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## CHAPTER XIII.

### THE ANNALS OF SOUTH AFRICA.

In 1910, the Union of South Africa was formed from the four British colonies, Cape of Good Hope, Natal, Transvaal, and Orange Free State. The Cape of Good Hope formally became a British colony in 1814, Natal was annexed in 1844, and Transvaal and Orange Free State, after annexation and later restoration of freedom, were again annexed to the British Crown in 1900 as a consequence of the Boer War. These four colonies occupy the southern extremity of the continent of Africa. They form an extensive interior plateau, with a diversified tract of country between it and the ocean on the east, south, and west.

The area of the Union of South Africa is 472,347 square miles.<sup>1</sup> The population as recorded by the various censuses has increased as follows: <sup>a</sup>

Census Date	Population	Persons per Square Mile
April 5, 1891 <sup>b</sup> .....	3,400,000	7.2
April 17, 1904.....	5,175,824	10.9
May 7, 1911.....	5,973,394	12.6
May 3, 1921.....	6,928,580	14.7

<sup>1</sup> Union of South Africa Office of Census and Statistics, *Census of the Population, 3 May, 1921*. Part I. Pretoria, 1922. pp. vii, 1, 3.

<sup>b</sup> Estimated for Transvaal and Orange Free State. See *Official Year Book, 1924*. p. ix.

Of the population in 1921, 21.9 per cent were Europeans. Nearly 56 per cent of this European population live in cities, while one-sixth of the natives are classed as urban.

Some indication of the importance of different types of economic activity in South Africa can be gained from the following table of occupations, taken from the data given in the Census of 1921:

<sup>1</sup> Union of South Africa Office of Census and Statistics, *Official Year Book, 1924*. Pretoria, 1925. p. 39.

Industry	Thousands of Persons <sup>a</sup>	
	White <sup>b</sup>	Bantu (native) <sup>c</sup>
Agriculture and Fishing .....	169	2,750 <sup>d</sup>
Mining .....	20	236
Manufacturing .....	102	9 <sup>e</sup>
Commerce .....	104	15 <sup>f</sup>

<sup>a</sup> Exclusive of colored and Asiatic population, who amount to 10 per cent of the total, chiefly engaged in agricultural occupations and personal service.

<sup>b</sup> *Statesman's Yearbook, 1925*. London, 1925. p. 223.

<sup>c</sup> Union of South Africa Office of Census and Statistics, *Census of the Population, 3 May, 1921*. Part VIII. Pretoria, 1924. p. 143.

<sup>d</sup> "Peasants" plus "farm labourers".

<sup>e</sup> "Artisans" plus "skilled labourers". A group entitled "other labourers", totaling 146,534, not included in this table, may possibly include many which should be in this group.

<sup>f</sup> "Shop assistants" plus "petty traders and hawkers" plus "interpreters, clerks, etc."

The above table of occupations indicates that agriculture is much the most important industry. The Union of South Africa has shown steady development in the area under cultivation. Maize is the leading crop, wheat coming second. Maize is the staple food of the native population, and is harvested in July and August. When a crop is recorded by a two-year title, as the crop of 1910-11, it has been included in the year in which it was harvested, in this case, 1910. The raising of wool is one of South Africa's oldest activities, and is its most important pastoral occupation. The maximum number of sheep was reached in 1913. Cattle raising expanded tremendously during the War, but has since declined somewhat. Prior to the War, there was a boom in ostrich farming, but the decline which began in 1913 was accelerated by the outbreak of hostilities.

South Africa is best known for its two mineral products, gold and diamonds. It is by far the most important source of diamonds in the world, and is the leading gold field. The Witwatersrand gold fields in the Transvaal were opened in 1884, a period of rapid expansion following. According to the U. S. Director of the Mint, this district produced more than one-half of the world's gold output in 1923. Diamonds were discovered in 1870. The industry developed very quickly, the maximum output being won in 1887. The value has increased greatly since that time in the face of a diminishing output. In recent years, large deposits of coal have been discovered which provide cheap fuel for the gold and diamond mines and the developing manufacturing industries.

Manufacturing has not extended rapidly in South Africa in spite

of its distance from other manufacturing centers. In 1915-16, there were 3,998 factories in the Union, including as factories all establishments employing 4 or more workers, or using mechanical power. Because of the restriction on imports occasioned by the War, manufacturing has been accelerated in recent years, the number of factories by 1922-23 having increased to 7,029. Some of the increase is due, however, to the extension of the term "factory" to include establishments employing 3 workers. Nearly one-fourth of the establishments are engaged in producing articles of food and drink.

