepared to go off at once...(but) they have heard that 3/6 are paid to labourers at East London and 5s. to men at Port Elizabeth, and they believe that by holding out they will receive the same'[3]. The Government turned to Africans from the interior, aiming to import 100 men from territory to the north of Griqualand West to weaken the bargaining position of blacks nearer Port Elizabeth: 'their presence', wrote the Chief Inspector of Public Works,

> will shew the Gaikas, Fingoes and others, that the Government can do without them, and do away with the notion that, ere long, larger rates of pay must be given to secure their services. The Works on the Eastern District Railway cannot be economically prosecuted with the small strength now available. [4]

In May, 1873, the official rate of pay for blacks there remained 2s. per day; but, in fact, 138 got 2s. 6d., the minimum given, and 36

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1. Uitenhage Times, quoted in G.T.J., 9 Sept. 1872.

2. Cape, P.W.D., Misc. Letters, July-Dec. 1872; A. de Smidt to Ch. Insp., 14 Oct. 1872. V.& P.1873, 1(i); Report of Ch. Insp. of Public Works for 1872, pl.

3. Cape, P.W.D., Misc. Letters, July-Dec. 1872: C.C. Kingwilliamstown to Ch. Insp., 2 Oct. 1872.

4. Cape, C.O.950, Ch. Insp. to Col.Sec., 11 Oct. 1872. This attempt proved abortive: Argus, 1 May, 1873.

received 3s. In June, with the Government under pressure to make better progress, only 7 blacks received 2s. 6d., and 166 were getting 3s.[1]

Much the same pattern emerged on the western railway works beyond Wellington. The engineer in charge, T. Bain, failed up to April 1873 to secure an adequate work-force for 1s. 6d. with rations. Those who then arrived at the works refused to work until they were offered 2s. and rations; Bain held out for a time but finally had to urge that this increase should be authorized, and the government sanctioned the increase to 'deserving men'. The government then insisted that the rise should not be indiscriminate, but Bain replied that he could not countermand the undertakings he had given to pay 2s. with rations, without risking a 'general strike', and that the stream of men beginning to pour in from mission-stations had come on the strength of the increase[2]. The government sanctioned head-money to labour agents as part of their campaign to prevent the rise from 1s. 6d. with rations to 2s. with rations from becoming indiscriminate[3].

There were a number of difficulties about importing cheap labour from far afield, of which the Government had an early foretaste. The chief one was that, since the object was to bring in men bound by contract to wages that undercut those prevailing on the railway works, the terms offered tended to be unattractive to those whose labour was

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1. Cape, P.W.D., Letters Rd., Works, 1872-1877; Memos by C. A. Smith, dated May, 1873.

2. Cape, P.W.D., Letters Rd., Works, Semi-official, 1873: Bain to Robinson, letters from March to June, 1873.

3. Cape, P.W.D., Letters Rd., Commissioner, Apr.-June, 1873: C. A. Smith to Ch. Insp., 26 May, 1873.

solicited. Another problem was that labour agents, anxious to secure head-money, were tempted either to send men ill-suited to the Government's requirements, or, as will later appear, trick them into travelling to the Cape by giving a false impression of what they would receive when they got there. Moreover, it was not hard for men transported to the Cape to abscond from the railway works. The first example of some of these difficulties was in May 1873, when a labour agent, paid to send 50 men from St. Helena to the western railway works, in fact sent 33 who were 'a sorry lot of men - many are mere lads, and some are European loafers', and of whom some half absconded with their first issue of rations after the free ride[1].

Yet in the Session of 1873, parliament had authorized further works on the western, Port Elizabeth and border railways. The Government now appointed a full-time salaried labour agent, to be paid an additional 2s. 6d. for each month for which each labourer contracted with him to work on the railways. He was to travel through African areas of the Eastern Province and Fingoland, stimulating the efforts of government officials and headmen, addressing meetings, and persuading men to sign contracts of service binding them to a wage of 1s. 6d. per day with rations[2]. George Stevens, Charles Brownlee's nephew, duly set out on a 6-month Odyssey through the Ciskei and Fingoland, but had to show for it only 73 signed contracts[3]. The reason for his failure

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1. Cape, P.W.D., Misc. Letters, May-Aug. 1873; T. Bain to Ch. Insp., 5 May, 1873.
2. Cape, C.O.970, Commissioner to G. Stevens, 7 May, 1873, encl. in Commissioner to Col.Sec., 3 July, 1873.
3. Cape, P.W.D., Misc. Letters, Works, 1872-1877; Stevens to Commissioner, 13 Oct. and 4 Dec. 1873.

was, in his own words, that 'The men say that I must tell them how much money they will get before they leave Kaffirland, and when I read the contracts to them, they shake their heads and say, it is too far to go for one and sixpence per day'[1]. Moreover, some who, he claimed, did go to the Port Elizabeth works at his suggestion had refused to bind themselves by signing contracts, 'thinking that if they signed the contracts, undue advantage would be taken of them'[2].

Stevens was then sent to try to tap reservoirs of labour at the diamond fields. This drew protests from the Griqualand West Government[3], and Stevens was subsequently recalled after reports that he had been trying to draw labour away from employers at the fields[4]. He had anyway had no success in attracting labour to the Cape railways on the terms offered[5]. The government tried also to persuade southern Sotho to come and work for 1s. 6d. One party of 130 arrived in Port Elizabeth in November 1873, but reacted as so many others were to do when they found that they had travelled so far to be paid less than the prevailing rate at the railway works: they manifested 'discontent' with their wages[6], and when they returned home, 'studiously circulated'

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1. Ibid.: Stevens to Brownlee, 20 June, 1873. Private.
2. Ibid.: Stevens to Commissioner, 13 Oct. 1873.
3. S.A.P.L., Molteno Papers, Molteno to Barkly, 15 Nov. 1873.
4. Cape, P.W.D., Misc. Letters, Works, 1872-1877; G. Stevens to C. A. Smith, 20 Dec. 1873.
5. Ibid., Stevens to Smith, 6 Dec. 1873.
6. Cape, P.W.D., Misc. Letters, Works, 1872-1877; Griffith to Commissioner, 19 Feb. 1874.

such bad reports that their magistrate had to report that 'I fear that there is but very little prospect of any further supply of labourers from this district'[1].

The Government's recruiting efforts became increasingly elaborate, but had to be combined with wage rises. For example, a Circular from the Native Affairs Department to mission stations in 1873, offering 5s. per day to anyone selected by the missionary to 'take charge of and exercise control over young men sent from your station and neighbourhood', also offered to ordinary labourers a good deal more than the Government had originally intended: 'from 2s. to 3s.', with the possibility of more for piece-work[2].

Similarly, payments of 5s. per day to headmen[3] in charge of fifty labourers, and of 3s. to those in charge of 25 or more, in addition to wages if the headman should choose to work, were part of the means by which the Mfengu of Fingoland were persuaded to respond to the call for labour. The son of an Mfengu chief led one of the first parties of Transkeian Mfengu to the East London harbour works[4]. The traditional tribal structure of social organisation among the Mfengu people had been profoundly modified since they had scattered

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1. Ibid., Austen to Griffith, 17 Aug. 1874, encl. in Griffith to Commissioner, 19 Aug. 1874.

2. Cape, N.A.840, Circular 5 of 1873 by C. Brownlee, 11 Nov. 1873.

3. For a summary of the developing role and influence of the headman among Africans in close proximity to the colonial settlement, see S. Trapido, 'African Divisional Politics in the Cape Colony, 1884 to 1910', Journal of African History, Vol.9, No.1 (1968), p.83.

4. Cape, P.W.D., Misc. Letters, Works, 1872-1877; Levey to Commissioner, 26 May, 1874.

to the west to flee the 'Mfecane' among tribes of Natal, displaced by the rise of the Zulu Kingdom[1]. In these circumstances, the exigencies of recovery, strengthened by contact with Methodist missionaries, led them to make the first, conspicuous response as peasant cultivators to market opportunities among the African people of the Cape; in this process, labour for other blacks and whites was an aid to recovery and a means both of gathering resources of stock, equipment and money, and of learning the techniques of agricultural cultivation. Land, as well as money and stock, was also won by military collaboration with the colonists; and the movement of 30,000 Mfengu across the Kei to Fingoland, previously occupied by Gcalekas, was the latest example[2]. Mfengu leaders derived their authority from official recognition and payments from colonial magistrates, and the Government attempted to use their influence with Mfengu leaders in the recruitment of railway labour, not without some success.

At the same time, it was not for nothing that the Mfengu had been dubbed 'the Jews of Kaffirland' in recognition of their shrewd bargaining powers[3]. For although it affected them unequally, the prosperity of peasant agriculture in Fingoland was impressive[4], and, like many other blacks, the Mfengu could in the early 1870s pick and

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1. Bundy, 'African peasants', p.48.

2. Ibid., pp.49-53.

3. Ibid., p.49.

4. Ibid., pp.88-89, 99.

choose between transport-riding and wage labour in different occupations. When some of them left to work on public works in British Kaffraria for 2s. 6d. per day they were in a strong position: overseers at the works were instructed 'to be careful in working with them' lest further Mfengu should be deterred[1], and their magistrate accompanied the first party from Fingoland 'to see them comfortably settled. Any expense that may be incurred in providing the men at first with rations or in locating them will be authorized at once'[2]. The Mfengu extracted higher wages for travelling further west. When in September urgent entreaties went out to Levey, the Acting Fingo Agent, to procure 100 Mfengu for the Worcester Extension, if possible at 2s. 6d. per day without rations, the Mfengu had in fact to be offered 2s. 6d. per day with rations and a £1 bonus, as well as free passage there and back, in order to persuade them to go. Even then, they only went after one of their leaders, Captain Veldtman, had smoothed the way by making a visit to Cape Town[3], and his brother had agreed to go with the men as paid headman[4]. The men were even presented by the Government with a special cap as a prize for venturing to the west[5]. However, Levey assured the Government that 'the excessive wages given to the Fingoes who have gone to the Worcester Works need not be looked at as a precedent for the future'[6].

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1. Cape, P.W.D., Letters Received, Commissioner, May-Aug. 1874; Elliott to Ch. Insp., 11 June, 1874.
2. Ibid., Elliott to Ch. Insp., 1 July, 1874.
3. V.& P. 1875, 1(i); G.21-'75, BBNA 1875, p.32.
4. Cape, P.W.D., Misc. Letters, Works, 1872-1877; Levey to Commissioner, 2 Oct. 1874.
5. Ibid., Levey to Commissioner, 15 Dec. 1874.
6. Ibid., Levey to Commissioner, 15 Oct. 1874.

For the common idea in official circles was that if only a trickle of men could be persuaded to show the way, a flood would follow, enabling wage levels to be reduced. This idea was based on the oversimplified view that the difficulty was simply the Africans' dread of the unfamiliar, rather than their wider calculation of the relative advantages of railway labour and other sources of income and their efforts to make railway labour as remunerative as possible.

By early 1875, with imported white navvies on the rampage and with blacks pushing up the terms of labour, the Government was under heavy pressure both to increase the supply of railway labour to execute the Molteno Plan, and to meet the outcry from private employers. They turned again to the tribes of the interior which furnished labour supplies to the diamond fields. An agent at the Fields was paid to recruit men at 10s. per week with rations on one year contracts for the western railway - considerably less than what was being paid to Mfengu on six-month contracts - as part of a design to reduce Mfengu wages in future to 2s. per day[1]. But the wages offered by the Cape Government were no higher than the ruling rate paid by the diggers, and 120 or so men of several different tribes were induced to travel to the Cape only because, as Southey told the Governor, 'I fear Rolleston (the labour agent) has led them to expect <u>much</u> higher pay than 10s. a week'[2]. They arrived at the beginning of February, and the engineer

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1. Johannesburg Mun. Lib., P.L.B., Pauling's Report of 4 Jan. 1875 on Fingo Agent to Commissioner, 15 Dec. 1874.

2. Cape, G.L.W.184, Semi-official Letter-Book; Southey to Barkly, 24 Sept. 1874.

in charge reported a few days later that 'great dissatisfaction exists at their rate of pay and amount of rations being fixed at a lower scale than the ruling rates here'[1]. On 12 March, he reported that 'there is reason to believe that the whole of the natives from the diamond fields brought by Captain Rolleston for the Worcester railway have now deserted these works'[2].

More elaborately, the Cape Government made an arrangement with Richard Southey's help with one Edwards, a trader with tribes in the northern Transvaal, and who had connections with Sekhukhune, the Pedi Chief[3], to pay head-money to Edwards and furnish guns and ammunition to the chiefs with whom he negotiated, with the object of contracting labourers for not less than two years for wages as low as 1s. 6d. per day, without rations after two months[4]. This led to a row with the Government of the South African Republic, who claimed that Edwards had sought labourers for the Cape Railways by 'obtaining concessions from Native Captains residing in this Republic' and disturbing their 'quietude'. But the Republic's authorities were willing to allow the passage of labourers through the Republic from beyond its northern border[5]; and the Cape Government were under the impression by

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1. Johannesburg Mun.Lib., P.L.B., Burge to Pauling, 4 Feb. 1875, encl. in Pauling to Brounger, 6 Feb. 1875.
2. Ibid., Pauling to Brounger, 13 Mar. 1875.
3. Cape, G.L.W., Semi-official Letter-Book, Southey to Barkly, 6 Mar.1875.
4. V.& P.1880, 1(iii): A.56-'80, Correspondence on Issue of Permits for Purchase of Arms, etc., C. A. Smith to T. D. Barry, 13 Oct. 1874, pp.3-4.
5. V.& P.1875, 1(ii); A.16-'75, Correspondence on Introduction of Labour from Territory Beyond Transvaal Republic, Acting State Secretary, Pretoria, to Col.Sec., 13 Feb. 1875, pp.2-3.

February 1875 that between 4,000 and 6,000 men were waiting on the Limpopo[1]. They thought their labour problem largely solved at last. The thousands from the interior were to be shared between private employers and the railway works. The Resident Engineer in the west said that he could at once use no less than 600 on the Worcester and Beaufort West extensions[2] and a Government Notice offered them for service to private persons who would pay £6 (half the cost of their introduction)[3]; but it was all a rumour and not one man came. In July 1875, another Government Notice appeared claiming that large bodies of men were on their way to the Cape from the interior, and inviting similar applications from private employers[4]; this resulted from optimistic letters from another agent in Kimberley who had also contracted to fetch up to 2000 labourers from the interior[5]. But only 27 men ever arrived; and having been contracted for three years at £1 per month, they deserted the Uitenhage railway works immediately[6].

What happened in the far reaches of the north is largely obscure - whether, for example, the labour agents were in fact trying to tap labour within the Republic, or what steps the Government or other inhabitants of the Republic might have taken to hamper them. The

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1. Ibid., Col.Sec. to Acting State Secretary, Pretoria, 27 Feb. 1875, p.4.
2. Johannesburg Mun.Lib., P.L.B., Pauling's Report of 20 Apr. 1875, on Commissioner to Railway Engineer, 31 Mar. 1875.
3. Cape of Good Hope Government Gazette, 26 Feb. 1875: Government Notice No.108, 25 Feb. 1875.
4. Cape of Good Hope Government Gazette, 16 July 1875: Government Notice No.310, 15 July, 1875.
5. Cape, P.W.D.10, Commissioner to J. Few & Co., 28 Aug. 1875, no.62.
6. Cape, P.W.D.10, Commissioner to J. Few & Co., 3 June 1876, no.245.

Commissioner attributed their failure to 'unforeseen difficulties with native chiefs and others, and partly no doubt to the extremely long distances which the man had to travel'[1]. He might have added that the meagre wages and long contract periods offered by the Cape did not give much incentive to offset these 'difficulties' or the extra distance from the diamond fields to the Cape.

Meanwhile, the Government had renewed its efforts across the Kei. Levey had been as Acting Fingo Agent the only magistrate there to have had any marked success in supplying labour. He suggested a plan to combine the appointment of a full-time labour-agent across the Kei with arrangements for ensuring that bodies of men were accompanied on their way to the works, and strenuous agitation by Government officials. He was confident that by these means 7,000 men could be raised within a year. This suggestion was explicitly posited as a means of reducing the bargaining-power of the Mfengu: 'The more I think over the subject of labour' wrote Levey,

> I can see that it will not do to be too much dependent upon Fingoe Labour. Some fine day when we may require them most they may strike; it is in their nature to do so, but if they found there were other competitors they would soon be stimulated to work steadily,

and Brownlee's intention in recommending the adoption of Levey's plan was that 'we should not draw off any more from Fingoland but rather leave this country as a reserve'[2]. The Government duly decided to

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1. V.& P.1876, 1(i); G.8-'76, Report on Immigration and Labour Supply, p.1.

2. Cape, P.W.D., Misc. Letters, Works, 1872-1877; Levey to C. A. Smith, 15 July, 1874 (Private), and Brownlee's Minute of 1 Aug. 1874.

offer head-money of 5s. per man to officials in the Idutywa Reserve and St. John's Territory as an incentive to greater efforts; headmen would be paid to bring men to the works and remain in charge of them there; the wages offered were 2s. 6d. per day without rations[1]. Levey was appointed Labour Agent with a salary and promise of head-money, and set off on a series of journeys across the Kei which took him from Idutywa and Thembuland to Griqualand East and Pondoland, addressing, and offering liberal bonuses to, chiefs and headmen, and trying to inspire greater efforts by Cape officials[2].

But the idea of leaving Fingloland 'as a reserve' for tactical reasons soon evaporated. For the multitudes beyond the Limpopo did not appear, nor did Levey's 7000 from the Transkei. Large numbers who were expected by Levey to leave for the railways from the Idutywa Reserve early in 1875 dwindled in fact to 30[3]. Thembus and Gcalekas were unresponsive, and Levey wrote that after all 'for the present it will be necessary to obtain as many men as possible from Fingoland'[4]. For although, as the Commissioner contemptuously put it, 'scattered parties of men' came forward from the Transkei other than Fingoland[5],

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1. Cape, N.A.841, SNA to Superintendant, Idutywa Reserve, 21 Jan. 1875 and SNA to British Resident, St. John's Terr. 21 Jan. 1875.

2. Cape, P.W.D., Misc. Letters, Works, 1872-1877; Letters from Levey to Commissioner between March and December 1875.

3. Cape, P.W.D., Misc. Letters, Works, 1872-1877; Agent, Idutywa, to Commissioner, 28 Feb. 1875.

4. Ibid., Levey to Commissioner, 20 Mar. 1875.

5. Cape, P.W.D.10, Merriman to Levey, 26 Aug. 1875, no.52.

Levey's mission was a failure. The rewards offered were not sufficient to offset all the disadvantages of travelling so far afield to work on the railways. Moreover, those who did go found that they were being used as cheap labour; thus, a band of Kreli's men who set off for the Eastern Province, arrived back soon afterwards, complaining that, while their agreed wages were 2s. per day, other Africans at the works were receiving 2s. 6d. and 3s.[1]

Levey was next instructed to base himself permanently at Kingwilliamstown, while the system of head-money to government officials was largely extended. Merriman stressed that 500 men were needed in both Provinces from whatever source, and hoped to use the extended system of head-money for officials to turn the terms of labour against the blacks. He ordered that men should be engaged for two years if possible, that those sent to the West should agree to serve for at least twelve months, and that wages in the West were to be 2s. per day with rations for the first six months. These terms, of course, were considerably worse than those previously secured by the Mfengu[2].

