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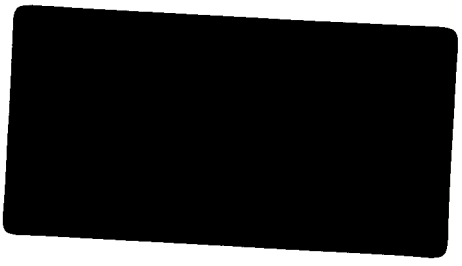
'BLACK' BUS SUBSIDIES IN 'WHITE' SOUTH AFRICA, 1944 - 1986

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A Dissertation Submitted to the Faculty of Arts,
University of the Witwatersrand, Johannesburg,
for the Degree of Master of Arts

Johannesburg, 1988.

R.I.D: sab89-53074



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ABSTRACT

Bus fare subsidy, reputedly a difference between an economic fare charged by the operator and the amount passengers pay for travelling, is an intriguing issue in South Africa. In the past four decades, the subsidy question brought heated debates as to who should pay the costs of transporting Black people in particular. Until 1986 employers paid transport levies on a weekly and monthly basis whereas Government budgeted its contribution through the Department of Transport vote. A closer examination of origins of subsidies, debates in and outside Parliament and outcomes of bus subsidies reveals that subsidies were utilised to foster ideological purposes and also to manoeuvre the public for political ends. Transport subsidies facilitated the spatial re-organisation of urban areas and were strongly associated with the geographical dislocation of Black communities from the centre of urban areas to the periphery. Although subsidies reduced the cost of travelling for working class commuters considerably, other problems, *inter alia*, overcrowding, long distance travel, and inadequate transport services were not compensated for. From 1944 to 1986 three distinct types of subsidies were implemented, namely, temporary subsidies, entrenchment and extension. Temporary subsidies were paramount from 1944 until 1952. Entrenchment subsidies applied from 1952 until 1972, and were concomitant with massive population removals. The last type of subsidies occurred from 1972 to 1986, and featured extension of bus fare subsidies to African women, Coloureds and Indians. The changing types of subsidies were shaped by the remodelling of the economic, political and social order in South Africa. Variations in the geographical spread of bus fare subsidies for Coloureds, Africans and Indians reveal the absence of any uniform subsidy mechanism. The argument that emerges from this study is that more than posing as an agent of change and a benefactor, the state used subsidies as one of the myriad strategies for excluding Blacks politically, controlling them socially and making them dependent economically.

This dissertation is entirely my own work and has
not been submitted previously for any
degree at any other university

M. M. Khosa 08/08/1988

University of the Witwatersrand, Johannesburg, 1988.

To my sister Gladys, and father, Phineas

PREFACE

After the Soweto revolt in 1976, the Government began a 'reform' movement by remodelling the social, economical and political institutions in South Africa. However this met resistance from the voteless Black majority which reached unprecedented heights after the United Democratic Front was launched in 1983. Like in the 1940s and the 1950s, the delivery of essential services such as transport became issues for political mobilisation in the 1980s. For its part, the Government sought to 'depoliticise' the delivery of services, *inter alia* housing and transport, through deregulation and privatisation. Monopoly on transport which depended on subsidies was increasingly becoming expensive to administer on the part of the Government. In view of this, the Government aimed at phasing out transport subsidies, but in the interim devolving the responsibility to the Regional Services Councils. The 'old' mechanism of bus subsidisation ended in 1986 and a 'new' emerged. My interest in the historical geography of bus subsidies was sparked within this background. The aim in this study is to trace the origins of bus subsidies, to scrutinise their workings and to examine the role subsidies played in shaping the settlement geography of South Africa. The transfer from an exclusively Black university to Wits provided me with new and greater challenges as a graduate student. My stay at Wits was unfortunately plagued by three consecutive states of emergency. This political milieu of studying Geography under the state of emergency partly shaped and influenced this study.

Problems which are familiar in doing research in South Africa were experienced. The use of the terms 'Black' and 'White' in quotes in the title of this dissertation connotes the political exclusion, economic exploitation and the social control of the former by the latter. In terms of the Population Registration Act of 1950, everybody in South Africa was

classified according to their "race" and the four major classes which were established were 'white', 'native' (subsequently 'Bantu', then 'black'), 'coloured', and 'Indian'. In this dissertation the term 'Black' is used to include all those who are disenfranchised and are not classified as white; it thus includes all people who are classified as black, coloured, and Indian. Because apartheid legislation affects these sections of the Black population differently, it is often necessary to distinguish between people along official lines and in all those instances I have used the terms 'African', 'Coloured' and 'Indian'. The use of this nomenclature does not imply the acceptance of race classification.

I extend my gratitude to the library staff of the University of the Witwatersrand, especially the Church of the Province Record Library, and to staff at Johannesburg Public Library, Johannesburg Municipal Reference Library and the Central Archives Depot in Pretoria, for their kindness in leading me to invaluable sources of information. I am indebted to the personnel of NITRR who not only kindly discussed with me on this topic, but also made available their materials. Two papers emanating from the study were presented in conferences. Sections of Chapter Four were presented at a Transport community conference at Lenasia in May. Findings of the research in Chapter Five were presented at the 19th ASSA annual conference held at the University of Durban-Westville in July. Financial support for this research was by way of the Human Sciences Research Council, the H. B. Webb Scholarship, the Ernst and Ethel Eriksen Trust, and the Senior Bursary Fund of the University of the Witwatersrand, and is hereby acknowledged. My sincere gratitude to these sponsors whose support enabled me to pursue this study with no financial constraints.

I would like to extend my appreciation to postgraduate students and friends in the Department of Geography at Wits for providing me with moral support, encouragement and inspiration. I am immensely indebted to

Professor Chris Rogerson, Professor Keith Beavon, and Professor Peter Tyson for their invaluable comments and discussions during the course of the research. The palpable atmosphere in the Department which was conducive to learning through seminar presentation kept one informed of 'new' issues in various aspects of Geography. In the course of writing this dissertation, the convivial 'tea room' provided a relaxed haven during hectic days. Thanks to Shadi Mpahlele for initial proof reading of my research proposal and to Roseline Ntshingila for special friendship. My appreciation is extended to friends in the Christian Action Fellowship (especially Dr. Merika Tsitsi, Lebogang Mataboge, Hunadi Nalane and Obby Risiva) for their spiritual support. I thank my family for being understanding and sympathetic as I spent hours on end working on this daunting task. Temba Ngwenya from the Academic Support Programme helped in proof reading and Jeanette Lindesay resolved problems encountered with the word processor. My eternal gratitudes go to Gordon Pirie, my supervisor, for his superb guidance from the beginning until the end of this study. Gordon's sacrificial devotion to this project was always a source of stimulation, inspiration and motivation.

Meshack Masasekane Khosa
Braamfontein, Johannesburg
July 1988

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CHAPTER ONE

INTRODUCTION

Urban public transport for Black people (Africans, Coloureds and Indians) in South Africa has drawn much attention in the 1980s. Many private organisations, Government institutions, and academics have shown an increasing interest in the transport problems facing Black commuters. Several private institutions such as the Human Awareness Programme and the Free Market Foundation have published a series of articles about urban Black transport. Both institutes argued that central planning of transport in South Africa is a cause of, rather than a solution to transport problems.[1]

The interest of Government in urban public transport may be measured by the number of Commissions of Inquiry created to investigate aspects of bus transport. In the 1940s only two Commissions were set up, namely, the Beardmore[2] and Page[3] Commissions, whereas there were none in the

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[1] Human Awareness Programme, 1982: *Black Urban Public Road Transport: An Assessment,* Human Awareness Programme, Johannesburg; Markman, T., 1984: *Transport Policy: A Study of Road Transportation,* The Free Market Foundation of Southern Africa, Johannesburg.

[2] South Africa, 1944: *Report of the Commission of Inquiry into the Operation of Bus Services for Non-Europeans on the Witwatersrand and the District of Pretoria and Vereeniging,* (Beardmore Commission), U.G. 31/1944, Government Printer, Pretoria.

[3] South Africa, 1947: *Report of the Commission of Inquiry into Road Motor Transportation,* (Page Commission), U.G. 46/1947, Government Printer, Pretoria.

1950s. In the 1960s, 1970s, and 1980s one Commission was established each decade: the so-called Marais,[4] Driessen[5] and Welgemoed[6] Commissions.

The 1980s marked an upsurge of interest on the part of the Government in Black urban passenger transport. The Council of Scientific and Industrial Research's National Institute of Transport and Road Research (NITRR) has since its inauguration conducted studies of the history of transport and spatial patterns in South African cities, and how this has affected accessibility.[7] The Institute has also done studies associated with Black commuting problems in designated townships.[8] For its part, the Government established the Welgemoed Commission of Inquiry that reported in 1983 and made far reaching recommendations relating to the banning of Black taxis, protecting the monopoly on transportation of passengers by bus companies, and phasing out state subsidies, with the ostensible aim of 'depoliticising' transport.[9] An attempt was made later by Government

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[4] South Africa, 1969: *Report of the Commission of Inquiry into the Co-ordination of Transport in South Africa,* (Marais Commission), R.P. 32/1969, Government Printer, Pretoria.

[5] South Africa, 1974: *Report of the Commission of Inquiry into Urban Transport Facilities in the Republic of South Africa,* (Driessen Commission), R.P. 60/1974, Government Printer, Pretoria.

[6] South Africa, 1983: *Final Report of the Commission of Inquiry into Bus Passenger Transportation in the Republic of South Africa,* (Welgemoed Commission), R.P. 50/1983, Government Printer, Pretoria.

[7] Voges, E.M., 1983: *Accessibility, Transport and Spatial Structure of South African Cities: An Historic Perspective,* RT/9/83, National Institute of Transport and Road Research (hereafter, NITRR/CSIR), Pretoria; Naude, A.H., 1984: *Black Commuter Transport in South Africa: A Preliminary Overview of Broad Trends and their Cost Implications,* RT/12/84, NITRR/CSIR, Pretoria.

[8] Morris, N., 1979: *An Introduction to the Transport Problems of Urban Black Travellers in South Africa,* RT/71/79, NITRR/CSIR, Pretoria; Fourie, E. M. and Morris, N., 1985: The effects of a long distance journey to work on the daily activities of Black commuters, *Proceedings of the Annual Transportation Convention* (ATC 1985), Pretoria; Morris, N., 1986: *Black Commuting in Pretoria: Summary Report,* BCP 15, NITRR/CSIR, Pretoria.

