



The Strike in the Gold Mines of South Africa

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THE strike in the Transvaal gold fields in the early months of this year can be traced back almost entirely to specific economic causes. Working costs, which had been rising since 1914, reached in 1920 a figure which would have made it impossible for the lower-grade and less productive mines to continue working, had it not been for the currency premium on gold. The fall in the currency premium, which began about the middle of 1921, threatened to reduce profits to such a point that many mines would have had to close down in order to avoid loss. The measures proposed by the Transvaal Chamber of Mines, which represents the mine owners of South Africa, and other bodies concerned, in order to place the mining industry on a sound economic basis and so prevent the unemployment which would necessarily follow closing down on a wide scale, constituted from an economic point of view the cause underlying the strike whose history is given below.

The strike began on 10 January, was turned into a general strike on 7 March, and was followed by an attempted revolution and a declaration of martial law by the Government. It was formally declared off by the striking workers on 17 March 1922. The strike affected approximately 21,000 white employees in the coal and gold mines of the Rand, and over 180,000 natives and Asiatics. Three industrial groups were involved in the conflict: the coal mines, in which a preliminary strike had occurred on 1 January, the Victoria Falls Power Company, and the gold-mining industry of the Rand. These three industries are more or less interrelated. The gold mines cannot run without power from the Victoria Falls Power Company, and the latter cannot continue without the coal from the coal mines. The strike was complicated by the diversity of racial elements in the Transvaal area, consisting, as it does, of a small proportion of whites, made up of British and Dutch, a very much larger proportion of natives, and a few Asiatics (Indians). Division within the trade union movement was also an element. A complication of political factors — as is brought out in the report of the Martial Law Enquiry Commission recently issued — operated to the general disturbance of the situation. A campaign against the Chamber of Mines and for the nationalisation of the mines was also started. The actual losses sustained by the mines were estimated at

£1,225,000 irrespective of indirect losses; the loss to the community was far greater. This article however, will concern itself solely with the economic background and motives of the strike (1).

THE CURRENCY PREMIUM

In order to understand the economic situation, a brief account of the effect on the gold-mining industry of the depreciation of the British currency is necessary.

The gold premium is a reflex of the deterioration of the British currency note in terms of the United States dollar. The Treasury at Washington is always prepared to purchase gold at a fixed price in American currency. The sovereign of 123.274 grains will coin 4.8665 dollars, which is the normal or par of exchange. This was artificially maintained during the war, and until February 1919, when the exchange was "unpegged". Thereafter the pound persistently decreased in value, until in March 1920 the dollar was at a premium of 43 per cent. on sterling. Instead of the normal 85s., gold was worth 120s. per ounce (the highest point reached was 127s. 6d. early in February 1920), the difference, 35s., being the "currency premium". The premium again rose above 40 per cent. in the last three months of 1920. The highest price assumed by the Chamber of Mines for valuation purposes—estimates are always conservative, as some weeks elapse before the gold is actually marketed, and the exchange may have changed materially in the interval—was 117s. 6d. per ounce in October and November, while the average for the final six months of the year was 114s.

In 1921 the variation in price was less pronounced, the premium averaging about 23 per cent., or about a sovereign per ounce of gold. The highest figure assumed by the Chamber of Mines in that year was 112s. 6d. in July, but thereafter the price fell regularly, until in December it was taken at only 95s. 6d. per ounce—practically half-a-sovereign above the normal price, or a premium of 12.5 per cent.

As the selling price of gold fell, so also did the profits of the mines, so that, from a total working profit per month of about £1,200,000 in July and August, the figure dwindled to £690,000 in December. Seven mines out of the 39 on the Rand sustained losses, while ten made the totally inadequate profit of £1,000 or less. The Randfontein Central crushed 118,500 tons of ore and made a loss of £105. The East Rand Proprietary Mines milled 129,000 tons for a profit of £560, or a penny a ton.

For the year 1921 as a whole the estimated working profit of the mines of the Witwatersrand (there are only three gold mines of any importance outside the Rand) was £11,103,000, of which practically £8 millions was attributable to the currency premium

(1) For two divergent views of the strike the reader is referred to: (1) TRANSVAAL CHAMBER OF MINES: *Thirty-second Annual Report, Year 1921*; Johannesburg, 1922, pp. 129-181; (2) THE GENERAL FEDERATION OF TRADE UNIONS: *Ninetieth Quarterly Report* (pp. 7-11): *The Red Revolution and the Rand*; authorised Trade Union Version; 31 March 1922, London.

on gold ; in other words, the profit per ton of ore crushed was increased by the currency premium from the inadequate figure of 2s. 9d. to 9s. 6d. So far as individual mines are concerned, in 26 the total profit for the year was less than the premium, in one there was a net loss, and only in 12 out of the 39 was the profit greater than the premium. In November 1921 the cost of production per ounce in 22 mines (employing about 10,000 out of the total of 20,000 white men) was higher than the normal selling price of 85s. per ounce, and in at least half-a-dozen of these (employing nearly 2,000 white men) the profit per ounce was insignificant and wholly due to the currency premium. What would actually have happened had the currency premium disappeared would have been a forced closure of the lower-grade series of mines, a permanent termination of their activities in the majority of cases, while the richer mines, ranging in recovery from 7 to 10 dwt. per ton, would alone have been able to survive and only the more prosperous of them able to pay dividends.

Though the mining authorities believed that the premium would continue for some considerable time, no one was able to hazard a guess as to its amount, but the evidences were in favour of a downward trend. The policy of British finance was to improve the London-New York exchange, as the depreciated pound was hampering trade in certain quarters and seriously increased Britain's war debt to the United States of America. It is true a depreciated pound suits the Rand and other producers of gold, as it implies a high currency premium, but it is inimical to other interests. After all, the £35 millions gold yield a year of the Rand is a small thing compared with international trade figures, still less compared with war debts. In thirty-five years the Rand has produced a little more than £700 millions ; the debt owed by Britain to the United States is upwards of £1,000 millions "payable in gold on demand". Thus it has come about that, to quote Mr. Clegg, the Governor of the South African Reserve Bank, "sterling has risen beyond the dreams of the most sanguine and it looks as if, long before 30 June 1923 arrives [beyond which date the Union Currency Conference proposed to extend the convertibility of gold certificates], it will reach parity with gold".

INCREASE IN WORKING COSTS

The cost of a mining company's work can be expressed either per ton of ore crushed or — which is of more significance from an engineering as from a practical standpoint — per fine ounce of gold recovered. The figures for the last eight years on both bases are as follows.

Year	Per fine ounce gold		Per ton milled		Year	Per fine ounce gold		Per ton milled	
	s.	d.	s.	d.		s.	d.	s.	d.
1914	54	10	17	1	1918	65	8	21	7
1915	56	5	17	5	1919	68	1	22	11
1916	57	7	18	1	1920	77	6	25	8
1917	60	2	19	2	1921	76	0	25	8

As the profit in 1914 was only 9s. per ton — the Rand is by no means a high-grade goldfield — an advance in costs of 8s. 7d. per ton would have absorbed almost the whole profit if the price of gold had been stationary.