There was, however, still no widespread commercial contraction or drought in areas of black settlement to reduce black bargaining-power. Both at their homes and at the works, blacks exploited the Government's inability to control wages at the levels they desired.

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1. Cape, N.A.153: Resident with Kreli to SNA, 30 June, 1875.

2. P.W.D.10, Merriman to Levey, 26 Aug. 1875, no.53.

The Mfengu in Fingoland rejected the Commissioner's new terms: 'They will not engage for so long a period as a year, and they also consider the wages insufficient, saying they get nearly as much close to their homes'[1]. The offer of a bonus of £5 after two years' service and £7 10s. after three would not overcome their 'great disinclination to remain from their homes for any period longer than a few months'[2]. When 187 Mfengu set off for the Western Railway in December, they went for six months only, at 3s. per day, with rations, as well as free passages and travel money[3]. The clerk-in-charge at Keiskama Hoek in the Kingwilliamstown Division reported that none would go to work on the railways on the Commissioner's terms; instead, over 200 went to cut poles for the telegraph contractors, who 'they say pay far better than what is offered in your letter'[4]. In November, 39 Basutos arrived in Kingwilliamstown on their way to East London and would not go further or take less than 3s. per diem...There being a number of boys they were not worth even 2s. 6d. per diem'[5]. The official rate on the border railway works was 2s. 6d. per day, but sub-contractors competing for the best men were giving 3s. This led

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1. Cape, P.W.D., Misc. Letters, Works, 1872-1877; Blyth to Commissioner, 18 Sept. 1875.
2. Ibid., Blyth to Commissioner, 16 Oct. 1875.
3. Ibid., Blyth to Commissioner, 3 Dec. 1875.
4. Ibid., J. de Fin to Commissioner, 18 Nov. 1875.
5. Ibid., Levey to Commissioner, 27 Nov. 1875.

to a refusal by workers at the harbour works to work for less than 3s. The general period of contract labour on public works in the East London division was down to three months[1]. Tambookies at Glen Grey were going to the East London line for 2s. per day with rations, but required 2s. 6d. with rations and 3s. after six months to go further afield[2]; and when 300 of them found that 2s. with rations was not only lower than the wages paid to other men on the border line, but that the engineers objected to rationing them, they arrived back at Glen Grey saying so, with the result that headmen could not persuade any Glen Grey men to go to the works from February, 1876 onwards[3].

The Government had followed up the agitation in parliament about coolie immigration in 1874[4] by obtaining information from the Imperial Government about the treaty regulations and agreements which applied to the importation of Indian and Chinese labour, and were told that lately-resumed Indian emigration to Natal cost about £15 7s. per head, that the contracts had to be registered with magistrates in India, that vessels had to be inspected and licensed by the Indian Government, with quantities of deck-space, diet, fresh-water and medicines stipulated, and that Protectors of Emigrants would probably need to be appointed to look after the imported workers after their arrival[5]. This seemed a serious number of obstructions and a high

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1. Ibid., Lester, Resident Engineer, E.L. Harbour Works, to Robinson, 22 Dec. 1875.
2. Cape, P.W.D., Misc. Letters, Works, 1872-1877; Officer-in-charge, Glen Grey, to Commissioner, 22 Dec. 1875.
3. Ibid., Officer-in-charge, Tambookie Location, Glen Grey to Commissioner, 20 Mar. 1876.
4. See above, pp. 334-335.
5. V.& P.1875, 1(i); G.39-'75: Correspondence relating to Emigration from India and China.

price, compared with the few shillings per head bonus money to magistrates and chiefs for sending African labour from the Transkei, or the estimated £12 per head to bring Africans on long and cheap contracts from beyond the Limpopo. Moreover, there was no great demand for Indian labourers from most Cape farmers, particularly in view of the costs that fell on employers of such labour in Natal from 1874[1], and no equivalent to the politically influential planter interest in Natal[2]. In the case of the Chinese, it was learned that no shipments of Chinese were currently being made to other parts of the Empire; the agreement under which one shipload of Chinese from Canton had been taken to British Guiana had included such detailed stipulations as the provision of three suits of clothes before the voyage, the payment of a return passage or equivalent at the expiry of the contract, and the provision of free medical attention and proper food in the event of illness without deductions from wages[3].

The expected arrival of the hordes from beyond the Limpopo and Levey's 7,000 seemed to render the matter academic. But their non-appearance, the high wages being paid to blacks in late 1875, and the performance of white navvies, led the Government to make further enquiries about Chinese coolies, with a view to trying 400 of them for railway purposes at 30s. per month for a two year contract period - far less than the prevailing rates - at an initial outlay of £14 per

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1. L. M. Thompson, 'Indian Immigration into Natal, (1860-1872)', A.Y.B., 1952, Vol.2, pp.65, 68.
2. Ibid., pp.35-35.
3. G.39-'75, Correspondence relating to Emigration from India and China, pp.13-14.

head if possible or up to £17 if necessary[1]. But they were told that the cost of bringing Chinese to the Cape would be at least £25-£30 each and that treaty regulations and other complicating factors pertained. The Commissioner concluded that 'to introduce a Chinaman at double the cost of a European seems, to say the least of it, a doubtful means of raising the character of our population...'[2] At the same time, the Government also made an abortive attempt to procure a new class of cheap, white navvies in the form of unemployed Italian navvies rumoured to be available in Monte Video, bring them to the Cape at a cost of up to £8 per head and employ them in the West for 4s. per day[3]. But the mission failed, and the Government remained caught between the expense of white labour and the bargaining-power of black labour.

The Cape also tried to augment their labour force on the western railways and undercut the terms extracted by the Mfengu by tapping a source of black, migrant labour increasingly used by the colonists of Natal after 1875: men from Delagoa Bay, many of them slaves who had been repatriated by the British anti-slavery squadron[4]. After making representations to the Portuguese Government through the Imperial Government, the Cape imported at least 540 men by ship by the end of

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1. Cape, P.W.D.10, Elliott to Ross-Johnson, 3 Dec. 1875, no.264.

2. G.8-'76, Report on Immigration and Labour Supply for 1875, pp.2-3.

3. Ibid., p.2.

4. For the background, see P. Harries, 'Labour Migration from the Delagoa Bay Hinterland to South Africa, 1852-1895', Univ. of London, Institute of Commonwealth Studies, Collected Seminar Papers, no.21, especially pp.62-63.

1877, at a cost of about £6 per head[1]. No provision was at first made for return passages, and when the Portuguese insisted that this should be done, return passages were financed by a reduction of the men's wages[2]. They were contracted for two years at wages of 30s. per month and rations, minus 3s. per month for return passage and 2s. per month for a sick fund[3].

Once again, an effort to import a cheap class of black labour foundered on African resistance. A large proportion of the Delagoa men had deserted the railway works by the end of 1877[4]. Desertion was a necessary form of resistance to men whose bargaining-power at the works was undermined by binding contracts and long distance from home, if indeed they had a home. It was a response to the discoveries that other men were being paid more, that unexpected reductions were made to their wages, and that they were bound to two-year, rather than six-month contracts, as many had thought when they left Mozambique[5]. The resentment of other men at the arrival of cheap labour at the works may also have played a part: serious fights on the western railway in early 1877 culminated in the murder of a Delagoa Bay man[6].

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1. 50 of these were supposed to be shipped to Port Nolloth for service with the Cape Copper Mining Company, but refused to leave their fellows behind for the railway works: Cape, P.W.D.10, Elliott to Montiero, 22 Oct. 1877.
2. G.3-'78, Report of Railway Commission, Minutes of Evidence, p.414. G.49-'77, Report on Cape Immigration for 1876, pp.1-2.
3. Cape, Railway Engineer's Office, Letters Rd., Commissioner, 1877; Elliott to Brounger, 30 Apr., 24 July, 1877.
4. G.3-'78, Report of Railway Commission, Minutes of Evidence, p.443. G.32-'78, Railways. Report and Annexures for 1877, p.2.
5. Cape, P.W.D.10, Elliott to Monteiro, 20 Nov. 1877, no.548.
6. Cape, C.O.3276, R.M. Worcester to Col.Sec., 7 Feb. 1877.

During 1876 and early 1877, work was simultaneously in progress on all the main and branch lines of the Molteno Plan. There was an easement in the shortage of railway workers on all but the western railway works and during 1876, the Government stopped paying recruiting bonuses to magistrates and the public. There were a number of new pressures on the black population to work on the railways, which will be analysed in the next Chapter; but a crucial point was that the terms of labour had been raised by the action of blacks to a point at which wage-rates were far higher than the Government had originally intended. In late 1875, when the Government extended the offer of head-money to anyone who could deliver 25 or more workers for six-month contracts at any of the railway works other than the border line, the official wage-rates mentioned were higher than ever before: 3s. per day with rations for the west; 2s. 6d. with or 3s. without rations for the Midland; 2s. 6d. without rations for the north-eastern; six months only as the contract-period stipulated[1]. These were only the official rates for contract workers, which served as a minimum level from which to bargain and which was frequently exceeded in the case of wages paid by sub-contractors and of wages for piece-work. The bargaining and resistance by which this had been achieved were a significant aspect of the black response to the economic opportunities of the 1870s.

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1. Eastern Star, 10 Dec. 1875: Government Notice of 2 Dec. 1875. Cape, P.W.D., Misc. Letters, Works, 1872-1877; Circular by J. X. Merriman, 21 Feb. 1876.

# CHAPTER NINE

## THE TERMS OF BLACK LABOUR, 1876-1885

There have been great advances in the last ten years or so in the study of the impact of capitalist development on precapitalistic societies. It was A. G. Frank who launched the first decisive attack on the 'dual economy' concept as applied to Latin America, according to which there co-existed, largely independently of each other, a modern and dynamic capitalist sector and a backward and 'feudal' agricultural sector, of which the poverty was a result of age-old primitivism and pre-capitalist relations of production. Frank argued rather that it was the capitalist system which had 'produced both development and underdevelopment'[1]. The analysis in this Chapter and Chapter Eight owes a good deal to more recent attacks on the dualism thesis in the Rhodesian context and alternative explanations of the proletarianisation of the African peasantry there, especially by G. Arrighi[2]; but much more to Colin Bundy's work on the emergence and decline of the South African peasantry, particularly in the Cape and the Transkei[3]. It is worth recapitulating some of Bundy's crucial definitions and conclusions.

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1. A. G. Frank, Capitalism and Underdevelopment in Latin America, (New York and London, 1967), p.240.
2. Arrighi, op.cit.; I. R. Phimster, 'Peasant Production and Underdevelopment in Southern Rhodesia, 1890-1914', African Affairs, vol.73, no.291 (April 1974).
3. C. J. Bundy, 'Emergence and Decline of a South African Peasantry', African Affairs, Vol.71, no.285 (October 1972); 'African Peasants and Economic Change in South Africa, 1870-1913, with particular reference to the Cape' (Oxford Univ. D.Phil. thesis 1976).

This thesis employs the term 'peasant' in the way in which Bundy has defined it:

> An African peasant was a rural cultivator, enjoying access to a specific portion of land, the fruits of which he could dispose of as if he owned the land; he used his own labour and that of members of his family, in agricultural and or pastoral pursuits, and sought through this to satisfy directly the consumption needs of his family; in addition, he looked to the sale of a portion of what he raised to meet the demands (taxes, rents and other fees) that arose from his involvement in an economic and a political system beyond the bounds of his immediate community. [1]

In this study, however, the 'black peasantry' should be taken to include Coloured peasants in the Western Province of the Cape, many of them living on mission stations[2].

Bundy attacks the version of the dualism theory which has posited a tribal and largely subsistence African agricultural economy, inherently weak and backward, and an African population inhibited by lack of technical knowledge, social custom and hostility to change from adapting or forsaking their traditional agricultural ways when they encountered the cash nexus and market relations, and when land became increasingly scarce. He argues rather that 'an adapted form of the traditional subsistence methods provided hundreds of thousands of Africans with a preferable alternative to wage labour on white colonists' terms through limited participation in the produce market' and that a smaller group

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1. Bundy, 'African Peasants', p.13.

2. M. Wilson, 'The Growth of Peasant Communities', O.H.S.A. ii. 49-51.

of African farmers departed entirely from the traditional agricultural economy and competed most effectively with white farmers[1]. But the response of many African cultivators to market forces itself entailed a process of marked social stratification, between, at one extreme, those who prospered to become commercial farmers and landed proprietors, and at the other, a much larger number of marginal peasants who were proletarianised, i.e. forced to resort to wage labour as their main means of subsistence, even if they were by no means all separated completely from the means of production in the peasant mode[2]. Indeed, Bundy stresses that 'a portion of the peasantry was proletarianised almost as soon as the peasantry emerged as an identifiable element in the political economy'[3]. He shows the way in which non-market factors like wars, drought, and land-shortage attacked the productivity and profitability of peasant agriculture and generally increased the stratification within it. Further, he argues that, 'once the penetration of external, market forces and capitalist relations had altered African society and its economy,...the altered structure and relations contributed towards maintaining the penetration and the dependency'[4]: thus, for example, articles purchased through the sale of produce, originally on a discretionary basis, became part of the African's subsistence requirements, and reliance on production for the

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1. Ibid., p.19.
2. Ibid., pp.14-16, 18-19.
3. Ibid., p.15.
4. Ibid., p.23.

market led in many cases to dependence on the credit of traders, engendering increased cash requirements. After the rise of the gold mining industry, peasant self-sufficiency was increasingly under pressure from tax burdens, from discrimination in the dispensation of state subsidies and transport in favour of white commercial agriculture, from unfavourable terms of trade for the African producer and the spread of indebtedness to traders, from rinderpest, and from legislative attacks under the combined influence of gold mining and white farming interests on the Africans 'squatting' on white-owned land. This is a bare outline, which cannot give an adequate impression of the richness of the exposition and analysis. Bundy's overall conclusion is that

> the emergence and decline of the peasantry was a necessary component of, and not separate from, the process of capitalist development in South Africa - that the structural underemployment of the peasant sector was the other side of the coin of capitalist development in South Africa.[1]

The present study looks at the changing fortunes of the black labour-force on the railways, and the needs, pressures and interests represented in their labour there, partly against the background of Bundy's picture of developments in the African peasant sector. It is worth stating one or two elaborations on Bundy's conclusions which the present study may suggest.

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1. Bundy, 'Emergence and Decline', p. 388.

1. Bundy certainly notes the 'keen awareness of wage levels' manifested in the Africans' response to increased demand for their labour after 1870[1]; it is suggested here that a strategy of selling wage-labour on the best possible terms could be more emphatically part of the total response of peasant families to market opportunities.
2. He describes peasant agriculture consistently as a preferable <u>alternative</u> for most Africans to wage labour on white colonists' terms. This was true in broad terms and in a longer-run perspective. But it is also important to recognize that the peasant economy was a family one, and that in some cases, one or more members of the family might seek wage labour for limited periods without detriment to the family's agriculture and, indeed, to its benefit. Partly as a result of the use of black bargaining-power in the 1870s to improve the terms of wage labour, it could at times be seen as an additional investment for the peasant family, rather than as an (unfavourable) alternative to peasant cultivation for the individual.
3. Similarly, wage-labour on the white man's terms generally appears in Bundy's work as an activity to which peasants were compelled to resort when no longer able to subsist from agriculture; and so in many cases and in the long run it was. But in this study, there is a little more emphasis on wage labour as a discretionary, as well as necessary activity. It could be desirable or prudent for a member of a peasant family to supplement its resources from wage labour, even if its subsistence needs were met from agricultural production.

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1. <u>Ibid</u>., p.94.

Some of these points are illustrated in the case of workers from Fingoland in 1875. It has been shown that the Government could not avoid depending on the Mfengu in 1875, and how persistently they bargained to raise the terms on which they sold their labour. By the end of 1875, at least 1,000 men from Fingoland were labouring on public works in the Colony at any one time and, on the terms they had secured, their Magistrate estimated that, 'as they bring back with them nearly all their wages, this district is enriched to the extent of more than £30,000 per annum'[1]. This was at the time when the crops looked well[2] and turned out to be generally good,[3] and when one cannot identify adverse factors seriously attacking the viability of the family economy, though longer-run processes of social stratification and pressure on land were underway. It seems that wage labour on relatively lucrative terms by their young men in 1875 added significantly to the resources of many peasant families, forming part of a strategy for maximizing their purchasing-power in the market and sustaining the rapid rise in their expectations and subsistence standards noted by their magistrates[4].

We now turn to the interests and pressures furnishing the largest railway labour-force in our period in later 1876 and 1877, and the terms on which it was secured.

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1. G.16-'76, BBNA 1876, p.51.
2. Ibid.
3. G.12-'77, BBNA 1877, p.90.
4. G.16-'76, BBNA 1876, p.52.

The improvement in the supply of black labour was uneven. The western railway works were acutely short of unskilled labour in 1876[1], and after some improvement the position deteriorated and left the engineer-in-charge complaining strongly again by the end of 1877[2]. The main reason was that the numbers of blacks living near the works was relatively small; mission stations and village locations could furnish a limited supply of labour, for which the villages, towns, public works and farms of the south-west were all competing. The railways offered the advantage over the farmers at least that their wages were better and that men were freer to come and go; but, particularly in the karroo and beyond, they had the acute disadvantages of distance, and of a persistent and chronic scarcity of water[3] combined with generally heavy work. At the same time, for most Africans in the Eastern Province, the 6d. or so advantage in the official wage rates offered on the western railways over those offered on the Midland line was no compensation for the much longer journey to the west, the impossibility of combining labour there for short periods with agricultural pursuits and visits to the family, the weak bargaining position of those so far from home, and the unknown hazards of the terrain.

Nevertheless, the improvement in the flow of labour to the railways as a whole was marked. Even in the Western Province, the total

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1. G.49-'77; Railways. Report and Annexures for 1876, p.9.
2. G.32-'78; Railways. Report and Annexures for 1877, p.2.
3. V.& P.1880, 1(ii); G.43-'80; Reports on the Progress and Working of Railways for 1879, p.2.

of men at work on the railways averaged 2,845 in 1876; at a guess, two-thirds of these were black. On the border railway, the equivalent figure rose from 1,100 for 1875, to 2030 for 1876 (masking fluctuations between 1,400 and 2,500), of whom between two-thirds and three-quarters were black[1]. But it was on the lines from Port Elizabeth that the labour-force grew most markedly:

Table 15

Labour Force on Construction of Midland and North-Eastern Railways in 1876 (average per month) [2]

| | Total | (Blacks - estimate) |
|---|---|---|
| January | 2641 | (1800-2000) |
| February | 3357 | (2200-2500) |
| March | 3997 | (2700-3000) |
| April | 4061 | (2700-3100) |
| May | 3746 | (2500-2800) |
| June | 3331 | (2200-2500) |
| July | 3556 | (2400-2700) |
| August | 3782 | (2500-2800) |
| September | 4946 | (3300-3700) |
| October | 5085 | (3400-3800) |
| November | 4794 | (3200-3600) |
| December | 4758 | (3200-3600) |

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1. G.49-'77, Railways. Report and Annexures for 1876, p.31. V.& P.1877, 1(i); G.47-'77, Report on Cape Immigration for 1876, p.6.

2. Source: Ibid., p.5. The figures in brackets give only a rough idea of the number of blacks; they are based on suggestions in the literary evidence that between two-thirds and three-quarters of the work-force on these railways were black; and the figures represent those fractions rounded to the nearest hundred.