[9] South Africa, 1982a: *First Interim Report of the Commission of Inquiry into Bus Passenger Transportation in the Republic of of South Africa,* (Welgemoed Commission), R.P. 29/1982, Government Printer,

to minimise its intervention in the transport sector when the Department of Transport (DOT) commissioned the National Transport Commission (NTC) to conduct a National Transport Policy Study (NTPS) aimed at restructuring the present transport policy.[10] In response to the recommendations of the NTPS, the Government published a white paper which supported deregulation and privatisation of transport. The Government mandated NITRR personnel to tour Britain with the view of studying deregulation and privatisation of bus transport there.

The Government's attempt to find a national transport policy reached its pinnacle in 1987. Four cardinal events occurred which may have considerable impact on the direction which future transport subsidy policy may take. First, in January 1987, the white paper responding to recommendations of the NTPS was published.[11] Second, in February DOT issued a special request for a study of 'public passenger transport options'.[12] Third, a privatisation study was carried out in Britain in July and published in October.[13] Fourth, in October DOT and NITRR

Pretoria; South Africa, 1982b: *Second Interim Report of the Commission of Inquiry into Bus Passenger Transportation in the Republic of South Africa,* (Welgemoed Commission), R.P. 103/1982, Government Printer, Pretoria; McCarthy, J.J. and Swilling, M., 1985: South Africa's emerging politics of bus transportation, *Political Geography Quarterly,* 4, 235-249.

[10] South Africa, 1984a: *National Transport Policy Study: Phase 1, Final Report on Stage 2: Legal and Organisational Aspects of Transport,* Directorate of Land Transport, Pretoria; South Africa, 1984b: *National Transport Policy Study: Phase 1, Final Report on Stage 3: Financial Aspects of Transport,* Directorate of Land Transport, Pretoria; South Africa, 1984c: *National Transport Policy Study: Phase 1, Final Report on Stage 6: Investigation into the Economic Structure of Transport,* Directorate of Land Transport, Pretoria.

[11] South Africa, 1987: *White Paper on National Transport Policy,* Government Printer, Pretoria.

[12] Cameron, J.W.M. and Lipman, V.S., 1987: *Passenger Transport Policy Options: The effect of Deregulation on Combi-Taxis and the Withdrawal of Passenger Subsidies Paid to Conventional Bus Operators,* TT/140, NITRR/CSIR, Pretoria.

[13] Bosman, *et al*, 1987: *Deregulation and Privatisation of Buses: The United Kingdom Experience,* RT/98, NITRR/CSIR, Pretoria.

organised a seminar on "Management and Subsidisation of Bus Passenger Transport",[14] which was attended by some two hundred bus operators, researchers, transport consultants, taxi owners and transport engineers. A predominant theme of the seminar was how the 'escalation' of bus subsidies had been and should be handled. Government officials pointed out clearly the desire to shift a larger responsibility to local governments. It became clear in the 'October seminar' that subsidies were not viewed within the race zoning policies. No analysis of the changing nature of subsidies was presented. The elitist nature of the seminar was apparent as only one paper was given by an academic, one by a PUTCO director, four by NITRR staff, three by DOT officials and one by a member of the President's Council. Although the seminar was unique because it was the first of its kind to be attended by the public, no critical appraisal was given to the question of subsidies, the Government's view predominated throughout the discussion.

Research Context

The Government's management of urban areas can be traced back to the turn of the century when the policy of territorial segregation was introduced. Segregation served to consolidate and even to extend the repressive labour system on which industrialisation was based. The parameter which shaped the living conditions of African people was predominantly the doctrine that 'Natives' had no rights to remain in urban areas except as labourers and those who had achieved such entitlement had to be sited far from 'white' cities and towns. After the discovery of gold in the Witwatersrand and diamonds in Kimberley, towns began to grow and the numbers of urban people increased in what were primarily rural

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[14] The seminar was held at the CSIR conference centre on 27 October 1987 under the auspices of NITRR and DOT.

settings. Towns became areas of industrial development, and labour was drawn from all parts of Southern Africa. Africans were not only driven to mining towns but also forced to take unskilled and low paid jobs in urban areas.[15]

The apartheid policies enshrined in the Natives (Urban Areas) Act (No. 21) of 1923 and the Group Areas Act (No. 41) of 1950 forced Black people to the fringes of urban areas.[16] This legislation was the effort by Government to manage urban places because of the large influx of Africans into urban places. The provision of transport was intimately associated with housing. Even before legislation was passed at the national level in 1923, central Government had already established a few exclusive townships for Africans just after the turn of the century: Ndabeni in Cape Town, New Brighton at Port Elizabeth, and Pimville in Johannesburg.[17] After 1948, an increased number of Black townships were created on the outskirts of urban areas. Railway lines were constructed linking towns and townships as residential segregation demanded effective mass transportation to convey workers to and from their work places.

While the Government favoured trains as public carriers of Black workers, several independent bus operators and taxi services emerged and flourished, competing with rail services especially in the Transvaal (e.g. in Pretoria and the Witwatersrand area). In Durban, the situation

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[15] Tsotsi, W.M., 1981: *From Chattel to Wage Slavery: A New Approach to South African History,* Lesotho Printing and Publishing Company, Maseru.

[16] Pirie, G.H., 1983a: Urban population removals in South Africa, *Geography,* 68, 347-349; Pirie, G.H., 1984: Race zoning in South Africa: board, court, parliament, public, *Political Geographical Quarterly,* 3, 207-221.

[17] Lewis, P.R.B., 1966: A city within a city: the creation of Soweto, *South African Geographical Journal,* 43, 45-85; Beavon, K.S.O., 1982: Black townships in South Africa: *terra incognita* for urban geographers, *South African Geographical Journal,* 64, 3-20.

was rather different. Private Indian operators dominated most of the transport operations for twenty years after the first attempts to regulate and co-ordinate transport.[18] The Motor Carrier Transport Act (No. 39) of 1930 introduced a transport monopoly and this curtailed the independent lucrative operators and protected rail services. In general, competition in the transport market was deliberately removed and as a result travelling costs tended to be inflated and the state came to adopt the function of regulating fares. Despite the attempts by Government to keep train fares low, transport remained an important budgetary item in communities which relied on bus transport service. As evidence one may point to the 73 recorded bus boycotts between 1940 and 1984, some 50 of which had their origin associated with fare increases.[19] The Government responded to the bus fare dilemma by introducing measures to provide transport subsidies.

The 1944 *ad hoc* Emergency War Regulation marks the initial intervention by the central Government to subsidise bus fares for African workers.[20] The history of subsidies on trains is different and can be traced to a Cape Government Railway special 'Native Location Fares Policy' inaugurated in 1905. The policy provided low transport fares for African workers between major towns and townships.[21] The Emergency War Regulation of 1944 forced employers to give transport allowances to their male African employees (see Chapter Two). Permanent bus subsidy laws for Africans, Coloureds and Indians were passed in Parliament later (see

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[18] Torr, L., 1985: A ticket to drive: the struggle over African bus services in Durban, 1930-1960, Paper presented at a conference on the History of Natal and Zululand, University of Natal, Durban.

[19] Essig, S., 1984: *Transportation Boycotts in South Africa: 1940-1984,* Institute of Race Relations, Cape Town.

[20] *Government Gazette,* 88 (No. 3412), 3 November 1944.

[21] Pirie, G.H., 1987: African township railways and the South African state, 1902-1963, *Journal of Historical Geography,* 13, 283-295.

Chapters Three and Four). It is significant that the three racial groups, for whom transport fare subsidies were provided, have also been the victims of the Government schemes of relocation.

The relationship which exists between displacement of communities, and the concomitant transport subsidies, puts the study in this dissertation firmly within the realm of a spatial discipline. The dissertation places subsidies within the context of both changing urban settlement patterns, and changing political and economic climates in South Africa. These changes were marked by several milestones: the large influx of Africans into urban areas; the change of Government in 1948; the establishment of grand apartheid in urban South Africa; the increased number of Black townships established on the fringes of urban areas; the introduction of railway lines linking Black townships with major industrial areas; the consolidation of the Bantustan policy and decentralisation moves in the 1960s and the 1970s; the 'reform' initiatives of Government in the late 1970s and the 1980s. The impact of these seven changes on the necessity for, the levels of, and the perpetuation of subsidies will be ascertained in the dissertation.

Literature Review

There is a large body of secondary literature germane to transport fare subsidies in general,[22] some of it written by geographers.[23] Studies have, for example, been conducted to appraise the impact of reduced fare transit at places of economically strategic significance.[24] Many scholarly studies have been undertaken to determine optimal subsidy levels for scheduled public transport,[25] and to find formulae for subsidising transport fares.[26] Mindful of the declining clientele on public transport in some countries, other literature advocated free bus travel with the intention of reducing traffic congestion and air pollution during peak

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[22] Voluminous literature includes Shipman, W.D., 1971: Rail passenger subsidies, *Journal of Transport Economics and Policy,* 5, 3-27; Yunich, D., 1972: *Final Report of the Governor's Special Commission on the Financing of Mass Transportation,* New York; Frankena, M.W., 1973: Income distribution and transit subsidies, *Journal of Transport Economics and Policy,* 7, 215-230; Bly, P.H. Webster, F.V. and Pounds, S., 1979: *Subsidisation of Urban Public Transport,* Transport and Road Research Laboratory, Report no. 541, Department of Transport, Berkshire; Wolman, H. and Reigeluth, G., 1980: *Learning From Abroad, Financing Urban Public Transportation: the US and Europe,* Transaction Books, New Brunswick; Else, P.K., 1985: Optimal pricing and subsidies for scheduled transport services, *Journal of Transport Economics and Policy,* 19, 263-280; Evans, A., 1985: Equalising grants for public transport subsidy, *Journal of Transport Economics and Policy,* 19, 105-138; Pickerell, D.H., 1985: Rising deficits and the uses of transit subsidies in the United States, *Journal of Transport Economics and Policy,* 19, 281-298.

[23] Briggs, R., 1980: The impact of federal local public transport assistance upon travel behaviour, *Professional Geographer,* 32, 316-326; Hay, A.M., 1984: The subsidy of urban public transport, in D.T. Herbert and R.J. Johnston (eds.), *Geography and the Urban Environment,* Volume 6, Wiley, London, 127-144.