Advances in costs were accompanied by decreasing tonnages. Thus, for instance, while the working expenditure of the mines increased from £21,943,700 in 1914 to £29,236,200 in 1921, the work performed was less, only 22,592,600 tons being crushed as against 25,702,000 — an increase of over £7 millions for a total tonnage which was less by over 3 millions. In 1920 it cost £3½ millions more to crush 6 million tons less than in 1916. In 1921 the expenditure exceeded £30,000,000 to crush a somewhat smaller quantity of rock than was treated in 1911 for £21,500,000.

From 1914 to 1920 the advance for the whole Transvaal gold-mining industry was £8,910,000. The principal factors in this advance were £4,185,000 in European salaries and wages, and £4,069,000 in stores; the former a rise of 58 per cent., the latter of 40 per cent. These increases were accompanied by a decrease of 1,898,500 tons crushed. In both years the cost of stores constituted 45 per cent. of the whole expenditure, but whereas the native labour cost had fallen from 23.5 to 19 per cent. of the total, the percentage cost of white labour had risen from 31.5 to 35.9, while the tonnage milled per European employed had fallen from 1,205 to 1,079, or by 10.5 per cent.

It is generally admitted that there was little scope for reduction in the wages of the natives who do the hard manual work in the mines; in any event the wage bill of this class had only risen from £5,359,000 to just over £6,000,000, the increase representing only a fifth of the rise in white wages. The price of stores, which was, however, coming down, was regulated by world prices in so far as imported supplies are concerned, and by a system of co-operative purchase in the case of explosives. Food supplied to native workers was paid for in terms of the inflated currency.

WAGE CHANGES (2)

The advance of £4,185,000 in white wages and salaries had come about gradually. The Rand has always paid its employees well, and the South African Economic Commission of 1913 found that "real wages" were higher than in the United States, while they were of course immeasurably superior to those prevailing in Europe before the war. In April 1913 the average wage of the white men employed on the surface, inclusive of unskilled and partly skilled men, was 17s. 4d. and of underground men working on flat contract 33s. 2d. per shift, those on flat contract plus guaranteed wage 32s. 2d., and those on day's pay plus bonus 26s. 11d. In the workshops the week comprised 50 hours, in the mill and

(2) *Editorial Note.* The following table taken from the *Official Year Book of the Union of South Africa*, No. 4, 1921 (p. 578), and from *Social Statistics*, No. 4, 1922 (p. 72), gives the average pay per shift of underground mine

cyanide works 48 hours, that of the underground workers being limited to the same period under the Mining Regulations.

The first increase was one of 7s. 6d. per week to employees earning less than £4 10s. per week in August 1915. Subsequently, to meet the increased cost of living, the Chamber of Mines decided to grant a war bonus to all married white employees, and also to single white employees with persons wholly dependent upon them. This bonus was to be 50s. a month for those earning less than £18 per month, 40s. up to £22, and 30s. over this figure. It was not until July 1919 that mine officials earning up to £50 per month were brought within the scope of the war bonus. In 1916 it was decided to discriminate according to the size of the worker's family, by giving an additional bonus of 5s. to 10s. per dependent (wives and children only) according to the earnings of the recipient.

THE SLIDING SCALE AND THE FLAT RATE

In 1918 the Chamber declined the demand of the South African Industrial Federation, representing the workers, for a total wage of £8 2s. a week, but after negotiations a sliding-scale bonus, still termed a "war bonus" but more correctly described as a cost-of-living bonus, proportionate to the percentage increase in the cost of living as shown by the Government's statistics, was accepted. This also varied according to earnings. For men earning between £22 10s. and £30 per month the bonus was 50s. per month for a 30 per cent. increase in the cost of living, dropping 5s. for every 2.5 per cent. decrease in the cost of living. In addition, married men received a dependents' allowance of 15s. for each dependent

employees on the Witwatersrand gold mines as of the middle of June for the years 1915 1918, 1919, 1920, and 1921. The rates for 1915 to 1919 do not include war allowances and overtime while those of 1920 and 1921 include war allowances, but exclude overtime.

Occupations	1915		1918		1919		1920		1921	
	s.	d.	s.	d.	s.	d.	s.	d.	s.	d.
Shift bosses	26	7	30	4	32	2	35	1	—	—
Timbermen	19	10	20	5	20	10	29	4	32	2
Pipemen	18	11	19	11	20	3	28	6	28	8
Fitters	20	8	22	3	22	7	30	7	29	0
Platelayers	18	10	19	10	20	3	28	6	28	8
Shipmen and onsetters	15	11	17	0	17	3	25	4	25	9
Trammers(excluding contractors)	14	2	16	5	17	2	25	11	25	10
Pumpmen	18	11	20	7	21	0	29	0	29	0
Miners										
Machine stoping										
Contract	29	9	34	2	34	10	47	4	49	10
Day's pay	18	7	20	7	21	8	27	4	33	5
Hand stoping										
Contract	25	2	27	11	30	0	40	6	41	8
Day's pay	19	0	20	1	20	6	28	6	28	9
Machine developing										
Contract	37	2	41	8	45	2	56	2	61	5
Day's pay	17	5	19	1	19	10	33	5	31	5
Shaft sinkers										
Contract	52	2	58	7	47	3	65	0	68	1
Day's pay	22	0	27	11	35	2	45	4	46	0
Engine-drivers (winding)	21	1	23	9	23	11	31	2	31	5
Winchdrivers	13	3	14	5	14	7	24	2	24	4

for a 30 per cent. increase in cost of living, dropping to 10s. when the increase fell to 20 per cent. The mechanics, in accordance with the well-known trade union principle, objected to differentiation between single and married workers, and the amount which would have been paid to married mechanics was distributed over all mechanics, giving 5½d. per hour bonus for a 30 per cent. increase in cost of living, and 3½d. for a 20 per cent. increase.

In October 1919 the Industrial Federation demanded the abolition of the graduated war bonus, and a flat increase of £2 8s. per week added to the basic or substantive pay. This was coupled with a demand for a 40-hour week "bank to bank" and of 44 hours for surface employees. The substitution of the flat-rate system was adopted by the Chamber of Mines in February 1920, and made retrospective to November 1919; for men working six shifts a week it worked out at 8s. per day. Overtime was paid at time-and-a-half instead of time-and-a-quarter plus a bonus hour. The 6-day week was adopted. As far back as December 1915 a liberal scheme of holiday leave was established. This was improved upon from time to time. An underground worker is now entitled to from three to four weeks' holiday a year according to length of service, and most surface workers have twelve days, enabling them to include three week-ends in their holiday.