The next Table shows the order of magnitude of the whole railway labour force at its peak, in the first seven months of 1877:

Table 16

Labour Force on the Construction of Cape Railways, Jan.-July, 1877

| | Western[1] | | Midland & North-East[2] | | Border | | |
|---|---|---|---|---|---|---|---|
| | Total | (Black*) | Total | (Black*) | | Total[3] | (Black*) |
| | Av. per month | | Av. per month | | Weeks | | |
| Jan: | 2880 | (1900) | 5292 | (3500-4000) | 1-5 | 2900 | (1900-2200) |
| Feb: | 3185 | (2100) | 6342 | (4200-4800) | 5-9 | 3200 | (2100-2400) |
| March: | 3109 | (2100) | 6372 | (4200-4800) | 9-13 | 3200 | (2100-2400) |
| Apr: | 2855 | (1900) | 5186 | (3500-3900) | 13-18 | 3200 | (2100-2400) |
| May: | 2859 | (1900) | 5364 | (3600-4000) | 18-22 | 3000 | (2000-2300) |
| June: | 2710 | (1800) | 5954 | (4000-4500) | 22-26 | 3100 | (2000-2300) |
| July: | 2829 | (1900) | 5898 | (3900-4400) | 26-31 | 2900 | (1900-2200) |

All Lines

| Total* | Black* |
|---|---|
| 11,000 | (7,300-8,100) |
| 12,700 | (8,400-9,300) |
| 12,700 | (8,400-9,300) |
| 11,200 | (7,500-8,200) |
| 11,200 | (7,500-8,200) |
| 11,800 | (7,800-8,600) |
| 11,600 | (7,700-8,500) |

(* Approximate estimate, to nearest hundred)

1. G.32-'78, Railways. Report and Annexures for 1877, p.10. The estimate for numbers of blacks is based on a supposition that some two-thirds of the western work force were black.

2. Ibid., p.32. The range of figures for numbers of blacks represents two-thirds to three-quarters of the labour-force.

3. Ibid., p.38. The source provides weekly figures only. I have taken the average of groups of weekly figures as shown, to give a rough approximation to monthly averages.

There can be no doubt that the large majority of the black labour-force in the Eastern Province in 1876-1877 came from Basutoland, from the Queenstown District, from the Ciskei, and from some western parts of the Transkei, particularly Fingoland. These were also the areas most deeply penetrated by market relations and in which the growth of peasant production had been most marked.

At the end of 1875, the Governor's agent in Basutoland reported that 'the exportation of grain and wool continues steadily on the increase'[1]. The total black population of some 127,000 owned over 300,000 sheep - more sheep than cattle - and 2,750 ploughs[2]. The wool trade was healthy, but, as one chief put it at the "Pitso" (an annual gathering with their magistrates), 'corn is the great thing; all these fine clothes have been bought with it'[3]. The recovery of the people of Basutoland from their wars with the Free State was based primarily on the sale of grain, particularly to the diamond fields and the Free State. But wage labour and the transport trade had also helped in that recovery and in the accumulation of stock and other resources. Wage labour could also be combined with access to particular goods that were not readily available in Basutoland - most conspicuously, as their magistrates never tired of pointing out, to the guns and ammunition available at the diamond fields. Wage labour

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1. V.& P.1876, 1(i); G.16-'76, BBNA 1876, p.2.
2. Ibid., pp.18-19.
3. Ibid., pp.10-11. Speech of Chief Tsita Mofoka.

was thus, at this stage, an additional means of gathering resources and of sustaining a marked rise in the standards and variety of their requirements. One of their magistrates described the rapid process by which discretionary requirements became necessary ones, as part of an explanation for the fact that so many southern Sotho continued to go out and labour for wages, despite their greatly increased prosperity:

> Now the Basutos are beginning to acquire a great many artificial needs, in other words they are progressing in civilisation. Thus it happens that although according to their old native standard they might consider themselves sufficiently rich, yet the constantly recurring pressure of new wants sends them from home and stimulates them to greater exertions.

He also pointed out that in many cases wage labour was combined with an active role in a peasant family economy which was itself prospering,

> about 15,000 annually receiving passes to go and work in the Free State, the Colony and the Diamond-fields, that is to say, not only do the men work at home, raising with the help of their women from 30 to 40 bags of grain per household, but the European Communities get the benefit of 3 out of 4 of all who are able to work.

Some of them hired ploughmen to plough their land, to enable them to be away labouring themselves[1]. Much of the wage-labour of 15,000 or so Southern Sotho at this particular time has therefore to be seen as part of the total response of peasant families to economic opportunities rather than as an alternative to peasant cultivation.

Dependence on the market exposed peasants to its violent fluctuations. This was a fundamental part of the process by which

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1. Ibid., pp.8-9.

the penetration of market relations involved peasant families in periodic dependence on wage labour, to make up with its proceeds for the shortfall in price realized for their agricultural surplus. Although involvement in debt was to become an important factor as a source of pressure to labour for the white man, the fluctuation of market prices could have similar effects even when, as in 1876, the trade with the black peasantry was a cash trade and when credit played a minor role. An insignificant proportion of the black peasantry had titles for their land; whereas many white farmers could run up heavy debts in times of falling prices and drought on the security of their property, there was no similar cushion against the vagaries of the market or the climate for most black cultivators.

In the later part of 1876, for example, the harvest prospects in Basutoland were not at all bad[1]. 'We have sheep and corn', cried one Chief at the "Pitso" in October, 'but this year the shops give us little or no money'[2]. Trade was 'very slack and dull'[3] for the reasons summed up by one of the Resident Magistrates:

> This is owing to the decrease of the Diamond-Fields population, the fall in the value of diamonds, and the general depression in trade. The demand for grain has fallen off, and no other outlet has been found for the large quantities held by the producers and the shopkeepers. [4]

It was thus the vagaries of the market that gave the major impetus to an increased flow of labour.

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1. V.& P.1877, 1(i); G.12-'77, BBNA 1877, p.8.
2. Ibid., p.14. Speech of Molitsane, and passim.
3. Ibid., p.3.
4. Ibid., p.4.

The slump at the Fields in 1876 at first led to an abundance of labour and low wages there[1], and triggered off a major shift of Southern Sotho labour in the direction of the Cape railways. They found that they could buy guns and ammunition at the Cape, and that the terms of labour were favourable. By September, they were pouring down to the railways in the Eastern Province: 'The Basutos keep coming down', wrote Merriman,'and as far as labour goes things never looked better'[2]. It has to be remembered that the population of Basutoland was very large: the 15,000 said to labour for wages in 1875 should be compared with a total population of about 45,000 in Fingoland[3] or in the Tambookie and Mfengu locations of Queenstown[4]. When a Magistrate reported that 'a very large number of Basutos have gone to the railway works during the last half year'[5], he was almost certainly thinking in thousands rather than hundreds. Some of them went to the western railways[6], and no doubt some to the border line, but most of them to the lines from Port Elizabeth[7].

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1. Parl.Papers 1878-9, lii (C.-2220), pp.63-64: Griqualand West Government Notice No.102 of 1876, encl. in Frere to Hicks-Beach, 30 July 1878.

2. Rhodes House, MSS Afr. S.23 (Molteno Papers), ii. 202, Merriman to Molteno, 22 Sept. 1876.

3. G.16-'76, BBNA 1876, p.51.

4. G.12-'77, BBNA 1877, p.137.

5. Ibid., p.4.

6. Cape, C.O.3276, R.M. Worcester to Col.Sec., 10 Feb. 1877.

7. Cape, N.A.478, R.M. Cradock to Col.Sec., 12 Feb. 1877. G.12-'77, BBNA 1877, p.8.

The same commercial reverse of 1876 had similar effects on peasants in the Eastern Province and Fingoland, compounded by disruption of commercial relations in 1876, as a result of a war panic. The commercial contraction, combined later with drought, also diminished the alternatives among the kinds of wage-labour available and thus tended to concentrate those seeking labour on the railway works. Thus in Victoria East, large numbers of young men were by late 1876 involved in 'a continual going backwards and forwards to Railway Works'[1]. In this Division and the adjacent part of Kingwilliamstown, a total black population of some 10,000 had in 1875 sold some £19,000 worth of agricultural surplus, including over 250,000 lbs. of wool fetching £12,500, and purchased goods worth £21,000 including some £18,000 worth of imported goods from Europe[2]. They were thus hit badly in 1876, as their Civil Commissioner pointed out, by 'the fall in the price of wool, bad crops, and general depression in trade circles', implying a reduction in income from peasant production. Broadly, the same points apply to many peasants in the rest of the Ciskei, the Idutywa Reserve and the Queenstown District.

It was also clear by the end of 1876 that protracted drought would seriously damage the forthcoming corn harvest. It turned out to be a partial failure, worst in the Ciskei and western Transkei.

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1. Ibid., p.125; see also pp.122, 124.

2. G.16-'76, BBNA 1876, p.73.

Some of the increased numbers at the railway works were there as a means of feeding their families at all. But it would be wrong to think that most of the labour-force were simply forced to work as an alternative to starvation, and still more erroneous to think that they were forced out of a traditional African economy.

In several cases, including Mfengu in Victoria East and Fort Beaufort and Ngqikas in Kingwilliamstown, it was precisely because they sold their food surplus in the market on favourable terms in 1877 that they were without food reserves to see them through another harvest failure, and had to find the money to buy back their food at yet higher prices[1].

Moreover, in many areas, families had enough food to eat, and the main impetus to seek wage-labour was to compensate for the loss of income implied by the loss of the surplus usually available for sale. In Basutoland, for example, the kafir-corn and mealie crops had been poor, but the assessment of the Governor's Agent in July 1877 was that

> enough has been gathered in to feed the people and to allow of a surplus for sale. The only results that I can foresee from the above state of things are that whilst little or no Kaffir beer will be made during the coming season there will be a sufficiency of food for all, but that failing the income which the natives usually derive from the sale of their superfluous grain, a great many will proceed to the Public Works to earn what they require. [2]

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1. Cape, N.A.176, C.C. Victoria East to SNA, 26 Oct. 1877; C.C. Kingwilliamstown to SNA, 25 July, 1877. G.17-'78, BBNA 1878, p.52.

2. Cape, N.A.274, Griffith to SNA, 3 July, 1877.

This motive for wage-labour was combined in other areas with anticipation of losses in stock and sheep caused by drought, and of the possibility either that it would be necessary to buy food before the next harvest, or that, even if food reserves would last until then, the next harvest might itself prove a failure.[1]

It is important to recognize that some peasants with the means to irrigate and diversify their crops profited from the high prices prevailing in times of drought, growing richer under the same circumstances which made most men poorer. The Government Agent among the Thembu, for example, reported in June, 1877 that

> The semi-civilised portion of the community will not suffer, having reaped a very good crop of wheat. The red portion gradually leave for employment, and go as far asGraaff Reinet...[2]

But some of the more enterprising and prosperous peasants left for employment, too. If the 'semi-civilized' Thembu raised a good wheat crop, that of the Mfengu of Kamastone and Oxkraal in the Queenstown District was largely a failure[3]. In 1875, these two locations with a total population of 6,200 had produced over 200,000 lbs. of wool, among many other signs of rising expectations and requirements oriented to the market, and wage-labour by them had been depicted as a periodic

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1. Cape, N.A.175, C.C. East London to SNA, 6 July, 1877; R. M. Herschel to SNA, 29 June, 1877. Cape, N.A.176, C.C. Queenstown to SNA, 7 May, 10 July, 1877; C.C. Victoria East to SNA, 26 Oct. 1877.

2. Cape, N.A.155, Thembu Agent to SNA, 26 June, 1877.

3. G.17-'78, BBNA 1877, p.48.

and discretionary activity[1]. But in the next two years, corn and wheat crops failed, the grass disappeared, and in 1877 not only did young men set off in large numbers to the public works, but whole families were reported to be leaving home to take service with the colonists[2]. Within the longer-run process of social stratification in the peasant economy, there were thus drastic fluctuations in the incomes of many who were at times among the more prosperous, periodically increasing the importance of supplementary income from participation in the labour market.

Many men worked on the railways in 1876-1877 primarily to buy guns and ammunition, rather than food or clothes, emphasizing the point that many Africans at this time were not labouring simply in order to subsist. This is not the place to analyse the political position of different African peoples, but for most of them the possibility of conflict with other tribes, white or black, was never remote, and loomed large in the Eastern Province and western Transkei in 1876-1877. There was a rush for guns[3]. The Mfengu of Fingoland were urged by Government officials to join in and arm themselves with the proceeds of labour at the railways[4].

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1. G.16-'76, BBNA 1876, pp.88-90.

2. G.12-'77, BBNA 1877, p.140. V.& P.1878, 1(i); G.17-'78, BBNA 1878, pp.47-49.

3. Cape, N.A.174, C.C. Kingwilliamstown to SNA, 24, 29 July, 7 Aug. 1876; C.C. Queenstown to SNA, 7, 21 Nov. 1876. V.& P.1880, 1(iii); A.56-'80, Papers relating to Issue of Permits for Purchase of Firearms, etc., pp.10-12.

4. Cape, N.A.154, Fingo Agent to SNA, 31 Aug., 30 Sept. 1876. Cape, N.A.843, SNA to Fingo Agent, 11 Oct. 1876.

The Government did not attempt to eliminate a legal gun trade with the Africans until 1878. An Act removing the powers of J.P.s to sign permits for blacks to purchase guns and ammunition only came into force in August, 1877[1], before which time it was left to J.P.s or Resident Magistrates to satisfy themselves that Africans wanting guns 'are fit to possess the same, and that the use they propose to make of them is a proper one...' and to issue permits to buy them[2]. Once a signed permit to buy was produced, the grant of a Licence by Resident Magistrates to enable the buyer to take the gun home was in practice automatic[3]. At Port Elizabeth, Cape Town, Grahamstown and Cradock, permits were issued freely[4], often on the basis of recommendations from officials in African areas, anxious to increase the flow of railway labour[5]. On top of this, there were many cases which can be documented where shopkeepers sold guns to Africans and advised them not to apply for permits or Licences of Removal at all.

Apart from the interests of gun merchants, there were two main reasons why some J.P.s were willing to issue permits indiscriminately and why Resident Magistrates did not always report even glaring cases

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1. Act 13 of 1877. Cape, N.A.478, R.M. Steynsberg to Col.Sec., 16 Aug. 1877.
2. Cape, N.A.175, C.C. Cradock to SNA, 7 Sept. 1877: encl. Circular 4 of 1874, J. C. Molteno to all R.M.s.
3. The R.M. Cradock was reproved by the SNA when he refused a Licence of Removal to men who had received permits to buy guns: Cape, N.A. 478, R.M. Cradock to Col.Sec., 16 Feb. 1877 and encl. letter from SNA to R.M. Cradock, 8 June, 1876.
4. Cape, N.A.174, R.M. Cradock to SNA, 17 Oct. 1876.
5. Cape, N.A.843, SNA to C.M. Griqualand East, 1 Feb. 1877.

to the Native Affairs Department. One was the conviction that undue restriction of a legal trade would merely play into the hands of illicit dealers and smugglers, and the other was that it would 'drive away from our public works a great deal of much required native labour'[1]. These two points also conditioned the Government's attitude in refraining from action to make the gun trade illegal: for they were well aware of its scope. This situation constituted part of the terms on which many Africans were willing to labour on the railways before the Ngquika-Gcaleka War.

Some black labourers in 1876-1877 came from beyond the Cape and the Transkei, but for the most part, there is no evidence about how numerous they were or whence they came. There are sporadic references to 'Zulus' on the western, midland and north-eastern lines, usually in the context of faction fights with other Africans, and it is only in some cases that the description could refer to men imported from Delagoa Bay[2]. Similarly, although references in the evidence before the Railway Commission to large gangs of men brought down from 'the interior' and 'the interior of the country' are unilluminating, since what they meant by the term is unclear, there was specific mention of 'Bechuanas' working on the Grahamstown line[3]. One can only note that there is no basis on which to form even an approximate idea of the numbers involved.

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1. Cape, 1/CDK 10/9, R.M. Cradock to Col. Sec., 2 Sept. 1876.

2. Cape, C.O.3276, R.M. Worcester to Col.Sec., 10 Feb. 1877.
   S.A.P.L., Molteno Papers, Merriman to Molteno, 24 Aug. 1877.
   Cape, 1/SSE 8/71, Slessor to R.M. Somerset East, 4 Apr. 1879.

3. G.3-'78, Report of Railway Commission, Minutes of Evidence, pp.60,63.

The motives of black labourers in working on the railways up to later 1877 thus ranged from actual or threatened hunger to the desire for a gun or the desire to compensate for diminutions of income from the produce market. For some it was a necessary means of subsistence; for most, a more or less important means of supplementing the resources of the peasant family. So far from being forced into the labour market from inherently primitive economies, most of them were from peasant families attempting to sustain expectations and requirements geared to the market.

The signs are that the various factors increasing black men's reliance on the wages of railway labour in 1876-1877 led to some deterioration in the terms of labour. It is important to recognise that the real value represented by a given wage fell as food prices rose in the drought, since rations were not usually supplied; and there were already isolated complaints that railway workers were 'often imposed upon' as a result of high food prices[1], presumably through tommy-shops. At the same time, working conditions were harder in 1876-1877 because of the scarcity of water of which engineers complained[2] and some of the heaviest railway work in the Cape was done in 1876-1877 in the Eastern Province[3].

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1. G.12-'77, BBNA 1877, p.113.

2. G.32-'78, Railways. Report and Annexures for 1877, pp.16, 19. G.3-'78, Report of Railway Commission, Minutes of Evidence, p.15.

3. G.32-'78, Railways. Report and Annexures for 1877, pp.12, 14-18, 23. G.3-'78, Report of Railway Commission, Minutes of Evidence, pp.7, 57.

Nonetheless, the pressures on most of the black railway workers were not yet great enough to reduce their bargaining power drastically. The following figures for wage-rates on the Grahamstown line in 1877 suggest that money-wages were still considerably higher than the official rate - 2s. 6d. without rations - at which labour had been solicited for it in early 1876. It also seems clear than an effort to reduce wage levels to 2s. 6d. in March-April was largely unsuccessful.

Table 17

Daily Wages of Black Labourers (excluding those on contract work) on the Grahamstown Railway, 1877[1]

| 1877 | Numbers paid at:- | | | |
|---|---|---|---|---|
| | 2s. 6d. | 2s. 9d. | 3s.- 3s. 6d. | 4s. - 4s. 6d. |
| January | 3 | 6 | 485 | 31 |
| February | 20 | 0 | 567 | 23 |
| March | 300 | 6 | 394 | 22 |
| April | 331 | 9 | 254 | 20 |
| May | 143 | 40 | 377 | 16 |
| June | 69 | 49 | 430 | 16 |
| July | 67 | 27 | 445 | 20 |

1. Source: G.3-'78, Report of Railway Commission, Appendix to Report, p.vi. I have omitted the insignificant numbers at rates below 2s. 6d. or at intermediate rates.

There was a more striking demonstration in August 1877 that most blacks would not work on the railways when the Government tried sharply to lower the terms of labour. For it was in 1877 that the pressures on the Government for economy in railway-building first came to rival pressure to make rapid progress. There was a furore in parliament and elsewhere about alleged corruption and extravagance in railway-building under the departmental system, and as Molteno put it, 'our last Session of Parliament (1877) has not altogether been very satisfactory, and an impression has been created by our Political Opponents, that our Railways are going to exceed our estimated cost by a considerable amount'[1]. It was this furore that led to the establishment of the Railway Commission.