[24] Colman, S.B, 1979a: *Case Studies in Reduced-Fare, Transit: Portland's Fareless Square,* Project Evaluation Series, United States Department of Transport; Colman, S.B., 1979b: *Case Studies in Reduced-Fare Transit: Seattle's Magic Carpet,* Project Evaluation Series, United States Department of Transportation.

[25] *Inter alia,* Jackson, R., 1975: Optimal subsidies for public transport, *Journal of Transport Economics and Policy,* 9, 3-15; Turvey, R. and Mohring, H., 1975: Optimal bus fares, *Journal of Transport Economics and Policy,* 9, 280-286.

[26] For example, Jackson, 1975, *op. cit.* Frankena, M.W., 1983: The efficiency of public transport objectives and subsidy formulas, *Journal of Transport Economics and Policy,* 17, 67-76.

hours.[27] Although some studies concentrated on the effect of Government subsidies on feeder transport services where mass transport such as buses and trains had not yet been provided,[28] other empirical works focused attention on the possible effect of bus fare subsidies on urban public transport and argued that subsidies have exacerbated problems of productivity and cost in mass transit, undermining the potential benefits of subsidies.[29]

The literature reviewed above covers a set of urban transport circumstances different to those in South Africa, where subsidies exist for different reasons and even take a different form. Outside the boundaries of South Africa, public transport passengers who benefit from subsidies do not do so first and foremost because of where they live or their racial classification. In South Africa, however, fare subsidies are associated with the geographical dislocation of Black communities from the centre to the periphery of urban areas.

In South Africa, a significant body of literature provides insight into the social histories of the ordinary people at the turn of the

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[27] Sherman, R., 1972: Subsidies to relieve urban congestion, *Journal of Transport Economics and Policy,* 6, 22-31; Baum, H.J., 1973: Free public transport, *Journal of Transport Economics and Policy,* 7, 3-19; O'Connell, W.H, 1973: *Ride Free, Drive Free or the Transit Trust Fund and the Robin Hood Principle,* John Day Company, New York.

[28] Gilbert, G. and Samuels, R.E., 1975: *The Taxicab: An Urban Transportation Survivor,* University of North Carolina Press, Chapel Hill; Roueche, L., 1981: Notes on the government subsidisation of ferry transport, *Journal of Transport Economics and Policy,* 15, 233-242.

[29] Stirling, W.N., 1976: *Passenger Transportation: Effect of Fare Increases on Passenger Demand and Network Viability,* Chartered Institute of Public Finance and Accountancy, London; Pucher, J. Markstedt, A. and Hirschman, I., 1983: Impacts of subsidisation on the cost of urban public transport, *Journal of Transport Economics and Policy,* 17, 155-176.

[30] Van Onselen, C., 1982a,b: *Studies in the Social and Economic History of the Wiwatersrand 1886-1914,* 2 Volumes, Ravan, Johannesburg.

century,[30] the bus boycotts caused by increases in travel fares,[31] by rent boycotts in the townships,[32] and by transport resistance and capitulation from the turn of the century until the 1940s.[33] In contrast, the secondary academic literature pertinent to subsidy is scanty. Notably, bus fare subsidies are often referred to superficially, and not within a holistic and historical framework of the apartheid city.[34]

With the proposed deregulation and privatisation of transport and housing in South Africa, transport studies in particular have tended to place emphasis on the profound implications that are likely to occur.[35] It was earlier believed that plans were afoot to decentralise subsidy

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[31] Lodge, T., 1981: 'We are being punished because we are poor': the bus boycotts of Evaton and Alexandra, 1955-1957, in P. Bonner (ed.), *Working Papers in Southern African Studies,* Volume 2, Ravan, Johannesburg, 258-293; Lodge, T., 1983: *Black Politics in South Africa since 1945,* Ravan, Johannesburg; Stadler, A. W., 1981: 'A long way to walk': bus boycotts in Alexandra, 1940-1945, in P. Bonner (ed.), *Working Papers in Southern African Studies,* Volume 2, Ravan, Johannesburg, 228-257; Pirie, G.H., 1983b: Urban bus boycott in Alexandra Township, 1957, *African Studies,* 42, 67-77; Perlman, J., 1984: Bus boycotts, monopolies and the state, *Work in Progress,* 31, 23-37.

[32] Reintges, C.M., 1986: Rents and Political Geography: the case of Lamontville, unpublished M.A. Dissertation, Department of Geography, University of Natal, Durban.

[33] Pirie, G.H., 1986: Johannesburg transport 1905-1945: African resistance and capitulation, *Journal of Historical Geography,* 12, 41-55

[34] For example, Perlman, 1984, *op. cit.* Mann, M. and Segal, S., 1985: The transport industry: carrying apartheid's burden, *Work in Progress,* 38, 19-23; Cameron, J.W.W. and Naude, A.H., 1986: A dependence on subsidised transport: the influx hangover, *South African Indicator,* 4, 76-81; Clark, P. and Naude, A., 1986: *Bus Subsidisation in South Africa,* RT/38, NITRR/CSIR, Pretoria; McCarthy, J.J., 1986: Decentralising the transport crisis, the role of RSC's, *South African Indicator,* 4, 84-87; McCaul, C., 1987: Crisis and restructuring in the passenger transport sector, in G. Moss and I. Obery (eds.), *South African Review 4,* South African Research Services, Ravan, Johannesburg, 433-450; Robinson, J.D., 1987: Passenger transport as an urban 'issue': case studies from the Eastern Cape, unpublished M.A. Dissertation, Department of Geography, University of Natal, Durban.

[35] McCarthy, 1986, *op. cit.* Naude, A.H. and Browning, P.J. 1986: *Black Passenger Transport Policy in 1985: Current Priorities and the Proposed Reforms,* RT/37, NITRR/CSIR, Pretoria.

administration to the Regional Services Councils[36] instead of the central Government administering subsidy through the NTC. Enquiry in such studies has been in response to questions such as who will contribute funds to finance bus subsidies if proposed policy changes are carried out.[37] The para-governmental research institution, NITRR has recently documented demonstration projects on the feasibility of user-side subsidy,[38] evaluated the need for fare subsidies,[39] and also appraised the effect of deregulation of Black taxis and the withdrawal of passenger subsidies paid to conventional bus operators.[40] Unfortunately, such studies are time specific, ahistorical and devoid of a holistic approach and broad empirical inquiry.

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[36] McCarthy, 1986, *op. cit.* McCaul, 1987, *op. cit.*

[37] Mann and Segal, 1985, *op. cit.* McCarthy, 1986, *op. cit.*

[38] Browning, P. and Smith, R., 1984: Transport subsidies: origins, aims, achievements - future, *Proceedings of the Annual Transport Convention,* Pretoria; Lipman, V.S. and Naude, A.H., 1986: *The Feasibility of User-side Transportation Subsidy Demonstration Project,* TT/102, NITRR/CSIR, Pretoria; Clark, P.M.E., 1986: *An Evaluation of the Producer-side Subsidy System,* TT/113, NITRR/CSIR, Pretoria; Clark, P.M.E. and Cameron, J.W.M., 1987: The NITRR/DOT subsidy information system: a basis for development of policies, *Proceedings of Annual Transport Convention,* Pretoria.

[39] Lipman, V.S., 1986: *The Need for Transport Subsidies,* TT/112, NITRR/CSIR, Pretoria; Mauer, M. and Clark, P.M.E., 1987: *User Manual for the Subsidy Information System Data Base,* VV 4/87, NITRR/CSIR, Pretoria.

[40] Cameron and Lipman, 1987, *op. cit.*

Scope of the Study

Ideally, in a free market economy with no state intervention, subsidies on services are generally not expected. The market-place should regulate prices through a process of supply and demand.[41] The state in South Africa has had a tradition of intervening in the provision of basic services such as housing and transport; it placed restrictions on land ownership, and limited entry into business. Prices and fares are not regulated through the process of demand and supply. In the transport sector, fares are determined by Government's DOT and its affiliates, the NTC, and the Local Road Transport Boards (LRTB). As such subsidies became a *sine qua non* in housing and in transport.

Throughout the world, transport subsidisation has from time to time been implemented for tariffs. A universal trend world wide is that transport subsidies increased rapidly since the 1960s. In the United States, as early as 1965, critics rejected arguments for subsidies and argued against proposed subsidy programmes. Similarly, in South Africa, opponents of bus subsidies objected to the mechanics of subsidies because of their perceived political objectives and ideological ends. Despite such opposition both here and abroad, subsidies have burgeoned. Outside South Africa, studies of subsidy impacts concluded that direct benefits to transit riders have been small relative to the increase in subsidy, and that economic benefits are negligible or non-existent. Some critics including former transit advocates of subsidies, complained that subsidies have inflated costs instead of providing better or cheaper transport for commuters.[42]

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[41] Markman, 1984, *op. cit.*

[42] Pucher, *et al,* 1983, *op. cit.*

In general, fare subsidies can be classified into two categories, user-side subsidy system and operator-side subsidy. Subsidy in the former system is paid directly to the commuter thus allowing a passenger to choose between competing providers of particular services. In other countries, particularly in the United States, successful user-side transportation subsidy programmes have been established for disadvantaged commuters. Operator-side subsidy is different to the former system as subsidy is paid directly to the provider of services. According to this scheme, commuters do not have the freedom to choose the mode of transport they would like to use. Bus fare subsidies in South Africa can be classified as wholly operator-side subsidy system. Recently, the NITRR made calls to replace the present operator-side subsidy with user-side subsidy. To date however, the Government has not responded positively.[43]

The primary objective in the dissertation is to examine the origins, debates, mechanics and outcomes of bus fare subsidies (operator-side subsidy system) in the context of the changing political and economic milieu in South Africa. Only bus fare subsidies for Black workers redeemable by means of discounted weekly and monthly coupons are subjected to scrutiny. The subsidy does not apply to tickets bought on a daily basis and it applies only to employees who are registered with their employers. The research is restricted to urban areas, excluding the Bantustans where employers are exempt from subsidy payments as part of decentralisation incentives. In the Bantustans, the Department of Co-operation and Development subsidises a fixed 50 percent of weekly and monthly coupons. The starting point for the study is 1944 because it was then that the central Government considered and began to formulate strategies for bus fare subsidy. The study concludes with conditions in 1986 as this is the year when central Government disbanded the Development

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[43] Lipman and Naude, 1986, *op. cit.*

Boards which collected levies from employers. Also in 1986 the original transport levy was repealed and the Regional Services Council employers levy and the turnover levy were introduced. Financially, the RSC's will be responsible for the new sources of income for the local government level.