THE ECONOMIC FACTOR IN 1921

The increase in the currency price of gold removed for the time being the necessity for remedial measures for placing the industry upon a proper economic basis. But in the second quarter of 1921 it became plain that the position foreshadowed by the Low-Grade Mines Commission, which made a preliminary report in 1919 and a final one in April 1920, was then arising owing to the rapid fall in the price of gold. The position is shown in the following table, giving for the whole Transvaal (as previously stated, the outside mines are relatively unimportant) the estimated price of gold, the premium above standard price, the profits both in aggregate and rate per ton.

1921	Chamber of Mines Estimated price per oz ⁽¹⁾	Whole Transvaal Approximate premium	Aggregate working profit	Profit per ton s. d.
Jan.	£5.25	£657,227	£837,203	8. 8
Feb.	5.1875	522,783	560,226	7. 0
Mar.	5.1875	631,479	820,707	8. 3
Apr.	5.1875	640,315	866,129	8. 7
May	5.1875	644,342	899,406	9. 1
June	5.375	760,682	989,288	9.11
July	5.625	958,472	1,173,701	11. 6
Aug.	5.575	949,713	1,240,096	11.11
Sept.	5.500	867,016	1,165,940	11. 6
Oct.	5.150	645,207	995,113	9. 7
Nov.	5.100	601,902	984,191	9. 8
Dec.	4.775	357,389	689,458	7. 0
Total and average		£8,236,527	£11,221,458	9. 5

(¹) Subject to cost of realisation.

The salient feature is that the profit of £1,240,000 in August with gold at £5.575 per ounce fell to £689,500 in December with gold at £4.775.

THE "COLOUR BAR"

In November there was a conference between the Prime Minister, General Smuts, and the Minister of Mines, Mr. F. S. Malan, on the one hand, and the South African Industrial Federation and the various unions, on the other, with a view to placing before the latter the critical position of the mines. An amendment to the Mining Regulations was proposed, so as to enable the natives to work a longer shift and avoid wasting time; this was agreed to on 15 November. The Prime Minister made it clear that there was no intention of abolishing what is known as the legal "colour bar"—a question which formed an important factor in the strike, the labour leaders interpreting the proposals of the Chamber to reduce the number of white workers gradually by between 1,500 and 2,000 men as a complete elimination of the colour bar.

The colour bar exists in a series of regulations made by the Government under the Mines and Works Act of 1911. Under these regulations certificates cannot be granted to coloured persons in the Transvaal and Orange Free State and those granted to such persons in other provinces are not available. Coloured persons are not allowed to operate or attend to machinery; they are not allowed to conduct blasting operations nor to take down props in collieries, except those which they have been specially instructed to take down. The duties of a ganger cannot be performed by a coloured person in the Transvaal or Orange Free State. The position of the Chamber of Mines on the employment of labour was concisely stated in evidence presented to the Economic Commission about the end of 1913, a couple of years after the revised Mines and Works Regulations came into operation.

In the early history of the Rand it was the practice to use the native merely as a muscular machine, on account of his inexperience and lack of skill in performing the underground and surface operations pertaining to mining. Through habit this procedure became recognised practice, and led to the establishment of what may be termed an aristocracy of white labour. It has been the custom of white men in immediate supervision to place greater responsibility upon their natives as these gradually became more skilled, with the result that the white man long ago arrived at the position of overseer, and now exhibits no inclination to do work which he was formerly accustomed and content to perform. It ensued, naturally, that the white man, owing to his practice of relegating work, often unlawfully, to the native, came to regard manual labour more and more as 'kaffir work', with the result that the opportunity was thus opened to the native to progress in skill in the actual work of the mining, and the overseer, from want of practice, became less efficient in such work. The majority of the white miners employed by the industry acquired their knowledge of underground work here, and, on account of the native being the labourer, their practical knowledge of mining work is inferior to that of the men trained in other mining centres. Consequently, the curious and unsatisfactory position has arisen of underground overseers supervising the work of natives who are frequently more skilled than themselves.

It has been indicated above that there is the anomaly that in the Cape Colony and Natal coloured persons are allowed to hold positions from which they are expressly debarred in the Transvaal and Orange Free State. The position is held by many that these regulations are *ultra vires*, though the matter has not been tested at law.

It is questioned whether such an artificial, if not unjust, restriction can last indefinitely. Many natives have become so well trained in underground work that they are in many cases if not better, at least as good, judges as to safety underground as many of the only partially-trained white men who are entrusted with the work of supervision. Natives are taught skilled trades in schools subsidised by the Government, but are precluded from practising in the two northern provinces of the Union trades which they follow successfully in the southern provinces. Education is making the native realise these disabilities, and he is prone to ask why he should receive only 2s. 6d. to 3s. a day on the mines, while an unskilled white worker receives 12s. 6d. to 15s. for precisely the same work.

Years ago it was thought that "in the near future the native will probably insist upon a free outlet for his capabilities. . . Many of the natives are remarkably skilled and able workers, who could reasonably expect in the absence of restriction to rise in their class of employment and, consequently, their earnings. . . Permanent repression, apart from its inherent injustice, cannot in the long run be maintained". In Rhodesia there is, in fact, no such restriction. But public opinion in the Union, and more especially among the Dutch-speaking section of the population, could not tolerate the substitution of coloured and native workers for white skilled and semi-skilled workmen. The whole position, however, is full of anomalies.

The view of the mining company directors is well crystallised in the opinions stated by Sir Evelyn Wallers, Managing Director, and Sir Lionel Phillips, Chairman, of the Central Mining and Investment Corporation. The former, speaking at the annual meeting of the Chamber of Mines in March 1920, said :

The native will not for ever nor, indeed, by all signs [there had at that time been a threat of a serious native strike] for very long, be satisfied with his present position in industry. His legitimate aspirations for a higher class of work (which many natives are capable of doing) and for correspondingly increased pay, cannot for ever be met with a blank negative in the interests of another section of workers. The Chamber has repeatedly stated — the last occasion was before the Low-Grade Mines Commission — its position in this matter. It has no intention of trying to abolish the colour bar so long as that barrier is upheld by the great majority of the Europeans resident on the Witwatersrand. But the maintenance of that barrier constitutes an injustice, and public opinion always, sooner or later, discovers and denounces injustice.

Sir Lionel Phillips, at the same meeting, impelled thereto by a letter from Bishop Furse of Pretoria, spoke very earnestly on this question, which he characterised as being at the basis of the white man's existence in this country, namely, the native question and the treatment of the natives.

Whatever we may like, whatever we may wish to do, whatever white men as a whole may wish to do, this question has got to be dealt with on a broad, rational, and humane basis. It is no good our thinking that in future, with the strides that education is making, we can adopt a policy which might have suited the country when it was in a much more barbarous condition. You have got to take into account the gradual advancement in the education of the natives, and will have to conform to some of their just and reasonable aspirations. The recent native strike shows how much they have advanced; it is not an evidence of discontent, but in a measure it is the writing on the wall. One of the causes of discontent is the way in which we use the colour bar in this particular part of South Africa. You cannot expect that any man who feels that he has capacity for doing more and better work should be held down by artificial restriction. Although I am not advocating any sweeping changes, because I think they would be disastrous, I do believe, in the interests of the white workman as well as the population generally, and in the interests of the state undoubtedly, something will have to be done gradually to relax the restrictions that are at present existing with regard to the employment of natives.