The labour component in the cost of railway building was great, although it cannot be disentangled from the Government Accounts which lumped the costs of labour and materials together under headings like 'Bridges'. But the cost of the most conspicuous items of capital expenditure - permanent way, rolling-stock, and plant - accounted for no more than about one third of the total cost of the railways authorized in the 1870s[2]. The wage-bill in the first seven months of 1877 alone may be estimated at between £400,000 and £500,000[3].

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1. S.A.P.L., Molteno Papers, J. C. Molteno to Sir P. Julyan, 14 Aug. 1877.

2. Calculation from V.& P.1884, 1(iii); A.11-'84, Statement showing Excess in Cost of Railways, etc., pp.4-10.

3. This estimate is arrived at by multiplying the average monthly numbers at work on the railways by the estimated number of days on which work was done each month - 26 days - and by the estimated average daily wage. The average daily wage for the total work force on the Grahamstown line up to July varied between 4s. 1d. and 4s. 8½d. If the average daily wage on all railways were 4s., the resulting wage bill for seven months would be £427,000. If it were 4s. 6d. the result would be £490,000.

Moreover, the cost of labour was by far the most important element which seemed capable of variation by Government action: there was little the Government could do about the cost of major capital items in Great Britain, particularly since most of them had already been purchased, and other potential economies were relatively trivial.

In response to the political pressure to economize in 1877, the Government ordered a general and radical reduction in the wages of black labourers to 1s. 6d. per day for 'common labour' and urged the engineers to ensure that contractors took advantage of it[1].

The engineers themselves testified to the black response, although it was blurred by the fact that there were warlike incidents on the border of Gcalekaland and Fingoland from August onwards, leading to the outbreak of hostilities. This is how the engineer in charge of the border railway works recalled the sequence of events:

> The works progressed very rapidly during the first half of the year, in fact up to the end of August. At this period the Government decided upon reducing the price of all native labour, and the consequence was that from 2,145 natives employed during the month of August, the number was reduced to 500 in September, only 180 of whom were employed at day work.
>
> In the following month of October signs of native disturbance were observed...[2]

The engineer in charge of the Beaufort West extension also attributed part of the diminution of his labour supply to the wage-reductions, and the statistics suggest a sharp fall in the numbers of workers there

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1. Cape, Railway Engineer's Office, Letters Rd., Commissioner, 1877; Merriman to Brounger, 4 Aug. 1877; Elliott to Brounger, 15 Aug. 1877.

2. G.32-'78, Railways. Report and Annexures for 1877, p.35.

under Government engineers from 1,214 in July to 789 in August and September, and a steady fall in total numbers at work on the line (black and white) from 2,209 in July to 1160 in December[1].

On the lines from Port Elizabeth, the main contractor building the Graaff Reinet line refused to lower his wages[2], and the engineer in charge of these lines told the Railway Commission that the wage reductions by Government engineers had driven men away, and that main and sub-contractors attracted them by offering much higher rates[3]. The result showed up clearly in the statistics for 'day labour' working under Government engineers and 'contract labour' working under main and sub-contractors:

Table 18

Total Labour Force (white and black) on Construction of Midland and North-Eastern Railways, July-December 1877[4]

| | Day Labour | Contract Labour |
|---|---|---|
| July | 3,025 | 2873 |
| August | 2,381 | 3395 |
| Sept. | 2,309 | 3567 |
| Oct. | 1,604 | 3273 |
| Nov. | 1,769 | 3552 |
| Dec. | 1,693 | 3343 |

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1. Ibid., p.10.
2. S.A.P.L., Molteno Papers, Merriman to Molteno, 24 Aug. 1877.
3. G.3-'78, Report of Railway Commission, Minutes of Evidence, pp.8-9.
4. Source: G.32-'78, Railways. Report and Annexures for 1877, p.32.

It seems, therefore, that the increasing pressures on the black population in 1876-1877 were not sufficient to reverse most of the gains they had won since 1871 in the conflict over the terms of labour.

The rest of this chapter looks at the changing pressures and requirements in and after 1878 which produced a substantial shift in the terms of labour against the black population by 1885.

Criticism of the Government's alleged extravagance in the prosecution of railway works combined after 1877 with a deteriorating financial position. As war expenditure grew, the Government cut spending on railway construction to the minimum at the end of 1877; it was not until August 1878, after parliament had authorized funds to cover the inflated estimates of what it would need to finish the railways, and after the war had ended, that railway work was resumed with full vigour by the new Government[1]. Taxation was by then an issue of renewed sensitivity; taxes had been imposed to pay for the Sprigg Government's new defence measures, leading to the agitation among farmers against the Excise on which Hofmeyr partly founded the ZABBV. These developments implied a new political importance attached to economy in railway-building. The haemorrhage of war expenditure continued with the fighting against rebels in Griqualand West and against Moorosi and the Baphuti, and opened up from 1880 in Basutoland and the Transkei; and after 1882, increasingly severe commercial depression, competition from Natal, and drought, lowered the revenues and, together with political factors, attacked the Cape's credit in London.

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1. G.R.H., 25 Sept. 1878: speech at Graaff Reinet of J. Laing. Cape, P.W.D., Misc. Letters Rd., 1872-1878, (S); F. Slessor to Commissioner, 14 Sept. 1878.

The new Government in 1878 was also anxious enough to prove its vitality and efficiency in executing public works. It wanted both low costs and fast work. This combination boded ill for the black work-force, at a time when the importation of picked navvies 'of good character' to gang black workers had ceased, when whites were still affected by the passions of the Ngqika-Gcaleka War, and when the bargaining-power of the blacks in the labour-market had been reduced in the course of 1878.

For the effects of drought and underdevelopment were combined with the effects of war. Large enough numbers of men in the Ciskei and Transkei lost their stock and land in 1877-1878 to make a significant, permanent increase in the numbers of the dispossessed depending on wage-labour for their subsistence[1], and damage to the fortunes of many peasant families that was irremediable. The Government did its best to make use of the impoverishment of large numbers of men by the war of 1877-1878 to furnish a permanent and major addition to the colony's reserves of cheap wage-labour.

As semi-starving rebels and their families surrendered, the Government sent some overland to work in the Eastern Province. For example, about 500 had been sent to the Grahamstown area by July 1878 for work on the railway or in service in the town, and 40 more arrived at the railway works in August[2]. Others were put to work on the

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1. Bundy, 'African Peasants', p.119-122.

2. Cape, N.A.177, C.C.Albany to SNA, 31 July, 1878, and 7 Aug. 1878.

border railway[1], at a time when blacks in the vicinity were resisting efforts to persuade them to work there[2].

More dramatically, 1,242 men, 1,164 women and 1,472 children were shipped to the Western Province in 1878-1879[3], with the object primarily of supplying servants to private employers at very low wages for at least three years' work and of apprenticing children, although some of the men were drafted to the western railway, road and other public works[4]. Not surprisingly, in the circumstances, those sent to the western railway works were reported by the engineers in August, 1878, to be 'unwilling to exert themselves in a satisfactory manner': the engineers wanted no more of them[5]. By March, 1879, the men were deserting in large numbers from the railway works[6]. But this was only part of a wider drama of resistance and desertion from service on a mass scale after a period of recuperation, of waiting for the drought to break and of awaiting word of other members of the family. By the end of 1878 it was clear that it was only a matter of time before the

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1. Cape, N.A.180, R.M. Cathcart to SNA, 12 Apr. 1879.

2. See below, p. 411.

3. V.& P.1879, 1(iii); A.43-'79, Return showing Number of Kaffirs introduced into Western Districts, etc.

4. V.& P.1879, 1(iii); A.42-'79, Return relating to the Employment of Native Men, Women and children, pp.2-4.

5. Cape, N.A.295, Assistant Commissioner to USNA, 24 Aug. 1878.

6. Cape, N.A.932, USNA to Commissioner, 18 Mar. 1879. There is no evidence about the numbers involved or the terms of their employment.

large majority of the people shipped to the west would leave it:

> all long to return to the frontier...They will journey eastwards until hunger compels them to work, or until they find employment that suits them and where the numerous members of a family can be close to each other. [1]

By July and August, 1879, Western farmers raised an outcry about the desertion of the Ngqikas and Gcalekas, leading to a Select Committee on Labour Supply in 1879 which established that the 'labour shortage' in the West was once more serious[2]. Nevertheless, both the people who deserted from the Western Province after a few months and other rebel families who had escaped shipment to the west added largely to the numbers of African families depending partly or wholly on wage-labour for their subsistence.

The continuing drought had the same effect. For the bad harvest of early 1877 in many parts was followed by another and more complete crop failure in 1878. This was again particularly bad in the Ciskei, in Queenstown and the western districts of the Transkei, where acute shortages of food, hunger and disease were reported[3]. Dependence on wage-labour among many families in these areas was drastically increased; in some cases, heads of families as well as the young men went off to labour on the railways and elsewhere[4]. The pressure to accept poorer

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1. Cape, N.A.400, G. McTheal to SNA, 2 Dec. 1878. Theal was in charge of distributing people through much of the Western Province. His published account of the whole episode, which was the subject of an agitation by the Aborigines Protection Society and questions in the House of Commons, is in G. Mc.Theal, History of South Africa from 1873-1884 (2 vols., London, 1919), i. 122-125.
2. V.& P.1879, II; A.26-'79: Report of Sel. Comm. on Supply of Labour Market.
3. Cape, N.A.1, C.M. Transkei to SNA, 8 Nov. 1878. Cape, N.A.178, C.C. Queenstown to SNA, 9 May, 1878. Cape, 1/TA 9/4, S.M. Tanacha to C.C. Kingwilliamstown, 28 Nov. 1878.
4. Cape, N.A.177, C.C. Albany to SNA, 28 Aug. 1878.

terms of labour was illustrated in Fort Beaufort, where the men held out during 1878 against working on the border railway at 2s. per day when the high cost of provisions in tommy-shops and swindles by sub-contractors on the line were notorious; but where parties of them began to leave late in the year for the railway works, no doubt in some cases because as their magistrate put it, 'hunger is evidently beginning to tell on them' and in others because, having arranged for supplies of food through pledging titles or stock as security or through bartering stock, they now needed to gather resources to pay off these debts and meet other obligations[1].

The corn harvest in the early part of 1879 was a relatively good one in most areas. For some months after the harvest of March/April, many blacks on the railways were there to meet debts to the Government and traders or replenish stock sold for food in 1877-1878; but then the corn harvest in early 1880 was again very bad in most areas, and a few months later, there were reports that so many men in the King-williamstown Division wanted work that many returned home unable to find any[2]. On the other hand, there was an excellent wheat crop in the Peddie and adjoining districts during 1880, which helped to keep the price of mealies within bounds[3], as well as provide a windfall for the stratum of peasants with the resources and enterprise to diversify their crops; and there was no commercial depression or slump in market

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1. V.& P.1879, 1(i); G.33-'79, BBRA 1879, pp.185-186.
2. G.R.H., 11 Sept. 1880, quoting Cape Mercury.
3. Cape, 1/TA 9/4, S.M. Tamacha to C.C. Kingwilliamstown, 1 Apr. 1880.

prices for wool and other produce to combine with the drought. In 1879-1880, there was therefore considerable differentiation in the impact of hard times and in the character of pressures to labour for wages. Many of those who left their homes in the Eastern Province and Transkei to labour on the railways did so to help their families meet private debts or tax obligations, to replenish resources, or provide a margin in case 1881, too, brought a bad harvest; and they preserved some leeway to pick and choose between jobs. It was only over a period of time that it would be clear how dependent particular families had become on wage-labour.

The Government did its best to use the drought, as it tried to use the defeat of rebels, to swell the supply of cheap black labour. The rule was, in the case of both starving rebels and others, that 'no man able to work can be fed at Government expense'[1], and pleas of Magistrates for authority to advance seed or food to distressed Africans were met by implacable references to the opportunity to labour on the railways[2]. Equally, when suffering from food shortages was reported during 1880, the Public Works Department was anxious to use it to procure 'a few hundred men' for the public works, for wages of only 2s. per day without rations for good men[3], at a time when the price for food was high.

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1. Cape, N.A.177, C.C. East London to SNA, 10 Dec. 1878: Minute by SNA of 17 Dec. 1878. N.A.932, SNA to Sir B. Frere, 4 Jan. 1879.

2. e.g. Cape, N.A.177, C.C. EAst London to SNA, 13 Dec. 1878: Minute by SNA of 23 Dec. 1878.

3. Cape, N.A.299, Assistant Commissioner to USNA, 4 Oct. 1880.

How far the terms of labour on the railways were in fact turned against the blacks in 1878-1880 is not known in detail. It is suggestive that Glen Grey men were engaged for work on the border line in 1878 for only 2s. without rations[1]. But some of the worst exploitation in 1878 was successfully resisted. This resulted from the attempt to combine economy and speed and from dropping the standards of discrimination between aspiring gangers and sub-contractors which had prevailed when black bargaining-power was stronger up to 1877. Sub-contractors on the border line used the truck system to such devastating effect to make money in the drought that workers found they were paid next to nothing. Moreover, when some of them complained to the District Engineer of their treatment, he attacked them with physical violence. But the men of Glen Grey retaliated by refusing 'en masse' to work on the railway. They thus enlisted support not only from magistrates who had encouraged them to go the railways, but also from border communities furious at the lack of progress made with their railway works. After strong pressure from the border press and Queenstown Chamber of Commerce, the Resident Magistrate heard some of the men's claims and awarded them compensation, punished some offending sub-contractors and even fined the Resident Engineer for assaulting the men who had complained to him.[2]

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1. G.R.H., 30 Nov. 1878, quoting Cape Mercury.

2. G.33-'79, BBNA 1879, pp.179-180; G.R.H., 30 Nov. 1878, quoting Cape Mercury; Q.F.P., 13 Dec. 1878, 8 Aug., 5 Sept., 1879; Cape, P.W.D.10, Laing to Secretary, Queenstown Ch. of Commerce, 3 Dec. 1878, no.701.

In response to the Select Committee of 1879, the Government resumed the importation of men from Delagoa Bay, primarily to meet the demand for labour from private employers in the Western Province. But 131 of the 346 'men and boys' sent up to April 1880 were set to work on the railways and other public works because farmers were not coming forward to employ men at 25s. per month with rations[1]. After protracted failure, the Labour agent in Lourenco Marques was able to secure younger men on contract for private service at 15s. per month with rations for three years[2], and some 2,000 men were imported between April 1880 and 1882, when the traffic was suspended because smallpox broke out at Delagoa Bay and because this was followed by drought and depression easing the labour shortage in the Cape and diminishing the Government's resources. Most of these men were contracted to private employers, but some were sent to road works in 1880-1881 and some 260 men were contracted to Government employers in 1881, many of them on the railways[3]. Some of the 'Delagoa Bay kaffirs' undoubtedly stayed in service in the Cape for some years; but the Government complained that they, 'very soon after their arrival, discover that

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1. V.& P.1880, 1(ii); G.71-'80, Report on Native Immigration to Colony, pp.2-4. Cape, P.W.D., Misc. Letters Rd., Works, 1873-1881; J. de Coster to Commissioner, 27 Oct. 1879, and Elliott's minute on it of 12 Nov. 1879. Z.A., 26 Nov. 1879. Argus, 22 Nov. 1879.

2. V.& P.1881, 1(ii); G.56-'81, Reports of Superintendents of Immigrants, p.1.

3. Ibid., p.3. V.& P.1882, II(v); G.64-'82, Reports of Superintendants of Immigrants, p.4. V.& P.1883, 1(v); G.79-'83, Reports of Superintendants of Immigrants, p.3. The agent in Lourenco Marques was paid £6 per man shipped to the Cape of which 3 guineas was the cost of passage: Cape, P.W.D., Misc. Letters Rd., Works, 1873-1881; de Coster to Commissioner, 27 Oct. 1879.

higher wages are to be earned than those for which they have been engaged, and many of them abscond in search of more remunerative employment'[1]. This was certainly true of those who were sent to the railways in 1881: following a familiar pattern of resistance, those in the west deserted after a few days in 1881[2], and a party on railway works in the Eastern Province soon did the same[3].

Apart from its continued attempts to import cheap labour, the Government also affected the labour market through legislation.

The Pass Law of 1867[4] and Vagrancy Law[5], partly designed, through curtailing the freedom of movement of black men, to counter stealing, were also designed through limiting competition for labour among employers and through restricting the ability of Africans to live from stealing, to further the colonists' requirement for cheap labour[6]. In fact, they tended to have the opposite effect; part of the reluctance to travel long distances in the colony to work was fear of harrassment under cover of the Pass and Vagrancy Laws. By the 1880s, the administration of the Pass Law varied greatly from Magistrate to

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1. Cape, P.W.D.10, McNaughton to J. de Coster, undated (late 1881), no.1416.

2. V.& P.1882, II(iv); G.32-'82, Report of General Manager of Railways, p.9.

3. Cape, 1/CDK 8/57, Maintenance Engineer, Port Elizabeth to C.C. Cradock, 10 Jan. 1882. About 400 Berg Damaras were imported from Walfisch Bay between 1879 and 1882, but all of these entered private service.

4. Act 22 of 1867.

5. Act 23 of 1879.

6. cf. Sprigg's speech of 9 Feb. 1880 in East London in E.L.D., 11 Feb. 1880.

Magistrate, and the legal provisions whereby Mfengu, and other Africans who had served in the colony for ten years, were automatically entitled to a Certificate of Citizenship, which exempted the holder from the requirement to carry a pass, had been widely ignored since 1878[1]. It is equally clear that employers frequently wrote out 'passes' for their servants which were not legally valid and left the servant liable to arrest and punishment. In practice, therefore, the administration of the pass law was essentially arbitrary[2].

The police resources of the Cape were increased after 1882. In 1883, the Cape Mounted Riflemen, of whom there were then 939, turned their attentions to police duties for the first time[3]. Moreover, the discovery by the Select Committee in 1881 that such meagre police forces had been raised under the District Police Act of 1873, led to the establishment of better co-ordinated and more numerous forces, under Act 12 of 1882, particularly in areas with large African populations. By the end of 1883, for example, the new Police District comprising the Divisions of Kingwilliamstown, East London, Komgha and Stutterheim had 177 policemen; that comprising Albany, Alexandria, Bathurst and Peddie had 56; that comprising Fort Beaufort, Bedford, Stockenstrom and Victoria East had 54; and that comprising Wodehouse, Barkly East

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1. V.& P.1882, 11(vi); A.91-'82, Correspondence on the Operation of the Pass Laws, pp.2, 4.

2. Ibid., pp.11-12, 16-17, 26. V.& P.1883, II; A.15-'83, Sel. Comm. on Pass Laws, Minutes of Evidence, pp.9, 17, 20, 42-43, 53.

3. V.& P.1884, 1(ii); G.35-'84, Report upon the Colonial Forces for 1883, p.1.

and Aliwal North had 90[1]. This was a marked increase in the scale of police resources when set beside 227 Divisional policemen of all ranks in the whole Colony in 1881.