Foreign trade plays a very important part in the life of South Africa. According to Professor Lehfeldt, "The goods exported have a value equal to more than half that of the total output of the country."<sup>1</sup> The volume of foreign trade has increased steadily, exports expanding especially since the Boer War. The volume of both exports and imports reached its maximum in 1913, although, in 1919, the value exceeded that of 1913 by 60 per cent, and, in 1920, was nearly double. The balance of trade is customarily favorable. Before the World War, the leading exports were gold, diamonds, wool, and ostrich feathers. In recent years, ostrich feathers have been supplanted by hides and skins, and coal. The leading imports are cotton goods, apparel, and machinery.

Further comparison of the importance of the great industrial fields is made possible by the following table:

Industry	Total Value of Product 1922-1923 <sup>a</sup>	Contribution to National Income 1918 <sup>b</sup>
	Millions of Pounds Sterling	
Agriculture and Pastoral .....	81.6	40.3
Minerals .....	54.6	22.0
Manufacturing .....	37.3 <sup>c</sup>	22.2
Other .....	...	52.7
<b>Total</b> .....		<b>137.2</b>
Exports .....	81.4	...
Imports .....	57.8	...

<sup>a</sup> Union of South Africa Office of Census and Statistics, *Official Year Book, 1924*. Pretoria, 1925. pp. 456, 487, 543, 606.

<sup>b</sup> Lehfeldt, R. A., *The National Resources of South Africa*. Johannesburg, 1922. p. 77.

<sup>c</sup> Value added by manufacture.

<sup>1</sup> Lehfeldt, R. A., *The National Resources of South Africa*. Johannesburg, 1922. p. 43.

The development of railroads in South Africa showed greatest rapidity during the decade from 1900 to 1910. The statistics for mileage operated are as follows:

Date	Miles of Railway <sup>a</sup>	
	Government Owned	Total
Dec. 31, 1880.....	1,007	.....
Dec. 31, 1890.....	2,240	.....
Dec. 31, 1900.....	3,990	.....
Dec. 31, 1910.....	7,041	7,586
Mar. 31, 1920.....	9,600	10,107

<sup>a</sup> Union of South Africa Office of Census and Statistics, *Official Year Book, 1922*. Pretoria, 1924. pp. 791, 792. All railways and harbors are, with few exceptions, the property of the government.

Banking in South Africa has undergone a period of amalgamation so that, in 1924, there were six joint stock banks with many branches trading in the Union. Of these six, three carry on business in all the provinces. The government exercises supervision over these banks, and requires periodical reports. The South African Reserve Bank was opened in June, 1921, and took over complete control of note issue on June 30, 1922.

The period of rapid growth of South Africa has been within the last fifty years. In 1861 and 1862, two large banking corporations were established, which brought much new capital to South Africa. A speculative boom followed, resulting in a serious crisis in 1865 and 1866. Then, after a period of quiescence, came the diamond rush which began in 1870. Rapid expansion continued to the Transvaal secession and Basuto War in 1880, a severe crisis occurring in 1881. The ensuing depression reached its acutest point in 1883 but continued until 1885. The announcing of the discovery of the Witwatersrand gold field and the founding of Johannesburg in 1886 led to a mining boom. In 1889, activity was transferred to the stock market, and there was mad speculation in shares. The annals begin with South Africa in a state of rapid and excited expansion.

1890 Prosperity; recession; depression.

General activity and prosperity; extensive railroad construction; gold speculation precedes crisis, September; diamond trade prosperous, but output reduced; foreign trade small, unfavorable balance.

Rapid expansion of credit and currency; banking crisis with many failures, September; stock market collapses.

Agriculture depressed; fair maize, poor wheat crop.

Important railroads opened.

## 1891 Depression.

Domestic trade inactive; commodity prices advance; gold output increases; diamond industry depressed in spite of increased output; foreign trade continues small, favorable balance.

Wool exports reach peak.

British assume control of Central Africa, heretofore claimed by the Portuguese.

## 1892 Rapid revival.

Great activity in mining districts; extensive railroad construction; real estate and building boom; rapid increase in gold output; diamond trade prospers; exports increase slightly.

Decline in wool exports begins; poor maize crop, excellent wheat.

## 1893 Prosperity.

Great activity and expansion; increase in production checked, first half-year, then resumed; slight decline in diamond output, increased value; slow expansion of foreign trade.

Banks prosperous.

Crops excellent, especially wheat.

Responsible government granted Natal; first Matabele War, July to October.

## 1894 Prosperity.

Continued progress and expansion; large increase in gold output; diamond prices fall, some reduction in output; slight increase in exports.

British-Boer antagonism, Johannesburg.

## 1895 Prosperity; recession.

Continued activity with gradual recession in autumn; speculation; gold production declines after August; diamond industry improves with rising price; further increase in exports.