THE "STATUS QUO" AGREEMENT

In 1918 there was considerable unrest among the natives largely owing to the increased cost of living. The mines supply food and housing, but the natives have to purchase clothes and like to supplement their rations. It was shown before a Commissioner appointed by the Government to investigate the matter that, as far as concerned the cost of living of natives employed on the mines, there had been no increase justifying an increase in wages. The natives, on their part, put forward a grievance of the disabilities and disadvantages imposed by the colour bar in law and the consequent artificial interference with their progress. But in September 1916 the white workers had complained that a certain amount of drill-sharpening work hitherto done by white men was being transferred to coloured workers. To meet the difficulty, the Chamber of Mines recommended that the *status quo* as then existing on each mine should be maintained; that is to say, that no positions which were then held by European workers should be given to coloured workers, and vice versa (3).

(3) *Editorial Note.* The table below shows the numbers employed in gold (large mines) and coal mining in the Transvaal, average for the years 1913 and 1918 to 1921 as given in the *Annual Reports* of the Department of Mines and Industries for the calendar year 1920. The figures for 1921 are taken from the *Thirty-Second Annual Report* of the Transvaal Chamber of Mines, 1921.

Year	Large gold mines				All coal mines			
	White	Native and Asiatic	Total	Ratio of native to white	White	Native and Asiatic	Total	Ratio of native to white
1913	24,020	495,654	219,671	8.4	4,374	24,992	26,363	48.2
1918	23,237	486,798	210,035	8.0	4,597	30,200	31,806	24.1
1919	23,624	478,404	204,722	7.5	4,694	34,024	32,715	24.2
1920	22,668	483,597	206,265	8.1	4,818	32,677	34,495	17.9
1921	24,455	479,987	204,442	8.4	—	—	—	—

The Chamber of Mines recognised, at any rate at that particular time, that it was its duty to hold the balance as evenly as possible between white and coloured workers. Indeed, its proposal to maintain the *status quo* may be held in many quarters to be an unfair restriction on the natural evolution of the coloured population. In the opinion of the Chamber, it would not be a just action arbitrarily to deprive natives and coloured men of the means of livelihood they had enjoyed for years.

It is perhaps unfortunate that a Latin phrase like *status quo* was used. It was little understood by the Rand community, and less by the workers. The labour agitators expanded the Chamber's demand for the abolition of the original restriction imposed by the *status quo* agreement into the far bigger question of the complete removal of the colour bar. However strong a case might be made for the latter, on economic and ethical grounds, the Chamber of Mines was fully aware that the South African public would insistently oppose the abolition of the colour bar.

THE POSITION OF THE COAL MINES

Meanwhile we may look for a moment at the position of the coal mining industry.

In 1920 and the early part of 1921 trade was very active and the Transvaal collieries had captured a good deal of the trade formerly, and before the war, in the hands of British concerns, especially those in South Wales. But a year or so after the termination of the war, these markets were to a great extent recaptured, and Welsh coal had come down to a reasonable price. Ships unable to procure freight of higher classes loaded coal practically as ballast. In the first three weeks of October 1921 the collieries had lost 84 days owing to absence of orders, and quite irrespective of losses owing to railway-truck shortage; but white employees were paid all the same. It was pointed out that if the collieries continued working on the present narrow margin they must limit their output to the requirements of the "best pay" trade, which would lead to an increase in the cost of production, which would be reflected in the cost of coal to other industries, and lead to unemployment. An alternative would be to decrease the cost of production and hold or even increase the present overseas trade. To do this would have involved cutting prices to meet the world's competition.

The collieries proposed to reduce the wages of men who were earning 30s. a shift to 27s., and of those earning 24s. 6d. to 22s. 9d. When the cost of living was very high the men had been granted an advance of 40 per cent., or, say, £3 per week. In the case of the higher-paid men the wage per shift would have been 7s. above pre-war rates, and in that of lower-paid men 5s. 3d. The average percentage increase in food, fuel, light, and rent was 24 per cent. as against 56 per cent. in July 1920. It was argued by the Industrial Federation that the item of sundries,

including especially clothing and boots, which soared in price, should be included in the calculation. The Director of the Union Census had calculated that the increase in the cost of sundries was no less than 139 per cent. Putting the expenditure of the working-class family at two-thirds on necessaries and one-third on luxuries, the Acting Secretary of the Federation argued that the increase was practically 60 per cent. This is doubtless mathematically quite true, but labour interests are prone to forget that, if they were permitted to make up the entire extra cost of living, those not so advantageously situated, in particular the middle classes, would have to pay for the cost of the war. Theoretically, the contention may be sound enough, but the crucial question was whether the colliery interests could afford to pay. They could not. Retrenchment was imperative.

THE ELECTRICITY SUPPLY COMPANY

A third factor in the industrial situation was the Victoria Falls and Transvaal Power Company, which by means of superpower stations at Simmer Pan, Rosherville, Vereeniging, and Brakpan, supplies electric current to the mines for driving reduction, hoisting, and other plants. This company was unable to "pass on" the excess costs of the war to its customers, and it was only by the most consistent watchfulness and keen business management that profits were made. They decided to act in concert with the other large employers of labour.

THE REVENUE AND THE MINES

Meanwhile the currency price of gold continued to fall, and early in December 1921 the Chamber of Mines wrote as follows to the Industrial Federation.

Since November the price of gold has steadily fallen, with the result that mines which were then on the border-line of profit-making are now making losses, and, should gold fall still further, more and more mining will cease to make profits. The present position is such that, should gold fall, as it seems likely to do, to its normal price of 85s. per fine ounce without any very material reduction in cost of production, no less than 21 out of the 39 producing mines remaining on the Witwatersrand would be making a loss which they would be unable to bear. The result would be that 10,000 Europeans would be thrown out of employment.

Serious as would be the closing of half of any industry in European countries, it would have been calamitous in South Africa, for the 10,000 represented not quite half of the white employees on the mines. The finance of the country and a large portion of its railway system is supported upon the framework of the mining industry. Thus the continued working of the mines is a vital matter to the Government and to the public. It is of advantage to the country that the mines should be worked, even though at an inadequate profit, but better if they make profits and pay dividends, as both the latter are liable to tax. Both the

Government Gold Mining Areas (and a few other mines to a lesser extent) and the Premier Diamond Mine contribute very handsomely to government revenue, thus lessening the taxation to the ordinary inhabitant of the Union.

THE CHAMBER OF MINES' PROPOSALS

The Chamber of Mines now put forward three proposals (1) an alteration in the system of underground contracts, (2) the modification of the *status quo* agreement, and (3) a rearrangement of underground work. As to the first, the Chamber pointed out that prices paid for underground work were out of all proportion to the value of work done, and so high as to cause discontent among other employees, even among officials who, anomalously enough, received less salary than some of the manual workers. The Chamber proposals were made with a view to reducing earnings to a figure more in keeping with the earnings of other employees. It was shown that, while the average pay of rock drill contractors was £66 14s. per month, 2,411 contractors averaged £15 6s. per week, while 219 received monthly cheques of between £104 and £220. A technical witness declared that such amounts were ridiculous; he could not admit that breaking ground was worth £220 a month.