Although South Africa has intriguing transport fare subsidies, no substantial scholarly enquiry into the origins of the subsidies, their workings and their consequences has yet been undertaken. The conspicuous absence of any detailed academic enquiry into bus fare subsidies was the motivation for the research and compilation of this dissertation. The focus is on bus fare subsidies for Black workers who stay in townships at fringes of urban areas in 'white' South Africa. Furthermore, attention will be focused on the cardinal role subsidies played in making race zoning policies viable and facilitating resettlement of communities. Attention will also be given to the use of subsidies by Government in attempts to offset bus boycotts that arose because of the economic plight facing Black people.

The role of the state in the white capitalist economy in South Africa was to satisfy the interests of capital by lubricating movement of Black labour from townships to industrial and commercial centres. The central argument in the dissertation is that subsidies were utilised to advance ideological purposes and to manipulate the public for political ends. In the history of highly contested subsidies, critics correctly discerned that subsidies provided incentives on the part of the Government to continue with massive relocations of Black communities and to perpetuate its apartheid ideology. The Government assuaged its conscience by devising and perpetuating fare subsidies. It was not accidental that subsidies were used to offset bus boycotts, however, this was part of the hidden agenda of the Government in order to suppress popular protests in

which the oppressed from time to time engaged. The fact that the central Government never subsidised poor whites in South Africa shows that subsidies have political connotations. Shipman wrote about subsidies elsewhere and his conclusions apply equally to transport subsidies in South Africa:

> it would be far better to recognise the justification of subsidies as frankly *political* rather than to dress it up in an elaborate benefit - cost garb, for the definition of benefits and costs seem largely to have reflected *political rather than economic considerations.*[44]

In South Africa subsidies were not only geared to supporting public transport users in general, but played a vital role in the spatial organisation of urban areas. Transport subsidies are intricately embedded in the politics of forced geographical separation on the one hand, and on the other, 'taxing' employers and ratepayers to pay for the cost of the apartheid ideology. The fundamental reason to subsidise bus fares in South Africa has been to compensate Black people because they have been sited far away from their places of work. Within this framework Black communities sited on the periphery benefited from the subsidy provision.

The research was carried out using historical records and documents from public archives. Two sets of material were used in the compilation of the dissertation. The first set included the debates published in the Senate and Parliamentary *Hansards,* the annual reports of the DOT and Commissions of Inquiry established by the Government. The second set of information comprised the common people's points of view gathered from newspapers. The dissertation contains five chapters. Chapter One is an introduction, presenting the argument in the dissertation. The history of the development of transportation subsidy policy in South Africa can be grouped into at least three categories. Chapter Two entails the first

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[44] Shipman, 1971, *op. cit.* p. 26. Emphasis added.

type - the temporary form of subsidies. Chapter Three is concerned with the second type of subsidies - the entrenchment type. From 1952 to 1972, the central Government consolidated and entrenched subsidies in a profound manner. Chapter Four concentrates on the third type - the extension of subsidies. This covers the period 1972 to 1986 when subsidies were extended to African women, Coloureds and Indians. Major findings of this study and conclusions are presented in Chapter Five.

CHAPTER TWO

TEMPORARY BUS SUBSIDIES, 1944-1952

The 1944 *ad hoc* Emergency War Regulation marked the beginning of the first type of bus subsidies in South Africa. The manner in which the first temporary subsidy measure was drafted, implemented, and ultimately rejected demonstrated the complex interaction between the central Government and local governments, between central Government and capital, and between central Government and African communities. The first type of subsidies essentially consisted of temporary mechanisms to deal with bus fares, and these included the 1944 War Regulation, the temporary coupon subsidy in Johannesburg introduced in 1945, the resuscitation of the Emergency War Regulation in Pretoria in 1947, and the *pro rata* subsidy scheme in Pretoria and Johannesburg from 1948 to 1950. The remarkable feature of the first type of subsidy is the temporary nature of the subsidy mechanism which in time became the blueprint for a more permanent subsidy. Whereas the proclamation of the Emergency War Regulation marked the beginning of the first of mass scale fare subsidies, the introduction of a permanent subsidy policy in 1952 ended the first era and was the harbinger of the second type of subsidies in South Africa.

The aim in this chapter is to examine the first type of bus subsidies originated by the central Government for African male workers in 'white' South Africa in the 1940s. The first type of fare subsidies will be viewed within the economic and political climate of the war period, the influx of the large number of Africans into urban areas, and the management of the urban territories *(inter alia,* provision of transport and housing) by the central and the local Governments. The impact of

these conditions on transport for workers sited in townships will also be examined.

The 1944 Temporary Subsidy Regulation

The origins

During the Second World War, the Government declared a 'state of emergency' popularly known at the time as the Emergency War Regulations. Before the war, pass laws and influx control were thoroughly enforced on Africans in urban areas, but these stringent controls were temporarily relaxed under the Emergency War Regulations. The demand for labour created by the growth of industries because of the War encouraged mass influx of Africans into urban areas.[1] Workers housed in closed mine compounds and those in squatter settlements near urban centres were not dependent on public transport (the length of the journey to work was minimised, thereby cutting transport expenses), but those who rented houses in townships at the urban periphery relied on public transport.[2]

Local governments, especially in Johannesburg and in Pretoria, first used transport subsidies for ideological reasons even before the central state became involved in subsidy. Some local governments provided transport for township residents by either charging low fares in municipal

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1 Central Archives Depot, Pretoria (hereafter CAD), BAO 7959 file 717/400, Secretary, Native Affairs Department (hereafter, NAD) to Secretary for Justice, 4 August 1944.

2 South Africa, 1944: *Report of Commission Appointed to Enquire into the Operation of Bus Services for Non-Europeans on the Witwatersrand and the District of Pretoria and the Vereeniging* (hereafter, Beardmore Commission), U.G. 31/1944, Government Printer, Pretoria, paras. 11-12.

buses or by subsidising weekly and monthly coupons used privately operated buses. Pretoria Municipality, for example, subsidised the journeys made by workers who were relocated to Atteridgeville as early as the 1930s. When Africans became victims of displacement from the city centre to places some 10 km away from their work, the Pretoria City Council promised that rent and transport charges would not exceed £1 per month. The Council fulfilled their promise after relocations were made, by buying weekly and monthly coupons from the bus company that catered for the commuters between Atteridgeville and the city and sold them tickets to commuters at subsidised rates.[3] In Johannesburg, the Municipality provided tram transport services at low charges for workers within its jurisdiction especially in places where train services were inadequate, notably, the Native Western Township.[4] Alexandra Township, some 10 km north of Johannesburg was not provided with transport by the local government because of its location outside the municipal boundary. In view of this, seven (white) proprietors with some 37 petrol driven buses catered for the transport needs of residents between Alexandra the 'dark' city and Johannesburg the 'white' city.[5]

Transport conditions differed from one local authority to another in the 1940s. Whereas Durban Municipality provided transport for its African

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[3] Pretoria Municipality subsidised the bus users from Atteridgeville by purchasing books of coupons from the operators and selling them at reduced price to users. The subsidy amounted to £3 000 per annum. Statement submitted by the South African Institute of Race Relations (hereafter, SAIRR), to the Commissioners, Box no. AD 843 B7, South Africa Church of the Province Records Library (hereafter, COPL), University of the Witwatersrand (hereafter, WITS), November 1943.

[4] Whereas the official figures of annual losses on the Western Native Township tram services operated by the Johannesburg City Council were estimated at £21 000 (Beardmore Commission, para. 81), the figure released in the press by one observer was higher than £31 000 (*Rand Daily Mail,* 19 October 1943).

[5] Collection of papers of Dr. A. B. Xuma (hereafter, ABX) housed at COPL, WITS, Box no. ABX 430 711b, Memorandum on the Bus services operating between Alexandra Township and the City, 11 July 1943.

residents, Port Elizabeth, Kimberley, Vereeniging, Krugersdorp, Kroonstad and Cape Town municipalities did not do so.[6] In these municipalities privately operated bus companies were given a monopoly to transport Africans between townships and cities. The transport monopoly tended to inflate transport fares and caused economic burdens for Africans living on the fringes of urban places. A Government Commission recognised in 1942 that it was "a hardship that the Native should have to pay for travelling to his work from a place where he is obliged by law to reside".[7]

The economic and political forces together made the cost of travelling an important budgetary item for an African family. These forces can be outlined broadly in two categories. First, Africans were "scandalously underpaid."[8] Second, segregation policies banished Africans to the urban periphery, and treated them as labour units and temporary sojourners in the 'white' territory. Even though the Smit Commission was not established to inquire into the feasibility of transport subsidisation, it recommended that train fares between major towns and townships should be reduced:

> For the sake of both example and direct value concession, the [Smit] Committee recommends that the Railway Department should make the first move...in the existing zones for special Native fares surrounding Johannesburg, Cape Town and Durban, all season tickets at present costing more than five shillings a month should be brought down to a flat rate of five shillings for a month and eighteen pence for a weekly ticket.[9]

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6 South Africa, 1947: *Report of the Commission of Inquiry into Road Motor Transportation,* (hereafter, Page Commission), U.G. 46/1947, Government Printer, Pretoria, para. 300.

7 South Africa, 1942: *Report of the Inter-Departmental Committee on the Social, Health and Economic Conditions of Urban Natives* (hereafter, Smit Commission), U.G. 3/1942, Government Printer, Pretoria, para. 300.

8 *Star,* 10 August 1943.