Influx of foreign capital.

Crops reduced by drought and locusts; cattle disease; wool exports increase.

Jameson raid fails to gain Transvaal for British, December.

## 1896 Depression.

Conditions generally unsettled; rise in cost of living; gold industry depressed by mine riots; diamond production large, price low; enormous increase in imports creates unfavorable balance of trade.

Banks in sound condition.

Fair maize, very poor wheat crop; heavy loss of cattle due to *rinderpest*.

Racial feeling high; second Matabele Revolt, March to August; large immigration.

- 1897    Depression.  
Internal trade continues dull; gold production expands rapidly; diamond industry depressed; further expansion in foreign trade with unfavorable balance.  
Severe agricultural depression, very poor crops.  
Disorder continues.
- 1898    Depression.  
Internal trade stagnant; marked increase in gold production; diamond production reaches peak; imports decline, exports increase, balance favorable.  
Money tight.  
Continued agricultural depression; small crops.  
Tariff lowered.
- 1899    Revival; recession.  
General revival, except Rhodesia; improvement checked by war, October; gold output continues large to September; diamond output restricted, price rises; foreign trade checked, last quarter.  
Agriculture severely restricted by war.  
War with Boers declared, October; Boer victories, December.
- 1900    Depression.  
Internal trade disrupted; commodity price rise accelerated; gold mining at a standstill; diamond mining output very small, price high; increased imports, exports collapse.  
Small crops.  
British successes, March; occupation of Transvaal and Orange Free State.
- 1901    Revival.  
General revival and war expansion; rapid rise in commodity prices; speculation; resumption of gold mining on very small scale, May; diamond mining revives, high price; further increase in imports, continued restriction of exports.  
Small crops.  
Bubonic plague, Cape of Good Hope; guerilla warfare.
- 1902    Prosperity.  
Great activity with end of war, May; trade and land boom; commodity prices very high; speculation; gradual revival in gold mining hampered by labor shortage; diamond mining depressed; great increase in imports, some revival in exports.  
Small crops.  
Peace declared, May.

## 1903      Recession.

Gradual decline into inactivity; commodity prices decline; gold production still restricted; diamond depression continues; imports reach peak, exports reach pre-war level.

Money tight.

Cattle and horse disease; drought causes failure of crops.

Chinese labor imported to gold mines; General Customs Union formed by colonies.

## 1904      Depression.

Continued inactivity; unemployment severe in cities; commodity prices decline; some improvement in gold production; diamond trade revives with high prices; import decline marked, export expansion continues.

Money eases, and tightens, September.

Reduction in immigration.

## 1905      Depression.

Continued inactivity; unemployment; gold reaches pre-war level of output; diamond industry relapses; further decline in imports and increase in exports cause return to favorable balance of trade.

Money eases, August.

Agriculture improves.

Record mileage of new railroad opened.

## 1906      Depression.

Continued dullness with many small failures; beginning of period of expansion in ostrich feather industry; increase in gold production continues; diamond industry revives; foreign trade increases.

Money tight.

Cattle disease; poor crops, but higher prices.

Drought; rebellion of natives.

## 1907      Depression deepens.

Inactivity; commodity price decline continues; gold miners' strike, production severely restricted; great diamond prosperity; imports decline, exports increase.

Money tight.

Agriculture improves, except cattle farming.

Responsible government given to Transvaal and Orange Free State.

- 1908 Depression lessens.  
Continued dullness; commodity prices reach bottom; gold production revives; diamond output and price decline; foreign trade relapses.  
Money very tight.  
Good agriculture.  
Immigration reaches lowest point.
- 1909 Revival.  
General and steady revival, marked during last three months; commodity prices rise; gold production maintained with little increase; gradual recovery in diamond trade; foreign trade improves.  
Agriculture prosperous.  
South African Union Act passed.
- 1910 Prosperity.  
Activity and expansion; many new enterprises developed; commodity prices rise rapidly; slight increase in gold output; record diamond production with good price; expansion in foreign trade, especially imports.  
Good crops.  
Union of South Africa established, May; marked increase in immigration.
- 1911 Prosperity.  
Activity and expansion; period of gradual rise in commodity prices begins; gold and diamond mining prosperous; diamond values rise strongly; foreign trade maintained.  
Great agricultural expansion.  
Immigration reaches high point.
- 1912 Prosperity.  
General activity hampered temporarily by coal crisis, spring; railroad rates materially reduced; gold production continues to increase; diamond industry very prosperous; increase in foreign trade, especially exports.  
Drought hinders agricultural expansion.
- 1913 Uneven recession.  
Continued activity with marked increase in failures; decline in gold production due to miners' strike, June; diamond industry very prosperous; ostrich feather industry reaches peak, collapsing toward end of year; record volume of foreign trade.  
Agricultural prosperity.  
Riots and civil unrest in gold centers.