There had been a number of instances in the 1870s when Africans had been represented by their magistrates as afraid to leave their homes for the railway works because of the pass laws[2]. This component in the terms of labour certainly grew worse for Africans after the establishment of the new Police forces. Arrests made by them under the Pass and Vagrancy Acts sometimes outnumbered those made under any other heading[3]. They were charged by the Resident Magistrate of Queenstown in 1883 with 'exercising tyranny and terrorism throughout the District'[4], and there was a new emphasis in the judgement of men like the Special Magistrate of Tamacha in the Kingwilliamstown District that the pass law was 'an engine of oppression and injustice' with a damaging effect on the supply of labour[5]. Apart from fear of molestation and punishment, the pass laws entailed many wasted hours for Africans waiting at every magistracy through which they passed to have their passes endorsed by busy Magistrates.

There can, in short, be little doubt that, in the words of the Chief Magistrate of Tembuland in 1885,

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1. V.& P.1884, 1(ii); G.51-'84; Reports of Police Commissioners for 1883, pp.11-14, 25.

2. Cape, N.A.173, C.C. Kingwilliamstown to SNA, 11 May, 1875: encl. letter from S.M. Tamacha to C.C. Queenstown, 7 May, 1875. Cape, N.A.1176, R.M. Victoria East to SNA, 19 Aug. 1877.

3. e.g. G.51-'84, Police Reports for 1883, pp.12, 25.

4. Ibid., p.15.

5. V.& P.1884, 1(iii); G.3-'84, BBNA 1884, pp.33-34.

> Pass Laws, Vagrancy Acts, and other enactments (no doubt very necessary for the prevention of stockstealing from the Colony), are a great bar to natives going to the Colony in search of labour. [1]

Equally, these laws, and increasing numbers of police, made the terms of labour less favourable to those Africans who did go to work on the railways and elsewhere.

There was also a significant increase during our period in the taxation imposed on the black population of the Cape and some of the Transkeian territories, together with an expansion of officialdom seeking to use taxation to persuade blacks to labour for the colonists.

In theory, blacks living on Crown lands within the 1870 borders of the Colony and who did not own individual titles or live on Mission stations, paid hut tax of 10s. per year from the start of our period. This tax was imposed on territories over the Kei during the 1870s as a price for annexation to the Cape. Hut tax was not payable on dwellings on lots held on individual tenure on mission stations or Government land, whose occupants paid quitrent instead. But the cash burdens of those with individual titles were generally greater than those paying hut tax, for not only was the combined quitrent for a garden and building lot at least 12s. 6d., but a title rendered the holder liable to divisional rates as well, if held within the 1870 borders of the colony. On top of this, the cost of survey at least had to be paid on taking up a title, and the shortage of land from growing numbers of people and stock on small lots both led to abundant litigation, which of

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1. V.& P.1885, 1(ii); G.2-'85, BBNA 1885, p.122.

course cost money, and drove the price of land to high levels in transfers. Between £20 and £40 was being paid for two morgen lots in informal sales in the crowded locations of Victoria East in 1881[1]. Although attempts to extend the system of individual tenure in this period were largely a failure, the extra cash requirements which it implied were a significant pressure operating on such people as the Mfengu of Victoria East and of Heald Town in the Fort Beaufort Division, whose lands were also among the most overcrowded in the colony by the 1880s[2], and those of Kamastone and Oxkraal in the Queenstown Division which were surveyed and divided into individual lots during 1877.

In addition to the hut-tax or quitrents, all black households had by Act 20 of 1878 to pay 10s. per hut in House Duty - that is, taxation was doubled for most families - if they lived within the 1870 borders of the Colony. This was an extra disadvantage for those living in the old Eastern Province or British Kaffraria, as compared with those beyond the Kei who still paid only hut tax at the end of our period.

Efforts were also made to bring the 'squatters' paying rent to private landlords under supervision, partly with the aim of improving the supply of wage labour by checking stealing and putting pressure on those who had previously paid no taxes. Acts 6 of 1876 and 8 of 1878 were intended to oblige the 'squatters' to have their stock branded, registered and regularly checked by an Inspector, and to pay up to 10s.

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1. V.& P.1882, II(vi); G.33-'82, BBNA 1882, p.143.

2. G.33-'82, BBNA 1882, pp.143. G.3-'84, BBNA 1884, p.21.

per hut in order to meet half the cost of paying the salary of their inspector. The owner of the land occupied by the 'squatter' was made liable for a sum per hut equal to that paid by the 'squatter'. The Act of 1876 excluded bona fide servants of the landowner, but that of 1878 narrowed the definition to exclude only bona fide servants in continuous service; that is to say, that from 1878 labour tenants as well as share-croppers and tenants paying rent were supposed to come under the Location Acts.

The Location Acts against 'squatting' were carried out fitfully; and, since the Acts of 1876 and 1878 only applied to estates where there were more than five huts per square mile, it was a common practice for landlords and tenants between them to ensure a judicious distribution of huts to evade them[1], and this was why the effort was made in Act 37 of 1884 to redefine what a native location was. The main burden, sometimes a heavy one, resting on most squatters was certainly their rent[2], rather than taxes. Nevertheless, some 3,350 huts were included in proclaimed locations in the Ciskei and Queenstown by 1879, and 18 Inspectors of Locations appointed to supervise them and collect taxes. They varied in their diligence, but some certainly made their presence felt: by 1879, for example, 3 inspectors in Albany had undertaken 148 'inspections' over the 300 or so huts in their

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1. V.& P.1883, II; A.26-'83, Sel. Comm. on the Native Location Acts, Minutes of Evidence, pp.1-2, 8, 19. Cape, N.A.193, C.C. Fort Beaufort to USNA, 6 Sept. 1883.

2. G.2-'85, BBNA 1885, pp.13, 17.

locations, and an inspector in Peddie in charge of about 100 huts had carried out 125 'inspections'[1]. More locations were proclaimed in four more Divisions of the Eastern Province during 1880[2]. The presence of these inspectors of locations, sometimes with constables to help them, and often combining tax demands with insistent advocacy of wage-labour for the colonists, was a significant part of a wider expansion of officialdom and tax obligations over the black population.

Whether cash obligations on paper led to pressure to earn more money naturally depended on the way in which the obligations were enforced. Tax collection was in practice often sporadic, and partly depended on the decision of central government and magistrates on whether it was practicable, expedient or humane to enforce taxes in times of distress or political unrest. Formidable tax arrears built up as a result of drought and rebellion after 1877, largely increased by the new House Duty. For example, in Tamacha, Kingwilliamstown, outstanding hut tax alone totalled over £11,000 by November 1883[3], and in Middle Drift tax arrears in early 1883 were about £8,500[4]. This illustrated the rate at which cash obligations to the Government could mount, often in combination with private debts. Then the Government tried to insist more implacably on collection of tax arrears in its parlous financial condition after 1882.

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1. V.& P.1878, 1(iii); A.51-'79, Return of Native Locations, p.2; A.62-'79, Return Showing Numbers of Inspectors of Native Locations, p.2.

2. V.& P.1881, 1(iii); A.16-'81, Reports and Returns of Inspectors of Native Locations, p.1 and passim.

3. Cape, 1/TA 9/6, S.M. Tamacha to CC. Kingwilliamstown, 6 Nov. 1883.

4. Cape, N.A.195, C.C. Kingwilliamstown to USNA, 22 Jan. 1883.

For a variety of reasons[1], these efforts were only partially successful. But the arrears extracted by the Special Magistrate of Tamacha through threats, summonses and sales of impounded stock in 1883 totalled £5,540, and the size of tax arrears gave magistrates considerable powers to cajole and threaten people to go and labour. Even taking into account erratic tax collection, the increase in the scale of tax arrears and current obligations, interacting with longer-run social stratification and with repeated drought and market fluctuations, was an important development of which officials tried, not without success, to make maximum use in promoting a flow of labour to the colony. Thus, many of the 1,225 men proceeding to the railways from Middle Drift in 1882 had promised to pay off some of their arrear taxes on their return[2]. The assessment of the Superintendent of the Mfengu locations in Queenstown in early 1879 was that 'with the house duty, and hut-tax, and the taking up of titles, the people of these locations will have as much as they can pay, for some time to come'[3]. In early 1881, he wrote that

> Vigorous efforts have been put forth by the people to meet the demand of taxation. Many men have left their home to take service in order to get money to pay their taxes... [4]

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1. Cf. Cape, 1/TA9/6, S.M.Tamacha to C.C. Kingwilliamstown, 6 Nov. 1883; and G.3-'84, BBNA 1884, p.32, 35.

2. G.8-'83, BBNA 1883, pp.92, 95.

3. G.33-'79, BBNA 1879, p.183.

4. V.& P.1881, 1(i); G.20-'81, BBNA 1881, p.108.

When a Wesleyan Missionary wrote of the people of Kamastone in early 1884 that

> The pressure of taxation has been severely felt, and at times I have feared whether the burden was not too great for them to bear,

his words implied a significant and permanent change from ten years before[1]. The great difficulties caused by tax demands on top of other trials were attested in other sources[2], and were severe enough materially to affect the terms of wage labour.

1881 was the only year with a generally favourable conjunction of good harvests, good prices, and high level of economic activity and demand, between 1876 and 1885, and the Government was fortunate that it did not have to procure labour for railway construction on a major scale. Thereafter the reports in Blue Books and to the Native Affairs Department became ever more dismal. In the Ciskei and Eastern Province and western parts of the Transkei, the corn crops were a failure each year from early 1882 to the end of our period, and good wheat crops were rare. Wool prices were reasonable in 1882, but then sank fast. Lung-sickness attacked weakened cattle in the Ciskei in 1882, and redwater added to the destitution there in 1885. By 1884-1885 the losses of stock through death throughout the area were enormous; the scale of the disaster is suggested by the fact that prolonged drought, followed by rain and cold and accompanied by disease was estimated to have wiped out by late 1885 half of the cattle in Fingoland, the Idutywa Reserve and parts of Thembuland which had been there a year before[3], and nearly all surviving stock in many areas had

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1. G.3-'84, BBNA 1884, p.63.
2. e.g. G.3-'84, BBNA 1884, p.73. Cape, N.A.406, Rev. le Rein (Stutterheim) to J.R.Innes, 7 Sept. 1885; Rev. J.Patten(Thembu Mission)to SNA, 15 Apr. 1885.
3. V.& P.1886, 1(ii); G.5-'86, BBNA 1886, pp.64,66,68,82.

been sold or pledged as security for advances of food and seed. Successive droughts had emptied stores and mealie pits, and many officials were afraid of extensive deaths from starvation. In 1884-1885, the drought and depression had caused such a contraction in opportunities to labour that in a number of cases blacks in the Eastern Province could find no wage labour to perform[1]. There was thus much-increased dependence on railway labour as a means of trying to shore up dwindling incomes or feed the family.

But there are a number of points to be made about 'drought' as a pressure to labour for wages. It was not a natural catastrophe working in isolation from other pressures. It interacted with the increasing tax and rent burdens which have been described. It forced many people to procure the means of subsistence in the trader's shop in exchange for stock, or on the security of stock or land, on highly unfavourable terms; for food and seed would in these circumstances be dear, while stock in the drought was worth little, and had to be surrendered in large numbers to meet obligations. The effect of drought in increasing dependence on the market in order to buy food was also, in 1876-1878 and 1883-1885, compounded by widespread commercial depression, tending to diminish incomes from produce like wool and skins.

Moreover, drought operated on a dispensation of land made on the white man's terms. The wars of 1877-1878 and 1880 had further diminished the landed resources available to the black population[2]. As drought

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1. Cape, N.A.200, C.C.Queenstown to USNA, 22 Nov. 1884; C.C. Victoria East to USNA, 10 July, 1884; N.A.201, C.C. Albany to USNA, 9 Feb. 1885.

2. See, for example, G.8-'83, BBNA 1883, p.13.

reduced water and pasture, the pressure on resources of people and stock was worst in the Ciskei. Many people emigrated from locations in Kingwilliamstown to less crowded parts of the Transkei, and some headmen begged to be allowed to move with their people 'en masse' to Thembuland[1]; and matters were at least as bad in the Mfengu locations of Victoria East, Peddie and Heald Town[2]. Relieving the problem by trekking to find new pasturage and new homes was much easier for families across the Kei with direct access to the emptier, and in the 1880s relatively fertile, eastern parts of the Transkei, than for many west of the Kei, for whom the trek to better land was a longer distance and a more painful severance from property and people, and who would have to pass through country patrolled by police, making it more hazardous to ignore official restrictions on their freedom of movement. These people were more likely to resort to the labour-market.

Finally, the Government did its best to promote a linkage between drought and the resort to wage-labour. They pointed steadfastly to the labour market when faced by black families in distress[3]. The rule in administering Government assistance generally remained that no relief should be granted to able-bodied men capable of wage labour, and from 1882, and especially in 1884-1885 the initiative was sometimes taken by officials of the Native Affairs Department, prompted by alarming

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1. Cape, N.A.195, C.C.Kingwilliamstown to USNA, 22 Jan. 1883.

2. G.33-'82, BBNA 1882, pp.143, G.3-'84, BBNA 1884, pp.76, 47, 50.

3. e.g. Cape, N.A.848, USNA to C.C.Herschel, 25 May, 1882; N.A.204, C.C. Queenstown to USNA, 12 June, 16 Sept. 1885.

reports of impending starvation, in asking the Public Works Department and railway contractors whether they were able to employ more Africans, as a way of offering relief which a financially straitened Government was reluctant itself to furnish to anybody who could work[1].

The successive blows of drought and depression, interacting in these ways with other factors, swelled the numbers of both permanently proletarianised black families, depending on wage-labour for subsistence, and those beset by varying degrees of crisis short of permanent proletarianisation. As has been noted, there were cases where families lost their land and stock as a result of war or drought, or, a little less drastically, where heads of households had to seek wage-labour as well as the young men. In 1885, James Weir identified five classes of African west of the Kei:

1. 'Landholders - who are a good native peasantry, and are improving in the mode of farming and habits of industry.'

2. 'A similar class who have not yet titles to their land owing to the opposition of their heathen chiefs.'

3. 'The (unreadable) heathen who subsists mainly on his cattle.'

4. 'The labouring class - who have no land, have lost their stock and depend upon their earnings.'

5. 'The very poor who live on their friends.'[2]

Weir seems here to be writing in classes four and five of families, and not just of the sons of peasant families, and in doing so bears witness to the extent of social stratification and proletarianisation

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1. Cape, N.A.848, USNA to Assistant Commissioner, 23 Feb. 1882; N.A. 309, McNaughton to USNA, 4 Aug. 1884; N.A.851, USNA to General Manager of Railways, 31 Mar. 1885; N.A.464, USNA to Assistant Commissioner, 18 Apr. 1885.

2. Cory MS 9080, J. Weir to J. G. Sprigg, 15 Oct. 1885.

in the Ciskei by 1885.

On the other hand, Weir mentioned that the landholders, too, depended for their subsistence on 'agriculture and other labour' (my emphasis), that many of them paid heavy rents, and that their crops had failed for several seasons[1], from which it can be inferred that many from this class were dependent on supplementary income from wage-labour, though dependent in a different way from class four. Alongside some reports of families scattering, it remained more common for magistrates to report that the 'grown-up sons' or 'young men' had left for employment in the colony.

There were a number of reasons why the sons of peasant families should enter a trade or the labour-market, at least on a temporary or periodical basis, even when the family economy was not under particular pressure from drought. The jobs they could do generally commanded better wage-rates than the domestic service undertaken by black women. Moreover, in addition to the desirability of supplementing the resources of the family, or, before 1878, of buying guns, the young men would often have the more specific ambition of earning a bride-price and the means of setting up their own family household. Thus, the linkage between land shortage, drought, and the other inter-acting factors described above, and the resort to wage-labour, most commonly took the form of more frequent and prolonged absences of grown-up sons from the

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1. Ibid.

black family, both because the family as a whole were more dependent on the income which they could earn in the labour-market, and because wage-labour was more important as a means of realizing the young men's individual expectations.

It is worth summarising the ways other than wage-labour in which many Africans could combat the adversities of 1884-1885, as a way of explaining why the deterioration in the terms of labour on the railways could still meet with widespread resistance. It has already been noted that one important response to these adversities was to trek. Another response in some cases was to labour for more fortunate black families nearer their own families than most employers in the colony; or to sell such items as dried bones, wood, grass for bedding, or ferns. Money or food obtained by these means could often reach the family more quickly than that from jobs in the colony which usually offered no means of remitting money quickly to hungry families[1]. Another very important means of survival was the charity of friends and relations, which formed part of the traditional kinship obligations of African societies and which was still sufficiently widespread to move the Special Magistrate of Tamacha in 1883 to count 'the charity and hospitality of the Kaffir race in time of great scarcity of food' as a major means of helping hundreds of people to avoid starvation[2]. There is no doubt, either, that the stealing of sheep and cattle must

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1. G.8-'83, BBNA 1883, p.158; G.5-'86, BBNA 1886, p.29.

2. G.8-'83, BBNA 1883, p.87.

be included among the ways in which many people - poor whites included[1] - combatted poverty and hunger[2]. Vital nourishment also came, in the critical period after rains fell at the end of a drought, but before new crops could ripen, from the milk of cattle and goats.

Families with stock could barter it for food, and stock or land titles could be pledged as security for advances from traders, or occasionally, the Government, of food or seed. In 1884-1885 those with land titles found credit much easier to obtain. Nevertheless, credit was widely extended by traders, at least in Queenstown and the Ciskei, often on the security of native stock, and was a major means of getting through the crisis of 1885 and buying seed for many Africans there. In some cases, merchants gathered considerable herds of stock when their bills of credit expired[3]. Credit of this kind was by no means an alternative to wage-labour in the longer run, for losses of cattle remained to be made up, or debts to be repaid. But the ability of many families to sell stock or pledge titles or stock as security for loans helped to reduce their short-term dependence on the labour-market.

Many fewer men worked on the railways after 1881 than had worked on those authorised by the Molteno Plan: there were fewer lines, and most of the work was lighter and less labour-intensive. There is

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1. V.& P.1885, 1(ii); G.12-'85, Police Reports for 1884, p.24.

2. For example, G.5-'86, BBNA 1886, pp.15, 30, 35, 47. In Cape, N.A. 201, C.C. Albany to USNA, 7 Oct. 1885, no.239/85, a 'remarkable' decrease in thefts of stock was reported after copious rains fell in September.

3. G. 5-'86, BBNA 1886, pp. 29, 32, 35-36, 50.

insufficient evidence to estimate the numbers involved in 1882. But in 1883, there was an average of rather less than 2,000 men working on the Hope Town extension in the west[1]; and just under 2,900 on the Naauwpoort-De Aar Junction[2]. The only indication of the numbers building the Aliwal North extension was the estimate of the Civil Commissioner of Albert in late 1883 that at least 2,000 blacks were at work on the railway[3]. Taking into account the fact that the line from the Kowie to Grahamstown was also being built, it would be a reasonable estimate that an average of something like 9,000 men were working on the railways in 1883, of whom perhaps 6,00-7,000 were black. The numbers declined early in 1884, when the lines to Colesberg and De Aar were finished and when in November the line was opened to Hope Town. In 1885 the only line under construction in the first part of the year was the Aliwal North extension, until from March onwards the railway was built from Hope Town to Kimberley.

Again, there is no information available about the number or origin of men who may have travelled to the railway works from the interior or Natal. But it is clear that the majority of the black work-force came from the Eastern Province and the western Transkei, including many of those building the railway to Kimberley in 1885.