The Chamber now proposed that the *status quo* agreement be limited to skilled occupations only, and that the mines should make greater use of experienced native labour in semi-skilled occupations. But it explicitly denied any intention of replacing Europeans in skilled trades such as mechanics and miners, or of affecting in any way the employment of skilled Europeans. Rather did the Chamber aim at obtaining for such employees wider opportunity of employment by securing that the mines should continue to work when the price of gold fell. "Only by some very drastic reduction in cost of production can the low-grade mines be kept going". The unions were urged to accept the Chamber's suggestions, otherwise "disaster would overtake the Rand". The suggestions would involve the reduction of the number of whites employed by 2,000, but if the present conditions were "allowed to persist, the certain result would be the closure of mines and loss of employment to over 10,000 Europeans, skilled and unskilled". In addition, unless expenditure could be reduced to a figure which would show a reasonable return on capital even when gold had dropped to normal, the "ordinary process by which exhausted mines are replaced by the opening of new will entirely cease".

On 23 December, in response to a request from the Federation, the Chamber furnished more detailed information as to the classes of labour affected by the proposals. These classes comprised 3,100 men underground and 1,100 on the surface, but many of the men were so experienced as to be able to hold their own against any competition. The Chamber had "no intention of assailing the

position of men who by apprenticeship, experience, or diligence, have acquired proficiency in their work. What it objects to and intends to oppose is the fastening upon the industry of redundant persons, who, having failed in other occupations, now seek to shelter behind the *status quo* agreement and certain of the Mining Regulations to the detriment of the mines and all concerned therewith".

The Chamber asked for a further conference on 28 December, but the Industrial Federation intimated that it was impossible to hold a conference on that date. Under the Industrial Disputes Prevention Act of the Transvaal one month's notice has to be given of any changes in working conditions before such can be brought into force. Accordingly the Chamber gave the formal notices that the piece-work contract would be replaced by a no-cost form of contract as from 31 January, and that its members would withdraw from the *status quo* agreement from such date. But the notice was expressly stated to be "without prejudice to any negotiations which might be completed before those dates".

THE STRIKES BALLOT AND ITS RESULTS

The conference spirit was still maintained by both sides. A conference arranged for 4 January was at the request of the Federation postponed until 9 January. On the morning of this conference the following letter was sent to the Chamber of Mines by the Federation.

*J. Boyd, Esq., Asst. Secretary, Department of Labour,
Chamber of Mines, Johannesburg.*

Dear Sir,

I am directed by my Executive to forward you the enclosed ballot paper, and unless all ultimatums are withdrawn by 7 a.m. Tuesday the 10th inst., all organised labour affected by same will be withdrawn at the above date and time (7 a.m. Tuesday, 10th inst.).

Yours faithfully,

J. GEDDES

Acting General Secretary

It will be observed that the Industrial Federation characterised the requirements of the Chamber as "ultimatums". Were they really so? Some highly intelligent members of the community thought the description was correct. On the other hand, the notices of the Chamber of Mines, which were rendered necessary under the Industrial Disputes Act, were expressly stated as being "without prejudice to the negotiations".

The ballot paper, a copy of which was enclosed in the letter, was as follows.

SOUTH AFRICAN INDUSTRIAL FEDERATION

The following ultimatums have been delivered by the Coal Owners, Chamber of Mines, Victoria Falls Power Company, and Engineers' and Founders' Association :

- (1) Refusal of the coal owners to arbitrate on the proposed reduction of wages.
- (2) Chamber of Mines' threat to substitute cheap black labour for white.
- (3) Alteration of underground working conditions (contract system).
- (4) The refusal of the V. F. P. [Victoria Falls Power Company] to continue to negotiate with the workers on a basic rate of wages.
- (5) The threatened breaking of agreement and reduction of wages by the Engineers' and Founders' Association.

THE EXECUTIVES OF THE S. A. I. F. AND THE UNIONS CONCERNED
RECOMMEND MEMBERS TO VOTE IN FAVOUR OF A STRIKE.

STRIKE BALLOT PAPER

	YES	NO
ARE YOU PREPARED TO STRIKE UNTIL THESE ULTIMATUMS ARE WITHDRAWN ?		

Mark X under Yes or No.

All unions are requested to return completed ballot at the earliest possible date to their respective unions. Any returns after Sunday, 8 January 1922, at 5 p.m., will not be included in the count.

It will be noticed that the five questions included in the ballot paper were to be voted on together. The tendency would, therefore, be for any employee who felt himself aggrieved to vote in favour of a strike.

The refusal of the coal owners to arbitrate was on the ground that it was not a question which could be referred to an arbitrator, it being a pure matter of business ; but the owners agreed to the proposal of the Government to appoint a board of conciliation and investigation.

The second statement on the ballot paper misrepresents the position. The Chamber of Mines made no "threat to substitute cheap black labour for white", but proposed merely to abolish the *status quo* agreement, which would "affect at the outside some 1,500 or 2,000 men", while it maintained that wholesale substitution of native labour for white would be an economic impossibility for a period of time of many months or perhaps years. The maintenance of working costs at 25s. per ton accompanied by a shrinkage in the gold premium would, on the contrary, have involved the displacement of between 8,000 and 10,000 white men, the latter figure representing nearly one-half the total number employed. But if the question is put as one of the general substitution of natives for whites, the average worker is at once aroused and demands a strike.

The third point in the ballot paper — the alteration of underground working conditions — has been dealt with previously. With regard to the fourth, certain employees of the Victoria Falls Power Company had asked for an increase in basic rates of pay. This demand was supported by the Industrial Federation in May 1919, on the ground that certain perquisites then in operation,

such as leave, were withdrawn when the maximum increase in wages was granted. The engineers' and founders' matter in the fifth question was comparatively simple, referring chiefly to the notice which had to be given. The Chamber thought it "should be easily disposed of by a single meeting if the general position was normal".

The ballot resulted in favour of a strike.

When the conference met on 9 January, the Federation representatives refused to discuss any questions until the Chamber had withdrawn its notice. This the Chamber declined to do, but offered to allow it to run from the date of the conference, so as to give a full month for discussion. This proposal was declined.

When the strike started (10 January) and for a month afterwards, all working conditions in the mines were unaffected by the Chamber's letter of 28 December. Mine officials and natives at first carried out pumping and essential services in the face of a campaign by the "Augmented Executive" or strike committee of the Industrial Federation to stop all essential services, which would have meant the flooding and destruction of many mines. The only point the Federation was willing to concede was a reduction of 2s. 6d. per shift in the collieries. The collieries managed to carry on and to cope with local demands, but the export trade was badly affected, numerous orders being deflected to Durban (Natal).