9 Smit Commission, 1942, *op. cit.,* para. 301.

Because the Smit Commission did not make explicit recommendations to reduce or subsidise bus fares, African commuters who relied on buses could not benefit from the outcome. The central Government had not yet even defined the 'transport problem'. It was only after the popular Alexandra bus boycotts of the 1940s that the Government established the Commission of Inquiry in 1944 (Beardmore Commission),[10] that conditions of bus services in Pretoria, Witwatersrand and Vereeniging (hereafter, PWV), attracted official investigation. It was the first time that the central Government actively defined the transport problem in South Africa.[11]

Several interest groups gave evidence to the Beardmore Commission. Among these were private bus companies (both Black and white operated); the then petty bourgeois African National Congress (ANC); the Alexandra Township Emergency Transport Committee (ATEC); the Alexandra Health Committee (AHC); the Town Councils in the PWV area and their respective Native Location Advisory Boards; the Central and Local Road Transport Boards; the South African Institute of Race Relations (SAIRR); City Deep Mine Workers; the Communist Party of South Africa; the Socialist Fourth International.[12]

The African family incomes in the 1940s were "considerably" below the minimum standards required "to maintain health and decency".[13] The SAIRR also revealed that race zoning policies were responsible for inflating travelling expenses. The Institute suggested that the Government should pay subsidy generated from ratepayers and further proposed that

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[10] Beardmore Commission, 1944, *op. cit.*

[11] Stadler, 1981, *op. cit.*

[12] Beardmore Commission, 1944, *op. cit.*, Annexure 1, List of persons who gave evidence or addressed the Commission.

[13] SAIRR, Box no. AD 843 B7, COPL, WITS, Local Government aspects of the transport of non-European workers, 8 November 1943.

municipalities should provide townships with transport at subsidised fares.[14] Because employers paid workers low wages, several trade unions contended that this compounded the 'transport problem'. The Transvaal Non-European Workers Union, for example, argued that the bus tariffs charged were "utterly impossible for the people to pay".[15] Commuters voiced their objections against "unreasonable and exorbitant" fares.[16] In order to prevent what commuters called an 'unprecedented escalation' of transport fares, Alexandra residents sent a memorandum protesting to the Central Road Transport Board (CRTB), the Government body regulating transport fares, and revealed that operators used the War conditions unfairly in order to raise fares:

> What evidence is there to prove to us and the Government that bus owners are not using war conditions to profiteer when they seek to raise this fare?[17]

Commuters often perceived the CRTB as the Government's device for entrenching monopoly in the transport sector. Several puzzling questions such as "why take a poor man's penny to build a rich man's palace?" were from time to time raised by commuters.[18]

One noteworthy weakness attributed to the CRTB was its consistency in neglecting the economic ability of commuters to pay the transport fares. Costs of operating bus companies were significant in assessing whether

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[14] *Ibid.*

[15] *Star,* 15 October 1943.

[16] ABX 430 711e, Memorandum on the bus services operating between Alexandra Township and the City, COPL, WITS, undated. ABX 430 711a, Memorandum presented to the Central Road Transport Board (hereafter, CRTB), COPL, WITS, 11 July 1943.

[17] ABX 430 711a, Memorandum on the bus services operating between Alexandra and the City, COPL, WITS, 11 July 1943.

[18] *Ibid.*

or not bus operators could increase fares.[19] Furthermore, the CRTB followed the 'world principle' ("1d. per mile" on bus services) as its premise and bragged that fares at Alexandra ("4d. for 9 miles") were the cheapest in the world.[20] The 'world principle' was not a panacea because average income for an African family was below the Poverty Datum Line.[21] The Commission concluded that Africans could not afford to pay transport costs:

> Transport charges in relation to the workers wages, or even to the total family income, are beyond the capacity of the African workers to pay. Indeed, it may be said that they cannot afford to pay anything. They certainly cannot afford to pay anything more in any direction except by reducing still further their hunger diet.[22]

In light of the mass of urbanised Africans who could not afford to pay travelling fares, the 'transport problem' was further exacerbated. Bus transportation for workers had a plethora of undesirable traits that contributed to the transport problem: vehicles were generally overcrowded, unreliable, inconvenient, and unsafe. Long queues were evident during peak hours. For example, at Noord street, the intercity bus rank for Alexandra residents, commuters were reported to wait for some two hours before they could board buses and this was called "the most brilliant case of indifference".[23] The curfew regulation imposed during

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[19] CAD, BAO 7959 717/400, *Bus Commission Report,* CRTB to NAD and Department of Transport (hereafter, DOT), 27 November 1944.

[20] ABX 430 711a, COPL, WITS, 11 July 1943, *op. cit.*

[21] The Poverty Datum Line is "an estimate of income needed by any individual household if it is to attain a defined minimum level of health and decency." The Beardmore Commission cites Professor E. Batson, para. 170. The Poverty Datum Line is not regarded as the line dividing the poor from the rich, but a line below which health and decency cannot be maintained.

[22] Beardmore Commission, 1944, *op. cit.,* para. 263.

[23] *Star,* 22 February, 10 March 1944. Only the strongest could find seats on buses carrying Black workers between Johannesburg and Alexandra at peak hours. Noord Street terminus was reported to be the only collecting point for 50 000 Alexandra commuters (*Rand Daily Mail,* 23 September 1943, 30 June 1944).

the War further inconvenienced workers who had to walk home arriving sometimes after mid-night because buses were not allowed to ferry people after 10 o'clock in the evening.[24] Furthermore, the inadequacy of the bus service was unbearable to the commuters generally and to women in particular.[25] The grave situation on transport at Alexandra created an atmosphere conducive to extra-parliamentary political protests. The root cause of transport problems at Alexandra was deep in the "sub-economic conditions" of the Africans there.[26]

On the question of whether or not commuters should be subsidised because they could not afford transport costs, the Beardmore Commission neither recommended any Government subsidies nor formulae to subsidise buses. The Commission found that the coupon subsidy system used by the Pretoria City Council was effective only because one operator transported Atteridgeville residents on a single route, and thus the Council officials could handle the books of coupons with ease. The Beardmore Commission found that the application of the discounted coupon method to numerous routes of varying lengths over a large area was fraught with difficulties.[27]

The central Government began to intervene with bus subsidies for Africans in 1944, apparently before the Beardmore Commission of Inquiry published its findings and recommendations. For greater understanding of the subsidy regulation, cognizance should be taken of the prevailing

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[24] There were unpleasant consequences of the curfew after 10 pm on bus services. In the wind and rain, hundreds of workers walked home after the last buses left Noord street (*Star,* 1, 7 March 1944).

[25] ABX 430 711b, Memorandum on features of grievances regarding the passenger transport operation between Alexandra and the City, COPL, WITS, 11 July 1943.

[26] Beardmore Commission, 1944, *op. cit.*, para. 30.

[27] *Ibid,* para. 91. The coupon subsidy system referred to here was only provided by the Pretoria City Council.

economic and political milieu. The low income of African families, the inadequate transport services and the racially zoned residential areas had a profound bearing on the the search for, and the origins of bus subsidies.

Drafting the 1944 Temporary Subsidy Regulation

The need for bus fare subsidies was closely associated with the inability of Africans to pay their transport fares and because of their location in the outskirts of urban areas. Nowhere in the Union of South Africa, did bus boycotts organised by the African communities occur until 1939, when Alexandra emerged as the arena for bus boycotts. Between 1939 and 1945 four bus boycotts occurred in Alexandra and all were associated with a one penny fare increase (20 percent increase in bus tariffs).[28] The first boycott occurred in 1939, the second in 1942, the third in 1943, and the fourth in 1944. The third and fourth boycotts were closely associated with the events that led to the proclamation of the subsidy measure under the 1944 Emergency War Regulations. The third bus boycott in 1943 ended after the central Government announced the establishment of the Beardmore Commission of Inquiry into transport conditions in Pretoria, Witwatersrand, and Vereeniging. The Government instructed bus operators to suspend fare increases pending the findings of the Commission of Inquiry.

The economic conditions of African communities in urban areas were alarming and the Beardmore Commission disclosed that the average urban African was "forced to cut his expenditure on food down below the

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[28] Gauenault, P.H., 1945: The Alexandra bus boycott, *The South African Treasurer,* 13, 39-40; Stadler, 1981, *op. cit.* Essig, 1984, *op. cit.* Pirie, 1986, *op. cit.*

bread-line in order to meet his rent and transport expenses."[29] With this 'discovery', the Government began to initiate strategies to subsidise African male workers before even publishing the findings of the Commission. There were several possible explanations for this action. First, the Beardmore Commission found difficulties in suggesting viable subsidy formulae. Second, the general public were demanding bus fare subsidies from the Government or at least from local governments. Lastly, the Government was eager to offset the tide of political agitation (arising from the deplorable transport services) in Black townships in general, and at Alexandra Township in particular.

The search for subsidy strategies by the central Government began in August 1944. Mr. D.L. Smit, the secretary for Native Affairs (also the chairman of the 1942 Commission inquiring into the social, health and economic conditions of urban Black people), played a significant role in facilitating a quest for subsidy strategies. The search for a subsidy scheme was not only confined to Town Councils, but also to potential sources of subsidies, employer associations, *viz.*, Commerce and Industry. The NAD and the Department of Transport (DOT) instructed Smit to send letters to municipalities and Chambers of Commerce in which they proposed that employers should subsidise transport of their workers. During the investigation of the Commission, the NAD received requests that:

> employers should subsidise their Native employees proceeding to and from work on grounds that such employers derive the greatest benefit from the poorest section of the community and should lighten the burden resulting from the policy of residential segregation.[30]

The NAD immediately requested the Government law advisors to draft a suitable temporary subsidy regulation in view of the fact that formal

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[29] Beardmore Commission, 1944, *op. cit.*, para. 70.

[30] CAD, BAO 7959 file 717/400, Smit to Association of Chambers of Commerce, 4 August 1944.

regulations could take time before enacted in Parliament.[31] The Department of Justice which received the request refused to draft the subsidy regulation but only offered to comment on a draft subsidy measure.[32] After assessing the response from the law advisors, the NAD made a concrete proposal to amend the Natives (Urban) Areas Act (No.21) of 1923, requiring employers to subsidise 50 per cent of transport fares for their workers. This could only be done through Parliamentary procedures, however. Concomitantly, Smit suggested an interim measure using the Emergency War Regulations to force employers to pay the transport allowances for their employees who were not provided with accommodation at places of employment.[33]

Not all Government Departments accepted the proposed subsidy strategy. The Wage Board, for example, made the telling allegation that amending the Natives (Urban) Areas Act, or providing transport allowances would be in conflict with principles followed in determining wages.[34] The Town Councils responded differently to letters written and sent by Smit, varying from outright rejection to warm acceptance. Several municipalities adopted the former attitude. The Germiston Town Council, for example, rejected the subsidy proposals because the Municipality provided subsided transport services to its African employees.[35] The Nigel Town Council had sub-economic bus services and argued that transport provision should be the responsibility of the municipalities and not

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[31] *Ibid,* Smit to Secretary for Justice, 4 August 1944.