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1. V.& P.1884, 1(iii); G.46-'84, Reports on the Construction and Progress of Railways during 1883, pp.1, 8.

2. Ibid., p.14.

3. G.3-'84, BBNA 1884, p.194.

The southern Sotho seem to have furnished a smaller proportion of railway labour than in the later 1870s as a result of continuing hostilities and political insecurity in Basutoland. The scale of the exodus from the Ciskei to the railways can be gauged from the fact that during 1882 - by no means the worst year for drought or commercial depression - 1,225 men left one part of the Kingwilliamstown District - Middle Drift - alone for the Cradock-Colesberg and other railway works[1].

Black workers retained a significant measure of bargaining-power in 1882 and early 1883, before commercial depression had begun to have a major impact. The Special Magistrate of Tamacha pointed out at the beginning of 1883 that Africans there had found work at Port Elizabeth, East London, and Uitenhage as well as at the railways, and that their preference was for telegraph construction, followed by beach and wharf work[2]; and it was only in 1883 that the volume of trade through the ports contracted seriously, with the effects in reducing demand for beach labour exacerbated at Port Elizabeth by the introduction of steam cranes[3]. The railway engineers also had in 1882 to reckon with a temporary increase in wage-rates at the diamond fields after the loss of most labour from Basutoland and the aftermath of the upheaval in the Transvaal: in February the average wage at Kimberley was as much as 30s. per week[4]. The engineer in charge of the Hope Town extension

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1. G.8-'83, BBNA 1883, p.95.
2. G.8-'83, BBNA 1883, p.87.
3. G.3-'84, BBNA 1884, p.54.
4. Cape, N.A.190, C.C. Kimberley to USNA, 15 Feb. 1882.

certainly complained of a shortage of unskilled labour during 1882, made worse by the outbreak of smallpox in the railway camps there[1]. Similarly, there was apparently keen competition for labour on the Cradock-Colesberg line in 1882. The engineer in charge of the northern sector, requesting help in procuring labour from the Chief Magistrate of the Transkei in supplementing supplies already obtained from 'Port Elizabeth and Grahamstown and other localities', warned that men sent up from Cradock

> would have to run the gauntlet of some 40 miles of temptation, on the Section below me, where means, not in any way to be called strictly fair, or honourable, are oft times resorted to, to enrich that Section, at the expense of this.

He offered wages of 2s. 6d. to 3s. 6d. per day without rations[2], and, with pressure mounting on the railway engineers to hurry on with railway connection towards the diamond fields[3], the engineer stressed that 'the work is very much pressed', implying some bargaining advantages open to the men at the works.

From early 1883 onwards, however, depression and drought worsened and the terms of labour turned drastically against blacks as Government and contractors promoted their interest in low labour costs combined with rapid progress in construction. The official rate of wages was

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1. G.61-'83, Reports on Construction and Progress of Railways for 1882, p.4.

2. Cape, CMT 2/14, W. J. Rose to C.M. Transkei, 11 Oct. 1882 and 27 Oct. 1882.

3. See above, p. 249.

not high, given prevailing prices in the remote area of the works and the continuing drought: for example, on the border line, where they were probably lowest, they were in January 1884 1s. 9d. to 2s. 6d. per day without rations[1]; and on the Kimberley Extension in 1885, offers varied from 2s. with rations[2] to 3s. without rations in the case of 'really good men'[3]. But more important, official wage rates were rendered illusory by the tommy-shop, exacerbating the high cost of food. Even in late 1882, the Civil Commissioner of Middelburg, where the northern section of the Colesberg line was situated, had attributed stealing near the railway works in part to the fact that the labourers could save little out of their wages after paying for food[4]. Men from Genadendal were exploited so ruthlessly by sub-contractors that some of them had no money to pay for the return journey from the Hope Town extension, and walked the 500 miles home[5]. In the case of the Aliwal North extension, the determined refusal of men from Kamastone and Oxkraal to work on the railway prompted an official enquiry into alleged ill-treatment. In a supplement to his Report, the Civil Commissioner of Albert wrote:

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1. Cape, N.A.200, C.C. Queenstown to USNA, 21 Jan. 1884.
2. Cape, N.A.204, C.C. Peddie to USNA, 16 June, 1885.
3. Cape, CMT 2/58, Firbank to C.M. Transkei, tel. of 28 Apr. 1885.
4. G.8-'83, BBNA 1883, p.24.
5. Baum, op.cit., p.98.

> The farmers in the neighbourhood of the line repeatedly brought supplies of meat, vegetables, and grain, with the object of selling directly to the labourers, but whenever the Sub Contractors were present they distinctly forbad (sic) the labourers from purchasing these articles from the farmers, and even threatened the farmers with punishment if they attempted to dispose of their produce to the labourers. They offered to purchase these supplies at low rates, themselves, to retail them at a profit to the natives: but they threatened to dismiss any of their men who purchased directly from the farmers. [1]

More generally, the Report established that

> native labourers on the Railway Works have met with much ill-usage from some of the rope-runners, gangers and time-keepers - and further that deductions have been made from their wages which were not referred to in the terms of wages furnished to Mr. Secretary de Wet by Mr. Pauling in his letter of the 18th April last, and which does not appear to have been satisfactorily explained to them. [2]

Even worse, there was a major outbreak of smallpox in the railway camps of the Aliwal North extension from September 1884[3]. The District Surgeon of Aliwal North later reckoned that 450 in his District had died, most of them black railway labourers. And the District Surgeon of Albert estimated that 1,000 people in his District had caught smallpox while the line was being built, of whom 300-400 had died. He wrote that

> to fix the exact number of those who suffered from and died of smallpox along the railway construction works is quite impossible, for many of the labourers, affected with the disease, get away on the mountain where they perished partly from the disease partly from starvation.

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1. Cape, N.A.311, Assistant Commissioner to USNA, 15 Dec. 1885; encl. letter from C.C. Albert to USNA, 19 Aug. 1885.

2. Cape, N.A.933, USNA to Firbank, Pauling and Co., 25 July, 1885.

3. G.2-'85, BBNA 1885, p.5.

There had been a typhoid epidemic at the same time[1].

Even in the nadir of famine and commercial depression, many men refused to labour on these terms. 'Almost all' labourers from Herschel abandoned the works on the Aliwal North extension[2]. Some continued to go to the works from Queenstown, but many others refused to do so; as one official explained,

> they have some reason for not working on railway extensions and other public works, as the payment of their wages is very often delayed and in many cases where they are under contractors they are swindled out of their hardly earned money. 3

The contractors turned to the Ciskei for help. But inspectors at Peddie reported a general unwillingness to go to Aliwal North, partly because they had heard that the price of costly provisions was deducted at the end of the month and that the official wage-rate would be radically reduced by these stoppages[4]. Repeated calls to the men of Kingwilliamstown were rejected on the same grounds[5].

None of this considerable resistance prevented labour from being found to complete the Aliwal North extension, which brought the main contractor George Pauling, a profit of £150,000[6]. The terms of labour for black workers had sunk to a low point matched only by those on Pauling's other main contract to build the railway to Kimberley.

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1. V.& P.1886, 1(ii); G.3-'86, Report of District Surgeons, pp.2-3.
2. G.2-'85, BBNA 1885, p.27.
3. Ibid., p.61; also p.57.
4. Ibid., pp.46-47.
5. Ibid., p.31.
6. Pauling, op.cit., p.65.

Pauling, who was bankrupted by this contract, later recalled the difficulty he had experienced in finding the money to pay his men's wages[1]. Combined with great pressure of time written into the penalty clauses of the Imperial loan and into Pauling's contract, this boded ill for a labour-force more dependent than ever on the income which labour on the railways might provide. The Native Affairs Department seized on the Kimberley Railway Works as an inexpensive way of providing relief to Africans reported as threatened with starvation. Hundreds of men are known to have worked on the railway from as far afield as Albany, Peddie, Victoria East, King-williamstown, the Idutywa Reserve and other parts of the western Transkei[2], no doubt supplementing more local supplies from Barkly West and elsewhere about which no evidence has survived. There were cases where men were summoned to the Orange River and, after walking many miles from their homes, were told they were not needed after all[3].

Clearly, the bargaining-power of black labourers when they arrived at the works hundreds of miles from home in these circum-stances was minimal. The consequences were illustrated by the fate of some men from Peddie, the area where the men had been able to bargain so shrewdly when the Government was trying to build the first

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1. Pauling, op.cit., pp.58-59.

2. Cape, N.A.201, C.C. Albany to USNA, 4 Sept. 1885; N.A.204, C.C. Peddie to USNA, 13 Apr. 1885; C.C. Victoria East to USNA, 26 May 1885. G.5-'86, BBNA 1886, pp.4-5, 38. Cape, CMT 2/58, tels. from Firbank and Pauling to C.M. Transkei, 28 Apr. 1885; CMT 2/66, C.M. Transkei to USNA, 7 Aug. 1885.

3. Cape, CMT 2/60, tels. from USNA to C.M. Transkei, 29,30 Oct., 16 Nov. 1885.

few miles of earthworks from Port Elizabeth in 1871-1872. After two weeks' work in 1885, Peddie men found that they had earned a pittance after extensive, unexpected stoppages from their wages. They received very short shrift from the contractor's agent when they complained, and when they then asked for passes to go home. They deserted the works, and were in their own words 'sorely perished with hunger' and 'very footsore and tired' by the time they straggled back to Peddie. On the way, a group of them were caught by the police without passes, found guilty of stealing a goat, and flogged[1].

As intelligence about the conditions of labour on the Kimberley railway filtered back to African homes, compounding the experience of work on the Aliwal North extension, many men refused to go to the Orange River and preferred to survive by other means. The Civil Commissioner of Victoria East reported that he had induced 50 men to leave for the railway, only after giving detailed assurances about the method of payment, to counteract 'distrust among the men as to the proper payment of wages'[2], and the Chief Magistrate of the Transkei had to extract detailed assurances of the same kind[3]. In Queenstown, the Civil Commissioner held meetings, supported by a missionary, to persuade men to provide for their families by accepting 'the favourable terms offered by the contractors'; but 'the people seemed to have made

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1. Cape, N.A.204, C.C. Peddie to USNA, 16 June 1885, with encl. depositions.
2. Cape, N.A.204, C.C. Victoria East to USNA, 26 May 1885.
3. Cape, CMT 2/60, USNA to C.M. Transkei, tel. of 4 June, 1885.

up their minds not to listen to reason. They all said that they would not again work on the Railway'[1]. In June, no more men would go from Glen Grey[2]. Renewed calls from the Orange River to Fort Beaufort, Kingwilliamstown and the Transkei for more labour in October suggested that African resistance was having some effect, although the shortage proved temporary. In Fort Beaufort, the call for 200 men was answered by only 20 and two hundred men would only set out from Keiskama Hoek, Kingwilliamstown, on the 'distinct promise that their money would be paid to them at the end of each week by an officer specially appointed for that purpose'[3].

The capacity to resist the worst kinds of exploitation was thus not entirely eliminated even in the circumstances of 1885. Nevertheless, those circumstances were a drastic contrast from ten years before.

With the discovery of gold on the Witwatersrand, the conflict over the terms of labour by the black population for the whites moved into a new phase. The radical shift in the terms of railway labour between 1875 and 1885 was by no means all irreversible; better seasons, better prices for peasant produce, the renewed

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1. Cape, N.A.311, Assistant Commissioner to USNA, 15 Dec. 1885: encl. letter from C.C. Queenstown to USNA, 16 May, 1885.

2. Ibid., encl. letter from R.M. Glen Grey to USNA, 16 June, 1885.

3. G.5-'86, BBNA 1886, pp.15, 38.

expansion of competitive and urgent demand for black labour would periodically bring renewed bargaining-power to many blacks. Indeed, more than one magistrate testified that bitter experience of the danger of relying too heavily on the production of mealies and kafir-corn had by late 1886 led many peasants to diversify their investment in more potatoes, bean, wheat and oathay, by which their vulnerability to the climate might be reduced[1]. The longer-run trends against them in the conflict over the terms of labour would continue to be masked by drastic, shorter-term fluctuations in their individual and collective fortunes, as they had been in 1870-1885. Nevertheless, elements in the shift were irreversible and permanent: the growth of tax and other cash burdens, of officialdom and police; the increased dependence on an inherently unstable market; the pressure on land; and the impoverishment and proletarianisation of increasing numbers beyond the point of recovery, as wars and drought had interacted with the longer-run process of class formation.

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1. G.5-'86, BBNA 1886, pp.25, 35.

# CHAPTER TEN

## CONCLUSIONS

In an account of the mechanisms through which imperial economic and political interest were secured and extended in countries of white colonial settlement in the nineteenth century, Professor R. E. Robinson has written that

> In Australia, New Zealand, and to a less extent elsewhere, although cultural affiliation played its part, political collaboration stemmed largely from economic dependence. For the greater part of the century these colonies had no alternative to Britain as a source of capital, export markets, immigrants and protection. In the early days of growth metropolitan investment largely pre-selected the colonial economy's immigrants and governed the speed and direction of its growth. The dominant export-import sector consequently shaped colonial politics in favour of commercial and political collaboration with London. [1]

This study suggests that some modifications and refinements of this paradigm are required in order to describe how imperial economic and political interests were secured and extended in the Cape between 1870 and 1885.

An attempt to identify the collaborators with the forces of British economic expansion in the Cape at once points to the fact that those forces were varied, and that their character and the balance

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1. R. E. Robinson, 'Non-European foundations of European Imperialism', in E. R. J. Owen and R. B. Sutcliffe (eds.), Studies in the Theory of Imperialism (London, 1972), p.124. My emphasis.

between them changed through time. It is important that, in reacting against 'one-eyed analysis of European forces'[1] in the study of imperialism, expansionist economic forces are not treated as an undifferentiated or unchanging factor. Distinctions must be made, for example, between the relationships and agencies involved in commercial interchange resting on a structure of mercantile credit, those involved in private, long-term capital investment, and those involved in capital investment in colonial government securities. Crucial to understanding the character of economic and political changes in the Cape in 1870-1885 was the fact that capital investment in Cape Government securities became a major aspect of the economic relationship between Great Britain and the Cape, overshadowing private long-term investment and proceeding largely independently of those who conducted private mercantile transactions between the two countries.

Hence, the Cape government itself became in these years perhaps the most important collaborative agent in the expansion of British economic interests in the Cape. For this reason, new urgency was given to the question of who should control the Cape government. The tide flowing towards Responsible Government was strengthened and accelerated by the desire of local interests in the Cape to increase their influence over the distribution of the public expenditure and patronage in prospect; and the loosening of the Imperial tie in 1872

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1. Ibid., p.123.

facilitated the subsequent expansion of British investment in the Cape by removing an Imperial executive held to be incapable of playing an effective role in evoking the flow of capital into railways and other public works.

An analysis of efforts to control the state and influence the direction of railway-building does not suggest that Anglo-Cape collaboration in capital investment can be adequately described as a function of the influence of 'the dominant export-import sector' in shaping colonial politics.

The 'export-import sector' is itself a concept that requires more precise definition. If it is used in a broad way to encompass all whose economic activities were geared to market opportunities and market relations projected into the Cape from Great Britain, it would have in the case of the Cape to encompass such a large proportion of the population in diverse occupations that its usefulness would be extremely limited. The 'export-import sector' is taken here to mean those who acted as consigning agents for minerals, wool and produce bound for overseas markets, who purchased them for export, or to whom imports were consigned by overseas manufacturers or merchants.

The first point to be made about this export-import sector in the Cape is that although it was concentrated primarily in the enterprises based on Port Elizabeth for much of our period, there were also important fractions in Cape Town and Grahamstown and, increasingly after 1870, in many other centres. The export-import sector was divided in its railway interests.

Moreover, the growth of trade had itself engendered profits from trading within the colony and from transactions and investments in land, labour, stock, urban property, nascent manufacturing and processing establishments, banking and other financial activities. These were sources of local capital formation beyond mercantile control. Nor was the flow of banking capital through the branches of Anglo-South African banks subject to the direction of mercantile men in the Cape. Above all, the growth of trade with Great Britain had yielded revenues to finance an expansion of state activity at the central and local level. Given the manifold sources of local political influence, the uses to which local and central government were put in distributing patronage and public expenditure and evoking British capital investment were not subject to the dominant influence of the export-import sector. A host of local businessmen, professional men, retailers, commercial farmers and landowners entered the arena of railway politics together with the divided export-import sector.

Indeed, the major theme to emerge from a study of railway politics leading to the commitments made in 1874 and 1881 is that, as a result of an incongruity between mercantile and political power, the railway ambitions of the dominant commercial community in the Cape were confounded.

When Port Elizabeth took the lead in agitations for Federation and Separation in 1871-1872, its prime concern was with the implications of its political weakness in the dawning era of capital investment financed by the state. That weakness rested not only on the numerical

strength of Western Province representatives in parliament, but on a geographical disposition which gave them a cohesion of interests in railway politics that contrasted with the rivalries dividing interests in the hinterland of the Bay. Long-standing divisions of interest between midland communities and Grahamstown and its allies in the old Frontier districts were sharpened by growing railway rivalries; and local midland interests mobilized to demand their own railway in conflict with the demand for a trunk line to Cradock, and to defend Responsible Government in preference to a unitary Eastern Province Government in which the relative influence of Port Elizabeth and Grahamstown would be increased. In the same period, a new and distinctive interest was created in border towns as alignments of interest and sentiment in the pre-railway age were transformed by their common ambition for a railway from East London staking out a hinterland in rivalry with Port Elizabeth and Grahamstown. Not only the most influential men in British Kaffraria, but those in the towns of the north-east of the colony, perceived that their material interests were best served by uniting as a coherent group, representing the eastern flank of the colonial settlement, in a political system which gave them the balance of power between the rest of the Eastern Province and the Western Province, and in which a tactical alliance with Western interests on public works would give them the victory over antagonists to their claims in the east. 'The border' interest was born, and thrown in the balance against a self-governing Eastern Province.

With the constitutional and financial obstacles to major railway-building removed by Responsible Government and rising revenues, the colony at first contracted railway commitments on a scale large enough to postpone long-term railway rivalries. The Molteno Plan reflected not only the political power of distinctive western and border interests, but also the fact that Port Elizabeth merchants had been able to form a coalition with local town-based and landed interests to insist on a main line midland railway, in addition to a north-eastern system towards Cradock. For by 1873, preoccupation with the trade of the diamond fields had ceased, and Port Elizabeth's main concern was to add the midland railway to the colony's commitments. This was achieved only because the ultimate destination of the midland railway was ambiguous: men joined forces to demand the railway to Graaff Reinet who would differ radically in their ideas of where the line would go next. The communities interested in the railway to Cradock were unwilling to modify their own demands in order to present a united front with the midland/north-western coalition; but, knowing the potential power of railway interests to destroy his Government and the constitution, Molteno evoked a flow of British capital on a scale sufficient to avoid disappointment to any substantial grouping in parliament.

This could not be done a second time. Extensions of the western and border lines were bound to feature in a successful railway plan because of the political strength of their champions,

and they could only be extended into Port Elizabeth's hinterland. Port Elizabeth's railway demands therefore centred on lines to protect its commercial hegemony in the north-west and the north-east as well as to service the trade of the interior to the north: this requirement implied extensions from both the Graaff Reinet and the Cradock lines in addition to western and border extensions. But it also implied additional lines to satisfy some of the independent claims of communities in the central portion of the colony who would not benefit from the lines demanded in Port Elizabeth and who would join the south-west and the border in opposing Port Elizabeth's railway ambitions unless their own were also satisfied. It therefore emerged that the cost to the state of preserving Port Elizabeth's commercial predominance in the railway age was much higher than that of destroying it.