THE CURLEWIS CONFERENCE

Three days after the strike started, as a result of efforts made by Mr. H. L. Lindsay, Chairman of the Unemployment Commission, a conference "untrammelled by conditions" was agreed to and sittings immediately began under the chairmanship of Judge Curlewis. Although this conference was a failure, it was of considerable importance. Mr. Buckle, President of the Chamber of Mines, declared that the giving of notice to the men on the two questions was a necessary precaution in order to avoid unnecessary delay. The precipitate action of the Industrial Federation was not merely an ultimatum — precisely the charge they had themselves made against the Chamber — but an open declaration of war. The opportunity of using the time available of three weeks or a month for amicable discussion was lost. Large numbers of natives had returned to their homes, some of the mines were being flooded, involving heavy delay and cost in restarting.

Mr. Thompson, Acting President of the Federation, said that figures produced by the Technical Adviser to the Chamber of Mines "left him stone cold"; they were so used to the figures produced by the Chamber being proved false, that they ceased to take any notice of arguments based on figures. On this, the Chamber's representatives pointed out that the figures were compiled from official returns of the Government Mining Engineer.

Mr. Buckle emphatically denied that the cancellation of the *status quo* agreement constituted the removal of the colour bar.

The agreement was only introduced in 1918, whereas the colour bar had existed for a much longer period. The mines simply wanted to reduce the number of superfluous white workers, which would save £500,000 yearly in pay. The modification of the contract system would save at least as much again. Lower costs were necessary to prevent the economic elimination of hundreds of millions of tons in the high-grade and medium-grade mines, which could be worked if costs were reduced.

Mr. Lawn, Joint Managing Director of the Johannesburg Consolidated Investment Company, declared that to work out the rich ore which could possibly be extracted under their present conditions would result in bringing the industry to an end in a comparatively short period (probably well under twenty years). By reorganisation and efficient management the life of the mines could be materially extended. Compelling an industry to carry superfluous men throttled it. Unless reasonable profits were forthcoming, no further capital would be available. The Chamber offered the principle of a fixed ratio, constituting an absolute guarantee regarding the number of men to be reduced. On behalf of labour, it was urged that contractors were not drawing excessive rates of pay considering the average short life of the miner, also that there had been no proportionate retrenchment of officials when that course was decided upon.

The thirteenth sitting of the conference on 27 February proved the last. The Federation had again asked for the withdrawal of notices, submission of the coal dispute to arbitration, and no interference with the *status quo* agreement. The Federation was prepared to discuss with the employers every question in dispute, in accordance with past procedure. Mr. Buckle, President of the Chamber, declared that the letter of the Federation merely reiterated the direct negative to the Chamber's original proposal. Since May the Federation had been talking of schemes, but nothing practicable resulted. It had shown extraordinary absence of any sense of responsibility for the carrying on of the industry. Even had there been no strike the steady drop in the price of gold would have compelled the Chamber to put forward new proposals. There could be no question of withdrawing or modifying the proposals put forward by the Chamber.

The Chairman, Mr. Justice Curlewis, expressed regret that they had reached what appeared to be a dead-lock. He reviewed the position after having heard both sides. He did not wish to express an opinion on the contentions advanced by one side or the other; he felt it his duty to see whether he could not lay before the parties something that might serve as a basis for negotiation and discussion. No conference could arrive at a solution of a question of so much importance at the moment unless the conference had before it some basis of negotiation. He felt that the absence of such a basis had been a stumbling-block. His proposals for further discussion were as follows:

(1) The statutory regulations laying down the colour bar should remain unaltered. In this connection the *status quo* arrangement should be with-

drawn as regards low-grade mines ; and a ratio of white to coloured fixed for such mines below which the withdrawal of the arrangement should not operate. The low-grade mines were already operating on a reduced ratio of natives to whites. The men should return to work in the proportion arranged for, the strike being called off at once.

(2) The contract system should be abolished, leaving it to a Board to decide the alternative system of remuneration.

(3) Re-organisation of underground work should be settled at a similar conference or by a reference board.

The President of the Transvaal Chamber of Mines observed that the stipulation that the strike should be called off was the material item, but that it would be useless to call it off without at the same time calling off the strike in the coal mines and in the Power Company. The gold mines cannot run without the Victoria Falls Power Company and the latter cannot run without coal. He characterised the proposals of the Industrial Federation as preposterous and impossible ; the proposal that the high-grade mines should turn themselves into an association for the relief of unemployment which had been brought about in the low-grade mines by the discharge of superfluous men could not be taken seriously. He thought there was no foundation for a population ratio, as suggested by the Federation. "There is no conceivable reason", he said, "why a particular industry should employ different races in proportion to the population of the country. The two things have no connection".

On the failure of the conference, General Smuts, Prime Minister of the Union, declared that the mining industry was being brought to the verge of ruin, and that trade depression throughout South Africa was being accentuated. The necessity of repatriating 20,000 natives, whose transportation to the mining district from their native home is borne by the mining industry, would cause postponement of the re-employment of a number of men long after the actual termination of the strike. He deemed it necessary to choose between the lesser evil of reducing the numbers of superfluous white men and the closing of mines involving much greater unemployment. Strikes and violence, he thought, were of no help in this choice, which must depend on reasonableness and a spirit of compromise on both sides. Thus far no evidence of such a spirit had appeared in the conference which had just proved abortive. While the negotiations of the parties had come to standstill, the Government, he said, would continue their efforts to secure a fair settlement.

THE CHAMBER OF MINES' NEW PROPOSALS

Immediately after the abortive conference, the Chamber of Mines issued new proposals :

(1) The average ratio of Europeans to natives on the producing gold mines to be fixed for two years at not less than one European to 10.5 natives, calculated over each calendar year, the industry being under a definite obligation to the Government to adhere to this ratio ; within the limits of this ratio, the industry to be entitled to rearrange work as it

thinks fit, including the right to dispense with employees not required, subject always to the Mining Regulations, and the existing agreements as to hours and basic wages.

(2) Subject to such reorganisation, men employed after the strike to be taken on at December 1921 daily rates of pay, plus one-half the cost of living addition at 1 January 1922, such to continue for six months, and then to disappear entirely.

(3) Abolition of May Day and Dingaan's Day as paid holidays.

It was pointed out that the strike had greatly aggravated the position, and any considerable prolongation would make it impossible for a continually increasing number of mines to re-open on any conditions whatever. In improved efficiency lay the chief hope of a successful future for the industry. It should no longer be hampered by unnecessary and artificial restrictions, but be at liberty to manage its own affairs so as to secure most efficient methods. "In its endeavour to safeguard the industry and the community dependent upon it, the Chamber fully recognises that the preservation of the European population is of the utmost importance, and therefore offers a definite ratio of 10.5 natives to one European on producing mines for a period of two years". Under the sliding scale agreed to in August 1921 the cost of living allowance was regulated by the advance on pre-war cost of living as shown by government statistics. In January it was 20 per cent., but the rapid fall in prices would have called for early revision. The worsening of conditions in December and January left no alternative but to propose that it be immediately reduced by half and eliminated at the end of June. "Even so, employees will as a whole receive higher wages than pre-war, as numerous increases in basic rates have taken place and would be retained". The Chamber expressed its willingness to increase substantially the number of apprentices (the present number is the maximum permitted by the unions), and "so assist to an even greater extent than at present in equipping the youth of South Africa for the future".