[32] *Ibid,* Secretary for Justice to Smit, 17 August 1944.

[33] *Ibid,* Smit to Secretary for Justice, 4 August 1944.

[34] *Ibid,* Workmen's Compensation Commissioner to NAD, 14 November 1944. The arguments presented were that transport costs to and from work were already taken into consideration when minimum wages were fixed.

[35] *Ibid,* Germiston Town Council to NAD, 10 August 1944. This kind of subsidy was withdrawn five years later, on the 1 August 1949 (*Star,* 2 August 1949).

private operators as they rendered transport services mainly for profits.[36] As critics of this approach argued, the welfare of clientele was not the priority for bus operators as they spent time and energy thinking and scheming how best to maximise their profit.[37]

Albeit the Johannesburg City Council agreed that transport costs imposed a heavy burden on African workers, it showed reservations against the "impracticable" temporary subsidy strategy.[38] Similarly, Brakpan, Springs and Boksburg rejected the *ad hoc* subsidy measure arguing that employers would prefer employing Africans who were not dependent on public transport.[39] The Krugersdorp Town Council decided to refer the matter to the Transvaal Municipal Association and recommended that the proposal to subsidise workers should be "strongly opposed" as it was a "dangerous principle" to adopt.[40] The Krugersdorp Town Council gave a classic reason for its rejection:

> The Native worker is no worse off than the European unskilled worker and if the privilege is extended to Native worker, local authorities would be morally bound to consider European labourers.[41]

Various municipalities responded to the proposed subsidy strategy in different ways. The situation at Vereeniging was unique. The Council

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[36] *Ibid,* Nigel Town Council to NAD, 14 August 1944. The Council had a subsidised monthly fare of 4/6d which entitled a 'Native' to travel a distance of six kms to and from work everyday.

[37] ABX 430 711b, Memorandum presented by Alexandra Women's League, to the Commissioners, COPL, WITS, 11 July 1943.

[38] CAD, BAO 7959 file 717/400, Town Clerk of Johannesburg to NAD, 19 September 1944.

[39] *Ibid,* Brakpan Town Council to NAD, 21 August 1944. Springs Town Council to NAD, 28 September 1944. The summary of responses is in the memorandum, 'Schedules of replies from the Municipalities and the Chambers of Commerce', CAD, BOA file 717/400, undated.

[40] *Ibid,* Krugersdorp Town Council to NAD, 29 August 1944.

[41] *Ibid,* Memorandum of schedules of replies from the Municipalities and Chambers of Commerce, undated.

at the time was engaged in transferring its Africans from one township to another. The Council did not offer any views because the transport position in Vereeniging was not yet clearly defined.[42] Roodepoort Town Council refused to comment about the subsidy proposal because it claimed not to employ Africans. The African township at Randfontein was of "close proximity" and the Town Council argued that transport services did not pose economic difficulties to workers. Contrary to several local governments, the Pretoria City Council welcomed the proposed subsidy scheme.[43] The positive attitude of the Pretoria City Council could be associated with its sympathetic transport policies, for Africans at Atteridgeville already benefited from subsidies.

A survey of responses drawn from different Town Councils in the PWV area is more telling of the relationship that existed between the central and local Governments. For any effective management in the provision of transport and housing, and in the control of Africans in 'white' cities, collaboration between the two tiers of Government was necessary. Strains were often experienced in the formulation of the national policy. Disagreements on how the urban places could be managed was variously attributed to the different political parties controlling different municipalities.

Similarly, the local branches of the Chamber of Commerce responded differently to the proposed subsidy mechanism. The Krugersdorp Chamber of Commerce, contrary to the opinion of the Town Council, supported the proposal that employers should give transport allowances to their workers. However, the Chamber of Commerce placed a condition that only Black townships within the municipal boundaries in which employees worked

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[42] *Ibid,* Vereeniging Town Council to NAD, 5 September 1944.

[43] *Ibid,* Memorandum of schedules of replies from the Municipalities and Chambers of Commerce, undated.

should benefit from such a subsidy scheme.[44] The Chamber of Commerce at Brakpan argued against subsidisation. Springs and Brakpan Chambers of Commerce were likewise not in favour of subsidy.[45]

Events took a new direction when the Association of Chambers of Commerce (ASSOCOM) convened an urgent meeting in Cape Town in October 1944 to discuss the subsidy proposals. Although the subsidy measure was accepted in the meeting, several recommendations were presented to NAD for consideration. Not only did ASSOCOM suggest that workers should approach their employers to get the subsidies, but surprisingly, "employers should be ordered to pay employees on demand."[46] ASSOCOM pledged to encourage its local affiliated branches to cooperate with their employees after the proclamation of the War Emergency Regulation, and also suggested that in future subsidy on coupons should be considered rather than payment of transport allowances. The employer association recognised that the temporary measure "could only touch the fringe of the question",[47] and suggested that other sections of the community should be called on in future to subsidise transport. The meeting in Cape Town undoubtedly brought a profound sense of urgency in the process of drafting the Emergency War Regulation subsidy measure. Nine days later Prime Minister Smuts proclaimed the *ad hoc* subsidy measure under the War Emergency Regulations.

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[44] *Ibid,* Memorandum of schedules of replies from the Municipalities and Chambers of Commerce, undated.

[45] *Ibid,* Brakpan Chamber of Commerce to NAD, 1 November 1944. Springs Chamber of Commerce to NAD, 25 September 1944.

[46] *Ibid, Minutes,* Association of Chambers of Commerce of South Africa, 24 October 1944.

[47] *Ibid.*

Implementation and Resistance

Various sectors were involved in the process of drafting the temporary transport subsidy regulation. The process took three months and the final draft was proclaimed on 3 November 1944. Although the regulation was proclaimed under the Emergency War Regulations, it was associated first and foremost with a looming fourth bus boycott at Alexandra. In proclaiming the subsidy regulation, the central Government did not want to directly subsidise bus services for fear that it would also be called on to do so in other areas. The *ad hoc* subsidy regulation, however, did not serve its intended purpose. The majority of commuters rejected it as only a few workers could benefit from transport allowances.

The criteria used to determine beneficiaries of subsidies were wage levels and residential locality. Under the temporary regulation, employers in 'proclaimed' areas were forced to pay transport allowances for their workers. Beneficiaries were employees whose wages did not exceed 41s per week (excluding the additional 12s living allowances provided) and workers who were not provided with accommodation by their employers. Another criterion for employees to benefit was that they should be residing in 'proclaimed' areas and should be dependent on public transport (trains and buses) for travel to and from work. The regulation affected townships in the districts of Pretoria, Witwatersrand and Vereeniging.[48]

The Government forced employers to pay travelling allowances for their employees. However the onus was on employees to approach their employers to get transport allowances. The temporary subsidy regulation did not exempt Government Departments (*inter alia,* Railways, Local and Provincial

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[48] *Government Gazette,* 88 (No. 3412), 3 November 1944; *Rand Daily Mail,* 4 November 1944; *Umteteli Wa Bantu,* 11 November, 1944.

Administrations) from paying transport allowances.[49] Technically, the regulation affected all workers of different races, however, its criteria on wage level, and its applicability only to proclaimed 'Native' townships ruled out the possibility of any white workers benefiting from the subsidy. The central Government did not regard transport allowances as earnings, and for this reason employers were not allowed to deduct transport allowances from worker's wages. According to the regulation, it was not lawful to expel workers if they demanded transport allowances. Any employer contravening the regulation could face a penalty of £100 or three months imprisonment.[50]

The regulation was proclaimed in November, and operated in retrospect from September 1944.[51] The NAD commanded employers to pay transport allowances immediately so that "employees should not be kept waiting until the end of the week or month before they are reimbursed".[52] ASSOCOM issued a circular urging employers to pay transport allowances promptly, preferably before the 15th of every month. The Federated Chamber of Industries (FCI) also suggested that if possible, payments should be made in advance from the 18th of every month.[53] The *ad hoc* subsidy measure had profound consequences on other monetary benefits awarded to workers. By virtue that employers were required to pay transport allowances, an injury sustained by workers (who benefited from the allowances *en route* to and

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[49] *Government Gazette Extraordinary* (No.89), 10 November 1944; *Umteteli Wa Bantu,* 30 December 1944.

[50] *Star,* 4 November 1944; *Umthunywa,* 11 November 1944.

[51] *Star,* 3 November 1944. The Government claimed that bus operators in particular had suffered heavy losses in managing their transport companies. The bus operators could not "continue any longer on the pre-war fares (4d). One of our companies has been losing £1 000 a month for the last three months" (*Star,* 25 October 1944).

[52] *Star,* 4 November 1944.

[53] *Rand Daily Mail,* 11, 13 November 1944.

from work), could not get any compensation under the Workmen's Compensation Act.[54]

The temporary subsidy regulation received unusual publicity from newspapers throughout the Union. Editorial comments about the subsidy measure were common not only in the newspapers with a majority of Black readership in the Transvaal, but even in white newspapers in Natal, the Orange Free State and the Cape Province. However, the proclamation of subsidy led to fear that the "legitimate wages" of domestic servants could be reduced by the "compulsory bus subsidy".[55] The public focus turned to Alexandra Township which had suspended a third bus boycott in 1943 anticipating a favourable outcome from the Beardmore Commission.

The Alexandra residents rejected the regulation and sent a deputation to Pretoria, to present reasons for their disapproval of the subsidy measure. Over 24 trade unions supported the delegation and advocated that workers should be paid a "living wage based on the increased cost of living" paid to workers.[56] The deputation presented three fundamental reasons for rejecting the subsidy regulation. First, the Government proclaimed the subsidy regulation before publishing the findings of Beardmore Commission. Second, the temporary subsidy regulation excluded several sections of commuters; washerwomen, children, the unemployed and casual workers would not benefit from the subsidy measure. Third, fear was expressed that implementation of the regulation would result in many people losing their jobs as employers could unscrupulously victimise workers living in distant places by hiring those not dependent on

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[54] CAD, BAO 7959 file 717/400, Workmen's Compensation Commissioner to NAD, 14 November 1944; NAD to Association of Chambers of Commerce, 30 November 1944.