The approbation of the numerous representatives of the south-west was the most important condition for carrying any railway bill through the House of Assembly. But they needed allies from the Eastern Province to carry their own proposals or to reject unsatisfactory ones. In the defeat of the 1879 plan, their allies were men representing communities in the central portion of the colony whose claims were not met by the 1879 scheme: the north-west, George and Oudtshoorn, Graaff Reinet, Cradock and Port Elizabeth. Sprigg responded in 1880 by trying, like Molteno in 1873-1874, to add extensively to his plans in order to reconcile rival claims. Denied substantial support in the central portion of the colony, which was

now offered an abundance of railways, surely the west and the border would, as in 1874, vote for a large scheme which contained extensions of their own main lines?

But there were important reasons why western and border Members who voted for Molteno's Plan should vote against Sprigg's. In 1874, many Eastern Province interests were not represented in the new Ministry, and it was a crucial test for the new system of Government as to whether it could provide for the material interests of Eastern, as well as Western, Province interests through carrying a comprehensive railway scheme. To vote for that scheme was to vote for a vindication of a political system which most western and border representatives supported, partly at least because of the political muscle it gave to their local interests. It was also to vote railway patronage into the hands of western and border representatives comprising the Molteno Ministry. Moreover, it was clear in 1874 that there was strong support for the proposed midland system in midland and north-western districts, and for the north-eastern system in much of the old Frontier districts, Somerset, Cradock and Colesberg, as well as in Port Elizabeth. To have voted against either of these systems would have provoked political and constitutional uproar from former supporters of Responsible Government in the midlands and north-west, or in Cradock and Colesberg, as well as from former foes. Port Elizabeth had a draft Federation Bill ready for an eventuality such as the rejection of the new claim for a midland railway, featuring a larger 'midland' province appropriating revenues in proportion to

Port Elizabeth's commercial predominance. The alternative was a comprehensive Railway Bill. Border and south-western Members were in an important sense voting to preserve political power far in excess of their mercantile power, by voting for the Molteno Plan.

Above all, the midland and north-eastern systems proposed in 1874 did not threaten the railway interests of the south-west or the border. Not even the most ambitious Cape Town merchant envisaged a hinterland for Cape Town in Graaff Reinet, nor the most ambitious direct importer in Kingwilliamstown a border hinterland in Cradock.

In all these aspects, the situation was different in 1880. With an Eastern Province Ministry in power, and with the Confederation cause flagging, there was no threat to the political system if Sprigg's Bill were defeated. For most western Members, though not most border ones, to defeat Sprigg's Bill was to curb railway patronage in the hands of a Ministry they opposed and inflict humiliation on their political enemies. Moreover, long-term divisions of railway interest among communities north of the existing termini were now in the open: it was clear that, of the communities within the commercial hinterland of Port Elizabeth, the local railway interests of Beaufort West, Victoria West, Somerset, Cradock and Dordrecht would be better served by the rival scheme carried in committee than by the Sprigg Bill, and that those of Hope Town and Colesberg would be equally well served. The fact that the rival scheme was cheaper appealed both to them and to one or two Members for areas south of the existing termini which even Sprigg's plan had failed to cover. Such was in 1880 the disunity among Port Elizabeth's potential allies.

Above all, the long-term divisions of interest between Port Elizabeth and south-western and border communities could not be postponed. The common interests of western and most border representatives against Port Elizabeth's railway claims were twofold. They shared the interest as flanks of the colony in resisting efforts to preserve the Bay's hinterland in the north-west and north-east. And they shared an interest as taxpayers in voting against a scheme costing £6¼ million, when their own railway interests were better served by a scheme costing £3½ million. In line with their political calculations on public works legislation since the early 1870s and before, an alliance of western and border interests used their power in the political system to destroy the railway ambitions of the Bay.

In 1880-1881, there was a significant shift in the structure of economic interests in the Cape and, to a lesser extent, in the balance of political forces. The incongruity between mercantile and political power was modified by the entry of four Members for Griqualand West, representing the temporarily flourishing interests of diamond buyers and Kimberley merchants as well as mining capital, into the Cape parliament, although the spread of Afrikaner political organisations was simultaneously injecting extra political strength into local interests largely outside the export-import sector. At the same time, a new interest emerged in the form of Cape investors committed to the mining and other companies floated in Kimberley, while a number of factors combined briefly in 1881 to make the diamond fields a crucial target for most of the import-export sector,

agricultural producers, traders within the colony and coal-owners alike. In these circumstances, Merriman's Railway Bill of 1881 won a significantly broader basis of support outside the south-west and the border than the scheme carried in Committee in 1880, by adding a junction between the north-eastern extension and the western extension to place Eastern Province centres in closer contact with Griqualand West. Nevertheless, most support still came from the south-west and the border; while the men of Port Elizabeth, whose mercantile importance relative to Kimberley diamond-buyers, consignment agents and direct importers had decreased, but whose predominance over rivals in Cape Town, East London, and other inland towns had yet to be radically reduced, watched with painful feelings the frustration of their plans to preserve their hinterland in the north-west and the north-east.

In order to understand the way in which 'the forces of western expansion' were translated into terms of Cape politics[1], it is, therefore, necessary to differentiate between the different forms of British economic expansion in the Cape, and to appreciate that in trying to promote their objectives in evoking British capital investment, conflicting fractions of the import-export sector were forced to seek alliances with independent local interests defining their own railway ambitions and exercising power in the political system. These distinctions are also relevant in discussing the collaboration between British and Afrikaner colonists in the accumulation of capital.

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1. Cf. Ibid., p.127.

Extensive involvement of Afrikaners in local railway agitations and in the promotion of railway claims in parliament was in part an illustration of their wider integration in the market economy, stemming in large measure from the expansion of commercial interchange with Great Britain. This wider integration itself combined with other factors to make it unlikely that many wealthy and influential Cape Afrikaners would adopt an attitude of uncompromising hostility to British influence. It was an integration that large-scale public expenditure and improved transport facilities helped to deepen. But it was the fact that capital investment by the state became such an important aspect of the economic relationship between Great Britain and the Cape that comprised the most important development in 1870-1885 in the history of British- Cape Afrikaner economic collaboration. Afrikaner elites were already represented in significant numbers in local and central government, and were accustomed to looking to the state to further their interests, not least through the provision of public works. It became apparent after 1872 that local interests represented in the House of Assembly held sway over the state, and that the Imperial connection could be worked by the state to secure a massive flow of British capital influencing the fortunes of landowners, commercial farmers, local businessmen and commercial middlemen as well as those of the import-export sector. During the very period when many Afrikaners were provoked by Imperial policies elsewhere in South Africa to assert their own cultural and political interests, and when many of them developed their objections to the taxation and tariff policies favoured by many mercantile interests

and to other implications of British mercantile expansion, the export of capital presented itself as a more congenial aspect of British economic expansion in the Cape under the British flag.

At the same time as Afrikaner political organisations extended their power in the political system, many of their leaders co-operated at the local level and in parliament with British colonists in staking claims to public works and patronage financed by British capital. The original attitude of Du Toit's Patriot to large-scale British capital investment did not survive its exposure to the interests of those who led the Bond as it spread through the Cape and amalgamated with the ZABBV. It should be stressed that interests in British capital investment did not operate in isolation from other factors and are not presented here as a sufficient explanation for the moderate character and aims of these movements. It is nevertheless contended that the new scale of resources in capital and patronage made available to the state through its economic and political relationship with Great Britain was a significant, new dimension to the collaboration of Afrikaner elites with British colonists. What the state had done for Afrikaner elites with British capital after 1873 conditioned what Afrikaner leaders wanted to do with the state when they achieved heightened political influence.

When a surge of long-term, private investment later flowed into the gold-mining industry of the Witwatersrand and into Bechuanaland and the British South Africa Company, another dimension of collaboration was opened up, in the form of new resources of patronage for Cape politicians, new fields for profitable investment

by Cape investors, and a new market for Cape traders and agricultural producers. By that time, the potential gains from co-operating with British colonists within the political system of the Cape had already been manifest through the flow of £20 million from London in 1873-1885 into Cape Government securities; and not the least important aspect of continuing economic collaboration in the Cape was the mutual interest of many Afrikaner and British colonists in turning the private investment in the north to their advantage by extending the Cape railways thither and, on a more local level, by using improved revenues to contract new railway and other public expenditure commitments in the Cape. The new scale of the relationship between the Cape Government and the London capital market after 1873 must therefore take an important place in the history of British-Afrikaner relations in the Cape alongside many other aspects which are beyond the scope of this study.

Some of the linkages between the colonists' economic partnership with British financial and manufacturing interests in the export of capital and their political loyalty to the Imperial connection have been traced in some detail. As an elaboration of Professor Robinson's observation that for much of the nineteenth century most white colonies had no alternative to Britain as a source of capital, it should be emphasized that, at least in the Cape in this period, it was as a result of the Imperial connection itself that the London capital market offered a source of capital on terms which would otherwise have been impossible. Whatever one may think of Dr. Fieldhouse's contention that 'Formal ownership of territory was seldom essential

or even relevant to economic activity'[1] as a generalisation, it is clear that it was otherwise in the case of the Cape. The fact that the British flag flew over the Cape was central to the collaborative role with British economic interests that the Cape government was able to play, and this was why the export of capital added significantly to the Cape colonists' dependence on the Imperial tie.

The Anglo-Colonial collaborators in the export of British capital could not, of course, build railways by themselves. In and near the Cape, the demand for wage-labour assumed an extra dimension. It rapidly became clear that the colonists were dependent on black labour to keep the cost of railway-building within bounds; and that, belying the stereotypes of them as work-shy primitives, black men were ready to use that dependence to siphon off as much imported British capital as possible for their own economic and political requirements. In three major respects this posed a serious threat to the colonial basis of Anglo-colonial collaboration.

First, many blacks used the dependence on their labour and the interests of gun-dealers to arm themselves with the wages of railway labour, as they also did with the wages of mining labour and with other resources. Some of these were Mfengu allies of the Government, but many others used their guns to resist the ambitions of the colonial

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1. D. K. Fieldhouse, Economics and Empire, 1830-1914 (London, 1973), p.476.

settlement. Both Imperial Government and British stockbrokers and investors stepped in during the next few years to assist their colonial collaborators in undoing the consequences. Afterwards the Cape colonists were more secure, but also more deeply indebted, and all the more interested in reducing the price of black labour in the next round of railway-building.

Secondly, the use which blacks made of their bargaining-power in the labour-market in the 1870s had threatening implications for the interests of many private employers. For blacks to use railway labour as a relatively lucrative source of income supplementary to the proceeds of peasant production was not inimical to the native trading interest or to some landlords of black tenants, but constituted a blow to white farmers, colonial manufacturers, domestic and public employers, and the mercantile interests dealing primarily with them, all of whom together constituted a formidable political force.

Thirdly, the need to limit the cost of railway-building became increasingly insistent. The reasons were manifold. The soaring costs of railway-building became apparent in 1877. Expenditure on wars and public works imposed increased burdens on the revenues. Drought and commercial depression supervened. Moreover, the character of the mechanisms used in the export of capital exacerbated the strains on colonial finances imposed by the recklessness of colonial borrowing and external factors attacking the colony's credit: the speculators of the City were ready to exploit and deepen colonial financial embarrassment. On top of this, the interests of white employers and white workers, and the fluctuating character of the involvement of

many blacks in the labour market, had been among the important influences determining an extensive deployment of white workers on the railways and the establishment of a self-reinforcing division of labour and differential terms of labour at the railway works between white and black men. The cost of thus deploying white labour heightened the importance of maximizing the flow of cheap, black labour.

These developments increasing public expenditure and reducing the revenues implied a danger of increased taxation; and increased taxation emphasized the divisions between colonists. It was the sub-guarantee and proposals for special railway taxes that had opened up a gulf between humbler farmers and the elite of town and country over whether railways should be built up to the early 1870s, and which sharpened regional rivalries. It was Sprigg's Excise tax which in 1878 helped to trigger off a distinctively Afrikaner political movement. It was the threat of taxation that sharpened antagonism over whether it should fall on trade through the ports or on propertied interests or producers, and which underlay sharp disagreements over whether the Kimberley railway should be built in 1884. It was the need for increased taxation and to avoid divisive increases of direct taxation that led in the 1880s to increases of customs duties which threatened to drive trade away from the Cape.

For all these reasons, the uses which blacks were at first able to make in their own interests of the export of British capital for railway-building threatened to weaken the colonial foundations of Anglo-Cape collaboration. The interests and the internal cohesion

of the colonial settlement increasingly demanded extra financial exactions on the black population and a diminution of black bargaining-power in the labour market; the colonists' collaboration with imperial economic interests in railway-building came to rest more heavily on securing black labour power at the cheapest possible price.

Despite many-faceted tactics of resistance, the terms of labour were turned drastically against black workers in the ten years after 1875 as their dependence on wage labour increased. Men increasingly orientated towards the market for their requirements were subjected to the fluctuations of the market, and the impact of wars and drought, used by the colonists along with increased taxation to swell the flow and lower the price of labour. There were many more conflicts to be fought over the terms on which the black men of the Cape, the western Transkei and Basutoland would sell their labour; but many of them had lost ground permanently, and could after 1885 never have again the bargaining-power which they had exercised in the 1870s when the first, major export of British long-term capital to South Africa began.

# B I B L I O G R A P H Y

This bibliography is arranged as follows:

A. MANUSCRIPT SOURCES

1. Official

2. Unofficial

B. PRINTED SOURCES

1. Primary Sources

(a) Official Records

(b) Newspapers

(c) Contemporary Books and Pamphlets

(d) Documents published subsequently

2. Secondary Sources

(a) Bibliographies and Guides

(b) Select Books and articles

(c) Unpublished Theses and Papers

## A. MANUSCRIPT SOURCES

### 1. Official

(a) In the Public Record Office, London.

Colonial Office Papers, Series 48: Cape of Good Hope, Original Correspondence - Despatches, Offices and Individuals. Vols. C.O.48/417 (1863) - C.O.48/511 (1885).

Colonial Office Papers, Series 537: Supplementary Series.

Vol.C.O.537/124 A:South Africa, Despatches, Offices and Individuals (1856-1883).

(b) In the Cape Archives, Cape Town

i. Cape Colonial Office Papers

| | | |
|---|---|---|
| C.O.4166-4178 | : | Memorials (1871-1873) |
| | | Letters Received from: |
| C.O.919 | : | Divisional Councils (1870) |
| C.O.933-4 | : | Chief Inspector of Public Works (1871) |
| C.O.938 | : | Divisional Councils (1871) |
| C.O.946 | : | Railway Companies (1871) |
| C.O.947 | : | Sundry Committees (1871) |
| C.O.950 | : | Chief Inspector of Public Works (1872) |
| C.O.953 | : | Divisional Councils (1872) |
| C.O.961 | : | Sundry Committees (1872) |
| C.O.966 | : | Divisional Councils (1873) |
| C.O.970 | : | Commissioner of Crown Lands and Public Works (1873) |
| C.O.980 | : | Sundry Committees (1874) |
| C.O.1003-4 | : | Crown Agents (1875) |
| C.O.1031 | : | Crown Agents (1876) |
| C.O.1039 | : | Crown Agents (1877) |
| C.O.1060 | : | Crown Agents (1878) |
| C.O.1114 | : | Crown Agents (1880) |
| C.O.1209 | : | Agent-General (1883) |
| C.O.1255 | : | Agent-General (1884) |
| C.O.3255) C.O.3261) | : | Resident Magistrates and Civil Commissioners (1876) |
| C.O.3276 | : | Resident Magistrates and Civil Commissioners (1877) |

ii. Prime Minister's Office Papers

P.M.98 : Despatches from Agent-General (1888-1889)
P.M.152 : Miscellaneous Letters (1887-1889)
P.M.260 : General Correspondence (1882-1883)

iii. Public Works Department Papers

Many outward despatches from the Department have been typed out by Cape Archives staff, and bound in chronological order in new volumes. The following are referred to in footnotes:

Series 10 : Letters Despatched, General (1875-1884)
Series 11 : Letters to Emigration Agent (1875-1881)

The Inward correspondence referred to in footnotes was at the time of my research bound in uncatalogued volumes labelled as follows:

Letters Received, Semi-official, 1871
Miscellaneous Letters, July-Dec. 1871
Miscellaneous Letters, Jan.-June, 1872
Miscellaneous Letters, July-Dec. 1872
Letters Received, Colonial Secretary, Jan.-June, 1872
Letters Received, Colonial Secretary, July-Dec. 1872
Letters Received, Semi-official, 1872
Letters Received, Works, Semi-official, 1872
Letters Received, Committees Sundry, 1872-1873
Miscellaneous Letters, May-Aug. 1873
Letters Received, Commissioner, Apr.-June, 1873
Letters Received, Crown Agents, Jan.-Dec. 1873
Letters Received, Semi-official, 1873
Letters Received, Works, Semi-official, 1873
Letters Received, Works, Miscellaneous, 1873-1874 (C)
Letters Received, Commissioner, May-Aug. 1874
Letters Received, Crown Agents, Jan.-Apr. 1874
Letters Received, Works, 1872-1877
Miscellaneous Letters, Works, 1872-1877
Miscellaneous Letters Received, 1872-1878 (S)
Miscellaneous Letters Received, Works, 1873-1881
Letters Received, Agent-General, 1883

iv. Railway Engineer's Office Papers

A lone volume has found its way into the Cape archives among the other surviving records of the Public Works Department. It was not originally bound in the P.W.D. series and is labelled: Railway Engineer's Office, Letters Received, Commissioner, 1877. The other records of this Office, established as a separate branch of the Public Works Department in 1873, have left no trace for our period.

v. Treasury Papers

| | | |
|---|---|---|
| T. 227 | : | Letters from Agent-General (1882-1891) |
| T.1268 | : | Letters to Agent-General (1883-1885) |
| T.1360-1361 | : | Ministerial and Departmental out-letters (1881-1883) |

vi. Native Affairs Department Papers

| | | |
|---|---|---|
| N.A.153 | : | Letters from Residents with Kreli, Gangalizwe, etc. (1875) |
| N.A.155 | : | Letters from Tembu, Fingo Agents, etc. (1877) |
| N.A.274 | : | Letters from Governor's Agent, Basutoland (1877) |
| N.A.1-2 | : | Letters from Chief Magistrates of Transkei, Fingoland and Gcalekaland (1878) |
| N.A.478 | : | Referred Correspondence (1872-1878) |
| N.A.400 | : | Miscellaneous Letters Received (1878) |
| N.A.406 | : | Miscellaneous Letters Received (1884-1886) |
| N.A.173-180 | : | Letters from Civil Commissioners (1875-1879) |
| N.A.190-204 | : | Letters from Civil Commissioners (1882-1885) |
| N.A.295 | : | Letters from Commissioner (1874-1879) |
| N.A.299 | : | Letters from Commissioner (1880) |
| N.A.309 | : | Letters from Commissioner (1884) |
| N.A.311 | : | Letters from Commissioner (1885) |
| N.A.464 | : | Correspondence on Distress of 1885 |
| N.A.840-841 | : | Letters Despatched (1873-1876) |
| N.A.843 | : | Letter-book (1876-1877) |
| N.A.848 | : | Letters Despatched (1882) |
| N.A.851 | : | Letters Despatched (1884-1885) |
| N.A.932-933 | : | Letter-books (1879-1885) |

vii. Records of Chief Magistrate, Transkei

| | | |
|---|---|---|
| C.M.T.2/14 | : | Letters from Cape Government Railways (1882) |
| C.M.T.2/58-2/60 | : | Telegrams Received (1882-1889) |
| C.M.T.2/66 | : | Letters to S.N.A. (1885) |
| C.M.T.2/98 | : | Telegram-book (1885-1887) |

viii. Records of C.C. and R.M. Beaufort West

| | | |
|---|---|---|
| 1/BW 9/23 | : | Railways, etc. - Letters Received (1879, etc.) |

ix. Records of C.C. and R.M. Cradock

1/CDK 8/57 : Telegrams Received (1882-1885)
1/CDK 10/9 : Letters Despatched (1878-1879)

x. Records of C.C. and R.M. Somerset East

1/SSE 8/71 : Letters from Railway Department (1875-1912)

xi. Records of S.M. Tamacha (Kingwilliamstown Division)

1/TA 9/4-9/6 : Letters despatched (1878-1885)

xii. Records of C.C. and R.M. Uitenhage

1/UIT 10/96 : Letters Received on Railways (1873-1890)

xiii. Records of Government of Griqualand West

G.L.W.184 : Semi official Letters Despatched (1874-1875)

xiv. Records of Cape House of Assembly

H.A.769-770 : Memorials (1872-1874)

2. Unofficial

(a) British Museum, London

J. C. Molteno Papers (Addit. MSS 39299)

(b) Rhodes House Library, Oxford

J. C. Molteno Papers (MSS Afr. S.23)

(c) Kent Archives Office, Town Hall, Maidstone

Knatchbull Papers (MS U1963/F6 and MSS U951/F25/35-38)

(d) Cape Archives, Cape Town

Southey Papers (Acc.611)

Te Water Papers (Acc.467) (This is a good source for local business activity in the midlands in the 1870s, and for activities of the Afrikaner Bond in the late 1880s onwards)

Records of Cape Town Chamber of Commerce (Vols. C.C.7-9. These are formal Minutes and press-cuttings which usually add nothing to press accounts).