Following a conference with the Prime Minister and Minister of Mines and the Industrial Federation, the Chamber of Mines agreed to limit the termination of the *status quo* agreement to low-grade mines, those whose cost per ounce during the last quarter of 1921 exceeded the standard value of gold. The Prime Minister advised the men to return "on the best terms they can get, and, if no other terms can be obtained, on terms contained" in the last offer of the Chamber. But no agreement was arrived at, the Federation insisting on the withdrawal of the *status quo* notice and on arbitration on the gold and collieries disputes. Later it somewhat modified its attitude. It proposed the appointment of an impartial board as well as of a permanent Industrial Board. The Government agreed to appoint the impartial board. In response to the Prime Minister's appeal some 1,236 men had returned to work by 7 March. On 4 March, in reply to a request by the Industrial Federation, the Chamber of Mines said that a further conference would be futile, couching a reply in language which was designedly unequivocal and which was much criticised

in the House of Assembly from the Prime Minister downwards. The Chamber declined in future to recognise the Industrial Federation, whose Augmented Executive had maintained so uncompromising an attitude. But it was still prepared to recognise unions representative of trades from which its employees were mainly drawn. Unfortunately, the Government was unable to afford adequate police protection to the men who had returned to work.

THE GENERAL STRIKE

On 7 March a general strike was declared by the Federation, followed on Friday, 10 March, by an attempted revolution, and then by the declaration of martial law by the Government. Active steps by government forces at the week-end stopped the revolution by Tuesday. On Thursday, 16 March, many men returned to work, and the unions declared the strike off as from Friday, 17 March.

PROFITS AFTER THE STRIKE

With the reorganisation of the industry after the strike there was an immediate and striking decrease in working costs and consequent increase in profits. Compare, for example, the total profits made by certain typical low-grade mines in December 1921 under the old conditions and in July 1922 under the new, as shown in the following table, together with the cost and rate of profit per ton milled.

Mine	Total profit		Rate per ton milled			
			Cost		Profit	
	Dec. 21	July 22	Dec. 21	July 22	Dec. 21	July 22
	£	£	s. d.	s. d.	s. d.	s. d.
Aurora West	512	1,712	25 2	24 0	1 0	3 7
Cons. Langlaagte	9,236	10,687	24 2	20 10	4 3	5 2
Cons. Main Reef	7,208	23,781 (2)	30 7	26 3	2 11	9 2
Crown Mines	31,073	67,690	23 1	20 1	4 1	6 4
Durban Deep	2,407 (1)	7,398	33 2	26 6	1 10	4 9
East Rand Prop.	559	7,937	23 5	21 10	1	1 4
Geldenhuis	4,108 (1)	3,786	26 2	22 1	1 7	1 5
Knight Central	870	1,246	20 11	17 5	7	9
Luipaardsvlei	3,221 (1)	1,162	22 5	19 7	3 1	5
New Goch	430 (1)	1,003	24 0	19 2	7	1 2
New Kleinfontein	82	5,000	26 1	20 10		2 6
Nourse	893	8,824	30 0	24 3	5	3 8
Randfontein Cent.	105 (1)	45,025	27 5	21 10		6 9
Rose Deep	3,315	8,488	22 1	19 1	1 3	3 4
Village Deep	1,449 (1)	15,000	30 8	23 9	7	5 6
West Rand	1,084	4,208	26 3	23 6	8	2 5
Witwatersrand	5,486	12,255	21 7	18 4	2 5	5 4
Witwatersrand Deep	3,903	14,266	25 4	20 11	2 2	6 9
Wolhuter	228	1,153	22 1	19 2	2	2 2

(1) Losses.

(2) Abnormal grade and high tonnage resulted in extraordinary profit.

With the exception that gold was a trifle higher in December, £4.775 per ounce as against £4.65 in July, and that certain of the companies had not entirely regained their full milling capacities, the technical conditions of the two months were similar. The largest decrease in costs was shown by a mining company not included in the low-grade category, the Robinson Deep, which reduced the rate of 26s. 1d. in December to about 19s. 6d., thereby trebling the profit made in that month, and adding 50 per cent. to the average net earnings of the four preceding months. In 1921 the average working cost for all the mines was 25s. 8d. per ton milled, in July 1922 the figure had been reduced to 21s. 1d. The profit in July was 9s. 11d. per ton milled (of which about 1s. 9d. is represented by gold premium). This is better than the average in 1914, but it must be remembered that the present recovery of the mines is 0.6 dwt. higher.

THE MINING INDUSTRY BOARD ENQUIRY

The Mining Industry Board, which began to sit towards the end of April continuing until early August, was composed of Judge Solomon (Chairman), the Rt. Hon. William Brace, Industrial Advisor to the Department of Mines of the British Board of Trade, Sir Robert Kotzé, Government Mining Engineer, Sir J. Carruthers Beattie, Principal of the Cape Town University, with Mr. James Collie as Secretary.

It would be impracticable to attempt even a summary of the evidence adduced, much of it repeating data already given in this article. One or two important items may, however, be mentioned. It is calculated that there are in the whole of the present producing mines of the Rand only 316 million tons which can be worked with costs at 25s. 6d. per ton, but no less than 544 million tons which could be worked with costs at the pre-war figure of 17s. With high costs the ore in present producing mines would last but fourteen years, but if the rate be reduced to 15s. the life of the mines would be prolonged to twenty-six years. Any reduction below 25s. 6d. per ton automatically increases their life two or three years. It is estimated that the entire Rand, including developing and dormant areas, contains 725 million tons of ore which can be worked at a profit, if costs can be reduced to the neighbourhood of 15s. per ton.

It was from time to time urged by labour representatives that one of the factors preventing mines from making profits was extravagant management and excess in administration costs. But the Chamber of Mines, in evidence given before the Mining Industry Board, showed that in the final quarter of 1921 administrative expenses figured at £140,000 or only 5.75d. per ton.

Reference has already been made to the increase in wages; this was from an average of £324 to £495 a year, or by 53 per cent., and from 5s. per ton to 7s. 11d. But white efficiency also declined 3.3 per cent. and native 13.7 per cent. It was contended by expert witnesses and, in particular, by Mr. H. Stuart Martin, one of

the chief engineers of the Central Mining and Investment Corporation, that efficiency should have improved, inasmuch as since 1914 many old and poorly equipped mines had dropped out, and new mines on the Far East Rand with up-to-date equipment and easier mining conditions had taken their place. Use of labour-saving devices had increased, as had the percentage of rock broken by machines (from 40 to 60 per cent.). Supplies of compressed air and water had improved, as had underground layouts. Larger units and mechanical haulages had resulted in economies in the larger and newer mines.