[55] *Rand Daily Mail,* 30 October 1944.

[56] *Star,* 1 November 1944.

transport. Consequently, the Alexandra Transport Emergency Committee (ATEC) pledged to form a committee throughout the PWV to protest against the subsidy regulation and the rising cost of living, and to seek the minimum wage of £4 a week.[57]

From the outset, the regulation was strongly criticised as "too arbitrary and uneven in its application".[58] The *Star* had a series of editorial comments related to the temporary transport allowance.[59] Even the Black newspaper *Umteteli Wa Bantu* rejected the subsidy measure as "unfortunate in the extreme".[60] The subsidy regulation was declared "unfair to both Natives and the employers, as it discriminates against sections of each, and also (was)...unworkable in its provision and enforcement".[61] Loopholes in the implementation and in the procedures of the regulation were evident and were subject to abuse. No effective machinery existed to enforce the regulation and the effectiveness of the measure depended strongly on the cooperation between employees and employers.

The central Government did not only give permission for bus operators to raise bus fares between Johannesburg and Alexandra, but even train fares between Orlando and the city were increased.[62] To meet the increase in transport fares, the Government relied on transport allowances even though such a move met with opposition. The Communist Party, for example,

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[57] *Star,* 14 November 1944.

[58] *Star,* 8 November 1944.

[59] *Star,* 4, 5, 7, 8, 11 November 1944.

[60] *Umteteli Wa Bantu,* 18 November 1944.

[61] *Star,* 5 December 1944.

[62] Mr F.C Sturrock, the Minister of Transport, defended the 10 percent increase on trains arguing that Africans employed by the Railways would benefit through wage increases annually amounting to approximately £900 000 (*Rand Daily Mail,* 15 November 1944).

sent a telegram to the Prime Minister indicating that the transport situation was grave and asked the Government to take steps immediately to reduce bus fares.[63] The Government was intransigent and argued that Africans were not advised to ask for a reduction in fares since "special treatment of one class of the community was bound to give rise to representations by other sections."[64] The Minister of Transport, Mr. F.C. Sturrock, announced that a special Cabinet Committee had been appointed to inquire into the question of transport costs (road and rail), and promised that DOT would give the recommendations immediate attention. However, it was later found that no such 'special committee' had been established, and that Africans were betrayed.[65]

After unsuccessful representations, deputations, and unfruitful negotiations, the Workers Transport Action Committee (WTAC) was launched in Johannesburg. The primary objective of WTAC was to oppose the proclaimed subsidy measure. The WTAC immediately issued a handbill with a vivid description of the limitations contained in the subsidy regulation:

> The regulation requiring employers to subsidise the increased fares can only apply to certain classes of employment. And even in these classes the regulation can easily be evaded by employers. There is also no provision for the casual workers - the washerwoman, the gardener - or the man looking for work, the new employee, the women who must travel to town to do their shopping, the sick who must visit the hospitals, and for those who wish to pay visits to friends. The regulation is an iniquitous and discriminatory measure.[66]

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[63] CAD, BOA 7959 file 717/400, Telegram, Communist Party of South Africa to the Prime Minister, 30 November 1944.

[64] *Star*, 20 November 1944.

[65] *Ibid.*

[66] CAD, BAO 7959 file 717/400, a handbill distributed after the Workers Transport Action Committee (hereafter, WTAC) was launched. The WTAC consisted of the Non-European Trade Union Council, the Alexandra Township Emergency Committee and other independent Trade unions around the Witwatersrand.

The launching of WTAC marked a dramatic turn of events which surrounded the temporary subsidy measure. Protest changed from negotiation to public defiance. The WTAC attacked the Government further for not publishing the findings of the Beardmore Commission and for "treating us like little children".[67] In desperation, the ATEC together with WTAC consulted Alexandra residents. At mass meetings residents unanimously adopted a resolution to refuse using buses as from November 1944 until fares were reduced. This marked the beginning of the fourth boycott since 1939. The 1944 boycott was a clear rejection of the subsidy regulation. Before the bus boycott, handbills stating the reasons, in broken English, were distributed to the 'citizens of Johannesburg':

> Do not be surprised to see us coming into your [white] city in large numbers on foot. *The transport fares* have been raised. We are unable to pay the increased fares. The Government has asked you [employers] to assist us by paying the increase for those of us who are in regular employment. Whether you agreed to do so or not we do not know. As we know that many of us are not in regular employment and therefore have to pay the increased fares from their pockets. This they are unable to do so because of the low wages we work for.[68]

In contrast to the previous bus boycotts (1939, 1942 and 1943) at Alexandra when the police did not intervene, in the 1944 boycott, the long arm of the state stopped lorries and vehicles carrying boycotters. The atmosphere that prevailed at the time was captured by the chairman of Alexandra Health Committee (AHC) who noted the arrival of "a fruitful field for agitators...a battleground for political agitation".[69] Whereas the ANC was strong at Alexandra, the Communist Party was unpopular with no grass roots support. In fact even the Communist Party which was not popular at Alexandra pledged solidarity with the boycotters through

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[67] *Ibid.*

[68] CAD, BAO 7959 file 717/400, A handbill of the Alexandra Emergency Transport Committee, undated. Emphasis original.

[69] *Ibid,* Alexandra Health Committee (hereafter, AHC) to NAD, 2 December 1944.

pamphleteering "let the Government subsidise the buses."[70] But the Government refused to subsidise bus services:

> The Government cannot subsidise the Alexandra service without doing the same in all parts of the Union, thus placing an unfair burden upon all taxpayers and, in addition, the difficulties connected with any scheme of subsidy payments render the proposal impracticable.[71]

Even the Government-created township body, the AHC, pointed out that the causes of the transport problems were the race zoning policies compounded by the low income of Africans:

> It is the European's objection to having the Natives living cheek by jowl with him that has resulted in the segregation policy. It is only equitable, therefore, that the community as a whole which so earnestly desires such segregation, should bear a portion of the transport costs.[72]

The AHC suggested that employers' levies should be paid in major towns, to cater for the transport subsidies for workers. The AHC envisaged no "great administrative difficulties" for collection of levies from employers.[73] The suggestion forthcoming from the AHC set a precedent for legislation passed in Parliament later (see Chapter Three).

By December 1944, there was little sign of an end to the disputed transport services at Alexandra. The bus boycott was still intact, and resolute boycotters walked daily to and from the city. The general public and the political organisations were both on the side of, and in sympathy with boycotters. However, certain sections of the white community supported Government attempts and attacked boycott sympathisers. One middle-class missionary magazine claimed that:

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[70] *Ibid,* A handbill of the Communist Party of South Africa, undated.

[71] *Ibid,* Mr Smit, Secretary of NAD to Mr Johnston, Chairman of AHC, 7 December 1944.

[72] *Ibid,* AHC to NAD, 2 December 1944.

[73] *Ibid.*

> the prevailing present day habit of finding fault with everything the Native Department does is not conducive to Native welfare and advancement, and we believe that those who constantly follow this line are not true friends of African people.[74]

The bus boycott, and the attendant 20 km daily walk for many poorly clad African working class people, was a clear rejection of 'white' piece meal solutions to the transport problems facing Africans in the segregated city.

The frequent mass meetings, the handbills distributed from time to time, and the sympathy lift schemes that followed, undoubtedly contributed in making the 1944 bus boycott effective. Although several boycotters 'voted with their feet' some found the daily walk burdensome. Mr. G. Radebe, a chairman of the ATEC confessed that "one group is getting fit from the walking and now prefers to walk. Others have some sore feet and cannot walk".[75] Because walking caused inconvenience, the boycott leaders advocated alternative means of transport. There emerged what was known as 'people's transport': horse carts, ox wagons, lorries, taxis both legal and illegal, cycles and the 'lift schemes' provided by white sympathisers and by employers, all conveyed boycotters between Alexandra and Johannesburg. Ms. L. Shabalala, a member of the ATEC, spoke evocatively at one mass meeting which had assembled to hear the developments surrounding the 1944 boycott:

> The Government is taking from poor widows and poor employers to give to the rich bus owners. The Government is taking from this poor race who volunteered to fight in the present war to give to the rich. The Government is taking the last penny to give to the rich bus owners. This may lead to civil war. We must go to the bus owners and tell them to take away their buses, we will get our own transport. I appeal to our trollies to be here tomorrow morning, if necessary also wheel barrows, also all ox wagons.[76]

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[74] *South African Outlook,* 1944; Volume 74, p.155.

[75] CAD, BAO 7959 file 717/400, Memorandum, South African Police (hereafter, SAP) to NAD, 'Meeting: Alexandra bus strike', 7 December 1944.

[76] *Ibid.*

Appeals for alternative means of transport were frequently reported in the daily newspapers. The provision of 'people's transport' has become a tradition in the history of transport resistance in South Africa. The English-language press observed on one occasion that:

> A coal delivery wagon which pulled into the township this morning had a dozen washerwomen, with their washing on top of the bags of coal. A dray cart brought in another contingent of women.[77]

The sustained bus boycott, and the provision of 'people's transport', caused great concern on the part of bus operators who were effectively displaced from their monopolistic transport market. For example, the Great North Transport Company, which operated several buses at Alexandra, sent protest letters to the NAD, demanded that the Government should take strong action against the new competition, and posted pickets along the bus route. The company blamed "a few hundred 'bad eggs' holding everybody up to ransom".[78] Failure by the Government to take effective action, the bus company argued, would mean: "the financial ruination of the operators and will be heralded as the complete victory for the Communist Party and the Fourth International."[79] The 1944 Alexandra bus boycott was symbolic. It was a case that epitomised transport conditions in remote urban African communities who were required as labour during the day and were barred from 'white' cities at night. This peculiar urban management was further compounded by meagre wages paid to Africans.[80]

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[77] *Star,* 4 August 1943.

[78] CAD, BAO 7959 file 717/400, Great North Transport Company to NAD, 21 November 1944.

[79] *Ibid.*

[80] A statement presented by the Fourth International as evidence to bus Commission which followed the Alexandra bus boycott of August 1943, Johannesburg Public Library (hereafter, JPL), Box no. S Pam 326; 388 (6822), undated.