(e) South African Public Library, Cape Town

J. X. Merriman Papers (This is an excellent source for the Cape's financial business in London, but, considering Merriman's responsibility for railway-building for much of our period, rather disappointing as a source for railway politics or railway labour.)

J. H. Hofmeyr Collection

J. C. Molteno Papers

(f) Cory Library, Rhodes University, Grahamstown

J. G. Sprigg Papers (Again, these are very helpful on the financial side, but disappointing on the political.)

MSS 981-986 : Letters by R.M.Bowker in the early 1870s.

MSS 4855-6 : Accounts from Bertram, Whitnall and Co. of Grahamstown to W. Hyde, Albany farmer.

(g) Gubbins Library, Univ. of the Witwatersrand, Johannesburg

R. Godlonton Papers (This is a good source for railways in the early 1860s.)

(h) Municipal Library, Johannesburg

Cape of Good Hope Railways: Resident Engineer's (H. Pauling's) Letter-book for 1875 (Ref: 091 S Store 385 (687).)

(i) Kaffrarian Museum, Kingwilliamstown

J. Weir Papers (This is a patchy but invaluable source for the commercial activities of Kingwilliamstown merchants engaged in the native trade and for local politics, 1869-1875, particularly 1872-1874. Most of the material used has been taken from Weir's letter-book, comprising flimsy copies of his letters which are difficult to read. There is also a small collection of interesting memoranda, notes, and correspondence in folders marked 'Jas Weir and Co. Business Affairs' and 'Personal Letters to Jas Weir', and a couple of diaries used by Weir as account-books.)

(j) 1820 Settlers' Museum, Grahamstown

Papers of Frontier Fire and Marine Insurance, Guarantee, Loan and Trust Company. (These voluminous papers, largely unsorted in 1872, will be an important but difficult source for Cape business history. I was unable to do more than skim a small proportion of them. A bundle marked 'Cron Wright' is referred to in footnotes.)

## B. PRINTED SOURCES

### 1. Primary Sources

#### (a) Official Records

##### i. British Parliamentary Papers

| | | | |
|---|---|---|---|
| 1873 | xlix | (C.-732) | Further Corresp. re the Affairs of the Cape of Good Hope |
| 1875 | xi | (367) | Report of Sel.Comm. on Loans to Foreign States |
| 1876 | lii | (C.-1399) | Corresp. re proposed Conference of Delegates on Affairs of South Africa |
| 1877 | lx | (C.-1732) | Further Corresp. re proposed Bill for enabling South African Colonies and States to Unite under one Government |
| 1878 | xix | (C.-2157) | Report of London Stock Exchange Commission |
| 1878-9 | lii | (C.-2220) | Further Corresp. re the Affairs of South Africa |
| 1881 | lxiv | (C.-3075) | Papers Explanatory of the functions of the Crown Agents for the Colonies |

ii. Votes and Proceedings of the Cape Legislative Council and House of Assembly (odd reference)

iii. Annexures to the Votes and Proceedings of the Cape parliament: Cape parliamentary Papers

(The series of 'G' papers were printed by order of the Government, of 'C' papers by order of the Legislative Council, and of 'A' papers by order of the Assembly.)

| Year | Vol. (1(i)= Appendix 1, vol.(i).'Annexures' is label on un-numbered volumes) | Number | Subject |
|---|---|---|---|
| 1862 | 1(i) | G.32-'62 | Report of Commission on Existing Scale of Remuneration to Officers in service of Colonial Government. |
| | 1(ii) | C.2-'62 | Petition from Tulbagh for extension of Wellington Railway |
| | | C.4-'62 | Petition from Malmesbury for railway thither. |
| | | C.10-'62 | Petition from Somerset West for branch line railway. |
| | | C.11-'62 | Petition from Alexandria against sub-guarantee |
| | | C.18-'62 | Memorial from D'Urban, Tygerburg and Koeberg on railway to Malmesbury |
| | 'Annexures' | A.1-'62 | Governor's Speech to open Fourth Session of Second Parliament |
| | II | A.2-'62 | Report of Sel.Comm. on Berg River and Tarka Bridges |
| | 1(ii) | A.7-'62 | Petition from Worcester and Tulbagh for extension of Wellington Railway |
| | 1(ii) | A.33-'62 | Petition from Grahamstown and Albany on railway from Port Elizabeth |
| 1863 | 1(ii) | A.25-'63 | Petition from Alexandria against sub-guarantee |
| | | A.26-'63 | Petition from Albany against sub-guarantee |
| | | A.32-'63 | Petition from Peddie against sub-guarantee |
| 1864 | II | A.3-'64 | Report of Sel. Comm. on Crown Lands |

| Year | Vol. | Number | Subject |
|---|---|---|---|
| 1865 | 'Annexures' | A.1-'65 | Governor's Speech to open Second Session of Third Parliament. |
| | | A.117-'65 | Petition of Mayor and Town Council of Port Elizabeth |
| | | A.118-'65 | Petition of Inhabitants of Port Elizabeth |
| 1866 | 1(i) | G.20-'66 | Censusof Cape Colony, 1865 |
| | 'Annexures' | G.32-'66 | Report of Colonial Railway Engineer on tenders received, etc. |
| | 1(i) | G.36-'66 | Population and Land Return for British Kaffraria for 1865 |
| | 1(ii) | A.1-'66 | Governor's Speech to open Third Session of Third Parliament |
| 1867 | 1(ii) | A.1-'67 | Governor's Speech to open Fourth Session of Third Parliament |
| 1868 | II | C.1-'68 | Report of Sel. Comm. on Railways |
| | 1(ii) | C.11-'68 | Return of Revenue and Expenditure of Eastern and Western Provinces, 1867 |
| | 1(ii) | A.1-'68 | Governor's Speech to open Fifth Session of Third Parliament |
| | II | A.13-'68 | Report of Sel.Comm. on Railways |
| 1869 | II | C.2-'69 | Report of Sel.Comm. on Railway Extension |
| | II | A.7-'69 | Report of Sel.Comm. on Port Nolloth Tramway Bill |
| 1870 | 1(i) | G.22-'70 | Statement of Revenue and Expenditure, 1869 |
| | 1(ii) | A.2-'70 | Despatch from Secretary of State (Earl Granville) to Sir P. E. Wodehouse, 9 Dec. 1869 |
| | 1(ii) | A.3-'70 | Extract of letter from Crown Agents dated 24 June, 1869 |

| Year | Vol. | Number | Subject |
|---|---|---|---|
| 1871 | 1(ii) | A.41-'71 | Message from H.E. the Governor - Minute on Railways |
| | | A.42-'71 | Enclosures accompanying Governor's Minute on Railways |
| | | A.9-'71 | Petition from Grahamstown on Railway Construction |
| 1872 | 1(i) | G.28-'72 | Report of Ch.Insp. of Public Works for 1871 |
| | 1(ii) | A.1-'72 | Governor's Speech to open Fourth Session of Fourth Parliament |
| | II | A.2-'72 | Report of Sel.Comm. on Railway Purchase |
| | | A.10-'72 | Report of Sel.Comm. on Fences Bill |
| 1873 | 1(i) | G.19-'73 | Statement of Revenue and Expenditure, 1873 |
| | 1(i) | G.28-'73 | Report of Ch.Insp. of Public Works for 1872 |
| | II | A.11-'73 | Report of Sel.Comm. on Malmesbury Railway Petition |
| 1874 | 1(i) | G.27-'74 | Blue Book on Native Affairs, 1874 |
| | 1(ii) | A.5-'74 | Reports of Surveys, etc. in connection with proposed lines of railway |
| | 1(ii) | A.13-'74 | Petition from Grahamstown on Railway thither |
| | 1(ii) | A.20-'74 | Corresp. re Railway from Worcester to Beaufort West |
| | 1(ii) | A.24-'74 | Petition of Cape Town Ch. of Comm. |
| 1875 | 1(i) | G.21-'75 | Blue Book on Native Affairs, 1875 |
| | 1(i) | G.35-'75 | Report of Railway Engineer for July 1873 to 31 Dec. 1874. |
| | 1(i) | G.39-'75 | Corresp. re Emigration from India and China |
| | 1(ii) | A.16-'75 | Corresp. re Introduction of Labour from Territory beyond Transvaal Republic |

| Year | Vol. | Number | Subject |
|---|---|---|---|
| 1876 | 1(i) | G.8-'76 | Report on Immigration and Labour Supply |
| | 1(i) | G.16-'76 | Blue Book on Native Affairs, 1876 |
| | 1(ii) | G.47-'76 | Railways, Report and Annexures for 1875 |
| 1877 | 1(i) | G.12-'77 | Blue Book on Native Affairs, 1877 |
| | 1(i) | G.47-'77 | Report on Cape Immigration for 1876 |
| | 1(ii) | G.49-'77 | Railways. Report and Annexures for 1876 |
| 1878 | Separate vol. (no number) | G.3-'78 | Report of Railway Commission |
| | 1(i) | G.17-'78 | Blue Book on Native Affairs, 1878 |
| | 1(ii) | G.32-'78 | Railways. Report and Annexures for 1877 |
| | 1(ii) | G.40-'78 | Report on Cape Immigration for 1877 |
| | 1(ii) | G.42-'78 | Report of Ch.Insp. of Public Works for 1877 |
| 1879 | 1(i) | G.5-'79 | Immigration Report and Tables for 1878 |
| | 1(i) | G.33-'79 | Blue Book on Native Affairs, 1879 |
| | II | A.26-'79 | Report of Sel.Comm. on Supply of Labour Market |
| | 1(iii) | A.42-'79 | Return relating to Employment of Native Men, Women and Children (removed from war-zone) |
| | 1(iii) | A.43-'79 | Return showing Numbers of Kaffirs introduced into Western Districts |
| | 1(iii) | A.51-'79 | Return of Native Locations |
| | 1(iii) | A.62-'79 | Return showing Numbers of Inspectors of Native Locations |
| | 1(iii) | A.76-'79 | Returns relative to Native Locations and Mission Stations in Kingwilliamstown and East London |
| 1880 | 1(i) | G.13-'80 | Blue Book on Native Affairs, 1880 |
| | 1(ii) | G.43-'80 | Reports on Progress and Working of Railways for 1879 |
| | 1(ii) | G.46-'80 | Report on Immigration for 1879 |

| Year | Vol. | Number | Subject |
|---|---|---|---|
| 1880 cont'd. | 1(ii) | G.55-'80 | Statements showing Expenditure on Construction of Railways and Results of Working to 31 December, 1879 |
| | 1(ii) | G.71-'80 | Report on Native Immigration to Colony |
| | 1(iii) | A.56-'80 | Papers respecting Issue of Permits for purchase of Firearms, etc. to Native Labourers on Railways. |
| 1881 | 1(i) | G.20-'81 | Blue Book on Native Affairs, 1881 |
| | 1(ii) | G.56-'81 | Reports of Superintendants of Immigrants for 1880 |
| | 1(ii) | G.64-'81 | Report of General Manager of Railways for 1880 |
| | II | A.5-'81 | Report of Sel.Comm. on Defence Organisation |
| | 1(iii) | A.16-'81 | Reports and Returns of Inspectors of Native Locations |
| | 1(iii) | A.20-'81 | Financial Statement |
| | 1(iii) | A.55-'81 | Corresp. between Government and Mr. Moritz Unger |
| 1882 | II(iv) | G.32-'82 | Report of General Manager of Railways for 1881 |
| | II(vi) | G.33-'82 | Blue Book on Native Affairs, 1882 |
| | II(v) | G.64-'82 | Reports of Superintendants of Immigrants |
| | II(i) | A.35-'82 | Financial Statement |
| | II(iv) | A.91-'82 | Corresp. on Operation of the Pass Laws |
| 1883 | 1(vi) | G.8-'83 | Blue Book on Native Affairs, 1883 |
| | 1(ii) | G.36-'83 | Report on Customs Transactions for 1882 |
| | 1(iv) | G.61-'83 | Railways, Reports on Construction and Progress for 1882 |
| | 1(v) | G.79-'83 | Reports of Superintendants of Immigrants |
| | 1(i) | G.110-'83 | Report of Civil Service Commission |
| | II | A.15-'83 | Report of Sel.Comm. on Pass Laws |
| | II | A.26-'83 | Report of Sel.Comm. on Native Location Acts |

| Year | Vol. | Number | Subject |
|---|---|---|---|
| 1884 | 1(iii) | G.3-'84 | Blue Book on Native Affairs, 1884 |
| | 1(ii) | G.35-'84 | Report on Colonial Forces for 1883 |
| | 1(iii) | G.46-'84 | Reports on Construction and Progress of Railways during 1883 |
| | 1(i) | G.49-'84 | Report of Agent-General for 1883 |
| | 1(ii) | G.51-'84 | Reports of Police Commissioners for 1883 |
| | 1(iii) | G.58-'84 | Reports of Immigration Agents for 1883 |
| | 1(i) | G.63-'84 | Financial Statement |
| | II | A.3-'84 | Report of Sel.Comm. on Coal Fields Railways |
| | 1(i) | A.3-'84(sic) | Joint Report by Sir Penrose Julyan and Captain Mills on Floating of a Loan of £4,837,500 Sterling |
| | 1(ii) | A.6-'84 | Petition of Mercantile Community of Port Elizabeth on Customs Rebate |
| | II | A.9-'84 | Report of Sel.Comm. on Customs Rebate and Excise |
| | II | A.9A-'84 | Second and Final Report of Sel. Comm. on Customs Rebate and Excise |
| | 1(iii) | A.11-'84 | Statement showing Excess in Cost of Railways, etc. |
| 1885 | 1(ii) | G.2-'85 | Blue Book on Native Affairs, 1885 |
| | 1(ii) | G.12-'85 | Police Reports for 1884 |
| | 1(ii) | G.28-'85 | Reports of Inspectors of Diamond Mines for 1884 |
| | 1(i) | A.2-'85 | Papers and Corresp. on Loan by Imperial Government for Kimberley Railway |
| 1886 | 1(i) | G.1-'86 | Appropriation Accounts, 1884-85 and Report of Controller and Auditor General |
| | 1(ii) | G.3-'86 | Report of District Surgeons |
| | 1(ii) | G.5-'86 | Blue Book on Native Affairs, 1886 |
| | 1(i) | G.20-'86 | Trade Returns for 1885 |
| | 1(ii) | G.38-'86 | Report of General Manager of Railways for 1885 |
| 1909-1910 | 1(ii) | G.6-1910 | Public Debt Statement to 31 Dec. 1909 |

iv. The Cape of Good Hope Government Gazette

(Odd references)

v. Statutes of the Cape of Good Hope

(ed. H. Tennant and E. Jackson, 3 vols. (Cape Town, 1895))

vi. Report of a Commission to inquire into and report upon the Question of Federation (Cape Town, 1872)

b. Newspapers

The following were consulted extensively, particularly for the years 1870-1874 and 1879-1881, but in some cases for selective reference in other years also:

The Cape Argus (Cape Town)
The Eastern Province Herald (Port Elizabeth)
The Graaff Reinet Herald (Graaff Reinet)
The Graham's Town Journal (Grahamstown)
The Kaffrarian Watchman (Kingwilliamstown)
The Kingwilliamstown Gazette (Kingwilliamstown)
The Port Elizabeth Telegraph (Port Elizabeth)
The Queenstown Free Press (Queenstown)
The Queenstown Representative (Queenstown)
De Zuid Afrikaan (Cape Town)

The following were consulted extensively for the period 1879-1881:

The Colesberg Advertiser (Colesberg)
The East London Daily Dispatch (East London)
The Oudtshoorn Courant (Oudtshoorn)
The Richmond Era (Richmond)

The following were used more selectively:

De Afrikaanse Patriot (Paarl)
The Beaufort Courier (Beaufort West)
The Burghersdorp Gazette (Burghersdorp)
The Cape Times (Cape Town) (Used for 1879 onwards)
The Cradock Register (Cradock) (Used extensively for 1871-1874)
The Eastern Star (Grahamstown)
The Graaff Reinet Advertiser (Graaff Reinet)
Het Volksblad (Cape Town)

(c) Contemporary books and pamphlets


Boyle, F. — To the Cape for Diamonds (London, 1873)

Clarke, H. H. — The Shipping Ring and South African Trade (London, 1898)

Currie, D. — Thoughts Upon the Present and Future of South Africa and Central and Eastern Africa (London, 1877)

Davenport, D. E. — A Railway Sketch of South Africa (London, 1882)

Fenn's Compendium of the English and Foreign Funds (13th edn., London, 1883)

Froude, J. A. — Two Lectures on South Africa (2nd edn., London, 1900. Delivered in Jan. 1880)

Giffen, R. — Stock Exchange Securities: An Essay on the General Causes of Fluctuations in their Price (London, 1879 edn.)

Glanville, T. B. — A Guide to South Africa (5th edn., London, 1878)

Glanville, T. B. — 'The Industrial Progress of the Natives of South Africa', Journal of the Society of Arts, vol. 24 (1876). Paper delivered on 31 Mar. 1876

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