- 1914    Recession; depression.  
 Dullness gives way to paralysis with outbreak of war; failures; wholesale prices fall; gold production curtailed after temporary revival, summer; diamond mining suspended; marked decrease in foreign trade, especially exports.  
 Money tight, but no financial crisis.  
 Drought reduces good crops.  
 Semi-protective tariff passed; September rebellion suppressed, December; martial law required on the Rand; Bank of England arranges to take entire gold output at standard rate.
- 1915    Slow revival.  
 Gradual increase in activity; wholesale price boom begins; revival in gold production; diamond mines closed; further reduction of foreign trade.  
 Money easy.  
 Poor maize and wheat crops.  
 Drought; conquest of German South-West Africa completed, July.
- 1916    Rapid revival.  
 Rapid recovery of trade and industry; expansion of manufacturing; record gold production; diamond mining resumed, high prices; recovery in foreign trade.  
 Money tightens.  
 Agricultural expansion; good maize, very poor wheat crop.  
 Drought in Cape Midlands necessitates government aid; tariff raised several times; expeditionary force sent to German East Africa.
- 1917    Prosperity.  
 Activity and expansion; shipping shortage stimulates local industry; excellent gold production; improvement in diamond industry; volume of foreign trade declines, though total value of exports increases notably.  
 Money tight; banks prosperous.  
 Agricultural expansion; excellent maize and record wheat harvests; Imperial government agrees to purchase entire wool clip.  
 Floods.
- 1918    Prosperity; recession.  
 Activity slackens late in year; rapid commodity price rise reaches peak in autumn; shipping curtailment results in further expansion of home industry; gold production declines; slump in diamonds; imports increase, exports decline.  
 Money tight.  
 Great agricultural prosperity with high prices for products; poor maize, good wheat crops; wool boom.  
 Drought; influenza epidemic severe, September and October; labor unrest.

1919 Revival; prosperity.

Great activity after temporary decline; much speculation as prices soar, last half-year; gold production slightly restricted; agreement for gold purchase terminates, July, and gold goes to premium; diamond prices high; exports increase, imports decrease.

Money plentiful; foreign exchange fluctuates widely.

Fair maize crop, wheat failure; wool boom continues; high prices.

Drought; influenza continues severe, spring; industrial unrest and native disturbances.

1920 Prosperity; recession; depression.

Great activity continues, first half-year, followed by rapid decline to deep depression; commodity prices reach peak, summer; many failures; gold premium at maximum, February, gold production restricted; diamond prices very high; extraordinary increase in imports, doubling those of previous year, with decline in exports, creates unfavorable balance.

Money tightens; exchange becomes unfavorable.

Excellent maize crop, fair wheat; prices decline; wool boom collapses.

Floods followed by drought.

1921 Deep depression.

Stagnation; industrial unrest and unemployment; commodity prices fall; many failures; high gold premium declines, last quarter, gold production restricted; diamond industry dead; foreign trade declines, especially imports, favorable balance.

Money somewhat easier; exchange rises above sterling par, March, but falls very rapidly, summer, becoming unfavorable; South African Reserve Bank opened, June.

Fair maize and good wheat crops; many agricultural bankruptcies; government aids wool industry.

Civil unrest; political difficulties.

1922 Depression.

Continued stagnation; price fall continues; many failures; severe strike in gold mines, March; gold premium falls, gold industry revival begins, summer; diamond depression deeper; increased volume of foreign trade but diminished values.

Money tight; exchange with London becomes favorable.

Poor maize, good wheat crop.

"Red Revolution" and martial law, spring.

**1923** Revival.

Gradual improvement; commodity prices reach minimum, summer; many failures; building industry active; large gold output; resumption of activity in diamond industry; large increase in foreign trade.

Exchange continues above sterling par.

Good crops; wool prices recover.

Severe drought.

**1924** Mild prosperity.

Business conditions improve, relapsing March to October; decreased unemployment; reduction in number of failures; prices rise slightly; building brisk; record gold output; diamond industry improves; increased foreign trade, especially imports.

Further advance in sterling exchange.

Poor maize crop.

Severe drought and locusts.

**1925** Prosperity.

Steady industrial improvement although seamen's strike hampers expansion; little unemployment; declining commodity prices; record gold output; increased production and high price of diamonds under government control; slight increase in volume of foreign trade.

Foreign exchange rises to par and gold standard restored, May; stock prices advance after slump, July.

Wool industry prospers; record maize crop.