While these figures are no doubt correct as far as they go, it would be well to know how much of the decreased efficiency was due to altered conditions. The three weeks' holiday leave for example, would appear to represent 5 per cent. less time for work, unless the work of those on holiday was done by the remaining workers; this is only partially the case, as the mines have relief men. Again, in 1918 the working time was reduced from 48 hours per week at the face to 48½ hours bank to bank. The incessant tendency, too, to make the government mining regulations more onerous involved greater supervision, leading to an inevitable increase in the personnel, and so perhaps resulting in a smaller average output per head.

Though the milling capacity of the producing mines is 30,000,000 tons a year, they failed in 1921 to reach this by 6,500,000 tons. To attain the full capacity 40,000 extra natives would be required, enabling work to be found for an additional proportionate number of white men. "With an ample supply of native labour and freedom of management", to quote an illuminating paragraph in Mr. Stuart Martin's evidence, "the industry can look forward to a recovery of efficiency and to such reduction in costs that many of the low-grade mines will continue to work for years, providing employment for large numbers of Europeans. There are vast tonnages of developed ore just below the present pay limit, and mines on the verge of exhaustion of high-grade ore will obtain a new lease of life". It will be seen from what has been said above that these conditions have already been largely brought about by the reorganisation which took place after the strike.

THE CONCILIATION SCHEME

One of the features of the proceedings of the Mining Industry Board, at any rate in its later phases, was a desire, frequently expressed by Mr. Brace, that the employers and workers should come to a better understanding. Time after time he pleaded for a spirit of goodwill. As the volume of evidence increased, it was realised by Mr. Brace and his fellow Commissioners that it would take a long time to prepare a report based on this evidence. Even then it was not certain that effective action would be taken, judging from experience with commissions of enquiry in South Africa, many of which have had the most meagre results..

Largely at the suggestion of the Chairman, it was therefore decided that the best course was to formulate a method of conciliation aiming at the solution of the difficulties between capital and labour on the Rand. Such a scheme would forestall and render subordinate the report itself, and make the latter a secondary matter.

The Chamber of Mines and the unions each formulated their proposals. After adjourning for a fortnight, the Board again met on 14 August and a conference, at which the gold mines and collieries were represented by both employers and workers, sat behind closed doors for five days. The Conciliation Scheme was finally approved on 22 August, to come into force as at 1 October.

The scheme is based on the assumption that neither employers nor employees will avail themselves of the corresponding province of the Transvaal Industrial Disputes' Prevention Act. The conciliation machinery is subject to modification at any time by the Conciliation Board, and is terminable on six months' notice by either side. The provisions do not apply to officials, which term includes foremen who have a 30-day notice clause in their contract of employment, shift bosses, dust inspectors, employees on secretarial, clerical, and store-keeping work, assaying, hospital, and compound work.

No strike or lock-out shall take place until the procedure laid down has been completely carried out in regard to the point in dispute. (The penalty clause of six months' imprisonment for either employers or employees embodied in the Chamber of Mines' draft proposals was evidently dropped). A month's notice is to be given of any alteration in working conditions, by posting in the mine or, if of general application to the whole Rand, by publication in the newspapers and to the trade unions concerned. It is laid down that, for the time being, trade union methods of handling disputes are recognised by the Gold Producers' Committee. It is made clear that shop and shaft stewards and works shop committees are not recognised by the gold-mining industry. Any employee is at liberty to become a member of a trade union or not, as he thinks fit. When a trade union official is present at a discussion, an official of the employers' organisation may also attend, if the mining company desires it. Non-union members shall have exactly the same rights in lodging complaints as trade unionists.

Any complaint must in the first instance be laid before the official concerned within three days; it must directly concern the employee. If satisfaction be not obtained, he may lay his case before the manager. If no agreement is arrived at, he may again interview the manager, bringing with him a whole-time official of his trade union. Should an agreement still not be reached, the trade union official may again interview the manager, the employee concerned not being present. Unless otherwise arranged, interviews shall take place outside working hours. Where a number of employees are concerned they may appoint a deputation not exceeding five, with the same procedure. The manager shall not

be required to discuss with third parties individual contracts, engagement, suspension, discharge, promotion, or de-rating of employees; on those matters his decision shall be final. For a period of six months the decision of the manager on a complaint made by an employee and supported by a whole-time trade union official shall be final. The arrangement for union officials to interview the management may continue after the six months by mutual arrangement between the Gold Producers' Committee and the unions which desire continuance.

When a dispute between the management and a body of employees comprising all those of a particular class, or numbering more than ten, is not settled under the previously explained procedure, the employees may request that the matter be brought before the Board of Directors, the meeting to take place within a week. The men, accompanied, if they wish, by their trade union representatives, shall discuss the matter with the Directors and such individuals as they may invite, not more than seven persons on either side. In the event of no agreement being arrived at within a fortnight, either party of the Minister of Mines, acting through the Department of White Labour, may apply, within twenty-one days of the meeting, for the calling together of a Conciliation Board.

Points of collective bargaining in regard to wages, hours, and other conditions shall be discussed between the trade union concerned and the Gold Producers' Committee. The procedure in the event of disagreement is to be as just described. The maximum number of persons present is to be nine on either side.

The standing Conciliation Board will deal with matters referred to it under the foregoing procedure and any dispute which it is mutually agreed shall be so dealt with. The Board is to consist of twelve members, six appointed by the Gold Producers' Committee and six elected by the employees of the mines, two to be elected by underground workers, one each by skilled mechanics, engine drivers and firemen, reduction workers, and other surface workers. The Mining Industry Board shall appoint the first Conciliation Board, which shall hold office for a year. Thereafter members shall be appointed for two years. Of the first elected Board three members shall retire at the end of the year. Retiring members are eligible for re-election and provision is made for substitutes, who shall be the candidates securing the next highest number of votes. Elections are to be by secret ballot, conducted by the Inspector of White Labour. Only men who are actually employed by the mines, or who, if out of work, were last employed within eight weeks, are entitled to vote. Only actual employees or whole-time trade union officials are eligible for election. Provision is made for casual vacancies. For the first six months one of the representatives of the Gold Producers' Committee shall be chairman, one of the employees' representatives vice-chairman, the positions then being reversed.

For each dispute the Board shall agree upon an independent referee; failing agreement selection shall be made by the Chief

Justice of the Union of South Africa. In the event of the Board being unable to arrive at an agreement within a fortnight, the referee shall be called in. The matter in dispute shall again be discussed with the referee in the chair. His report shall be published in three newspapers within a week of presentation. "It will be in no way binding on either side, but no action in the way of strike or lock-out may take place on the point at issue until fourteen days after publication. . . ." The Board shall draw up its own Standing Orders, which shall be consistent with this memorandum. Expenses of the Board shall be borne by the Government, the necessary secretarial and clerical assistance being provided by the Department of the Inspector of White Labour.