The Three Months Coupon Subsidy System

By the end of December 1944, the boycott was not yet resolved and this spelled the death knell of the subsidy regulation. The AHC pronounced that "the Government's effort to assist the Natives by promulgating its emergency regulations have failed".[81] Controversy surrounded the rejection of the Emergency War Regulation. During this time interested individuals and concerned groups sought to resolve the bus transport dilemma. Some appealed for increased wages as a solution, others advocated that municipalities should provide transport at subsidised fares, catering for townships even outside their boundaries.[82] The President-General of the ANC, Dr. A. Xuma, believed that wage increases were central to solving the problem of high fares, arguing that it would never be solved unless Africans were paid "a living wage."[83] Letters sent to mainly English-language newspapers suggested that the unused war vehicles should be used to transport Africans to and from work at low rates. Whereas some wanted transport fares to be reduced, others mocked that transport should be a social service provided free of charge, "the same as escalators in buildings".[84]

The Fourth International argued that if flats for workers could be built in and around places of work, transport costs would be minimised.[85] This suggestion demanded total abolition of residential segregation and the Government was unwilling to do so. The Johannesburg

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81 CAD, BAO 7959 file 717/400, Memorandum, AHC to NAD, 2 December 1944.

82 *Star,* 25 November; 13, 15 December 1944.

83 CAD, BAO 7959 file 717/400, SAP to NAD, 7 December 1944.

84 *Rand Daily Mail,* 18 July 1944. *Star,* 10, 17 March 1944; 27 November 1944; 13 December 1944.

85 JPL, Box no. S Pam 326; 388 (6822), Statement by the Fourth International, undated.

City Council made a notable suggestion that railway lines should be constructed linking townships and cities, and stressed that transport fares should be reduced by the application of the 'Special Native Location Fare Policy' which was already applicable in major towns.[86] The argument that immediately became unpopular with the Government was that transport should be deregulated and monopoly in the transport abolished (see Chapter Four). One commentator enunciated:

> The solution to the Native transport problem is so simple. Do away with the monopoly and open the route to competition and you will find the Natives being transported at half the price and the companies making profits.[87]

With these variety of views communicated through the media and the urgent need to resolve the bus boycott, the Johannesburg City Council propounded a strategy to subsidise Alexandra commuters for a period of six months at the cost of £10 000.[88] The Government did not approve that the Johannesburg City Council should subsidise Alexandra commuters, and pointed out that it was not the responsibility of any Council to cater for transport outside the municipal jurisdiction. After much deliberation among members, the Johannesburg City Council defied the Government and proposed a scheme to subsidise buses. Besides the majority of Alexandra residents were employed in the city.[89]

The Johannesburg City Council presented a proposed coupon subsidy system in a meeting attended by representatives of various parties and organisations (*inter alia,* ATEC, WTAC, ASSOCOM, and bus companies). The proposed coupon subsidy scheme stipulated fares to be: 4d fare on

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[86] For details of the origins, procedures and results of the Special Native Location Fare Policy on trains, see Pirie, 1987, *op. cit.*

[87] *Rand Daily Mail,* 30 December 1944.

[88] Johannesburg City Council decided by a majority vote to support the subsidy proposal, but only approved £3 000 as subsidy (*Rand Daily Mail,* 15 December 1944).

[89] *Star,* 29 December 1944.

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[89] *Star,* 29 December 1944.

weekdays, 6d. on Saturday afternoons, and 7d. on Sundays and public holidays. The Mayor of Johannesburg, Mr. Immink, appealed to delegates to urge boycotters to accept the proposed scheme, and revealed that acceptance of the scheme would encourage the City Council to support them in 'pressing for a lower fare in future'. Furthermore, the Council would use the 'breathing space' to urge the Government to construct a railway line linking Alexandra and Johannesburg. The Johannesburg City Council showed some eagerness to resolve the boycott. The Mayor also assured residents that Alexandra would not be demolished and its inhabitants relocated, but that the township would be reprieved and also would be refurbished.[90]

Alexandra residents accepted the coupon subsidy scheme with enthusiam on the 1 January 1945, and the next day the Johannesburg City Council began to sell tickets. The Council could only provide £3 000 in subsidies for coupons for a period of three months.[91] Within a few hours on the first day, more than 1 000 books of coupons were sold.[92] The buses started operating between Alexandra and Johannesburg on 4 January 1945. Three months later, on the 23 March, the coupon-subsidised system was discontinued, and several private bus operators in Johannesburg and Pretoria were bought and registered as the 'Public Utility Corporation' (PUTCO).[93] This organisation was to become the largest beneficiary of subsidies in the following four decades.

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[90] *Ibid.*

[91] The decision to reduce the subsidy from £10 000 to £3 000 was taken by the Council in December (*Rand Daily Mail,* 15 December 1944).

[92] The subsidy concession was only applicable to commuters buying coupons and as such excluded the daily paid ticket buyers. One passenger was reported having said, "I was badly shaken when the (bus) conductor asked for 5d. instead of the usual 4d. It means coupons for me in future" (*Star,* 2 January 1945).

[93] *Minutes,* Johannesburg City Council, 27 March 1945.

Abortive Temporary Subsidy and pro rata Subsidy Scheme

The period from 1944 to 1952 was characterised by profound economic and political changes in South Africa. The most significant event was the change of Government in 1948. From then on, bus subsidies were more systematically pursued than the previous national policy. It was during this time that the cost of living rose at an unprecedented rate while the wages of Africans did not match the inflated prices of most basic commodities such as food, rent and transport fares. Given that four bus boycotts were recorded between 1944 and 1952, three were associated with fare increases. One boycott which occurred in Pretoria in 1947 revealed how the withdrawal of the municipal bus fare subsidy and the inflated bus fares there resulted in the reinstatement of the aborted war subsidy measure, and later the first time use of a *pro rata* formula to subsidise bus fares. The roles of the central Government, local government, PUTCO, and commuters revealed that the shift from temporary subsidy yardstick in 1944 to permanent subsidy policy in 1952, was punctured by economic and political upheavals that impinged on transport country-wide, particularly in Johannesburg and Pretoria.

From the point of view of temporary subsidies, similar to Alexandra, Atteridgeville in Pretoria became a case in point also in the 1940s. In Pretoria, the City Council provided transport bus subsidies to Africans who were relocated from the city centre to Atteridgeville township. The Municipality bought coupons first from the Native Omnibus Company prior to 1945, and later from PUTCO. These monthly and weekly coupons were sold to commuters at reduced fares. The monthly coupons cost the Council 14s and were sold at 10s. The Pretoria City Council became bankrupt and could not afford to continue with the subsidy.[94] After some seven years of the

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[94] Dauskardt, R, 1987: Urban management, segregation and transport: the Department of Geography, Atteridgeville bus boycott, 1947,

operation of Municipal subsidy, on 1 January 1947 the Council terminated the subsidy scheme. The cessation of bus fare subsidies from the Municipality marked the beginning of the transport crisis in Pretoria. A month later, PUTCO revealed that the fare increases of 50 percent authorised some three years previously would come into effect from March 1947.[95] The announced fare increases spawned a bus boycott in Pretoria. After a month, a settlement of the bus boycott was reached by the device of shortening the route by two kilometres.[96] The central Government desired to prevent boycotts of buses and reinstated the 1944 war subsidy measure which forced employers to pay the required transport allowance for their employees.

The provisions of the subsidy regulation were the same as those of the 1944 subsidy measure. As a criterion, employers within the declared area of Pretoria were forced to pay the increased transport expenses. Workers were responsible for approaching their employers and asking for transport allowances. It was unlawful for employers to deduct wages in order to pay the required travelling expenses. It was also forbidden to expel workers because they asked for transport allowances. Six townships around Pretoria were declared (Atteridgeville, Bantule, Eastwood, Eerste Rust, Lady Selborne, and Riverside).[97] At the time of the proclamation of the measure, PUTCO was running at a loss on several routes in Pretoria. Three months after the proclamation, PUTCO applied to the LRTB for the fare increases and the abolition of monthly and weekly coupons in Pretoria, as coupons created heavy financial losses. The proposed daily fares were

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unpublished BA Honours project, University of the Witwatersrand, Johannesburg.

[95] CAD, Archives of the Treasury (hereafter, TES) file 11/270, PUTCO preliminary Report, 1 May 1948.

[96] *Ibid,* Memorandum, Native Transport Services in Pretoria, undated.

[97] *Government Gazette,* Notice no. 747, 11 April 1947.

increased for the Eerste Rust-city route, and Lady Selborne-city route on daily tickets.[98]

Fearing further bus boycotts, the Pretoria City Council was not in favour of any bus fare increases. The Council predicted that if immediate steps were not taken, a bus boycott on routes operated by PUTCO was likely, possibly followed by violence and destruction of property. The effect of such imminent boycott was foreseen as catastrophic to Commerce and Industry.[99] Two alternatives to solve the bus fare dilemma emerged, either to strictly enforce the 1947 emergency regulation or to allow employers to pay a *pro rata* amount (£18 000) as subsidies to PUTCO[100] (Table 2.1). Whereas PUTCO was prepared to accept either of the two alternatives, employers in Pretoria favoured a *pro rata* strategy to subsidise travelling costs for workers. In the 1950s the central Government policy was to subsidise uneconomic transport services, and the only problem was whether Government or employers should pay the subsidies.[101] The Minister of Transport instructed the Treasury to pay subsidies to PUTCO and this procedure was used from 1 April 1950 until 31 March 1952.[102]

The change of government in 1948 had a profound impact on subsidies. Until 1948, the ruling United Party relied strongly on temporary measures to subsidise African workers. The victory of the National party in 1948

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[98] CAD, TES 2918 file 11/270, Memorandum, Native Transport Services in Pretoria, undated.

[99] *Ibid,* Memorandum, Native Transport in Pretoria, undated.

[100] *Ibid,* DOT to Treasury, 16 September 1947. CAD, TES 2918 file 11/270, Confidential Memorandum of PUTCO, undated.

[101] *Ibid,* Report from PUTCO judiciary managers to DOT, 1 June 1950.

[102] *Ibid,* DOT to Treasury, 12 June 1950; Memorandum, NAD to Treasury, 11 July 1950. PUTCO qualified for £18 000 per annum in Pretoria and £66 000 in Johannesburg and the total amount of £84 000 was paid from the Government Treasury.

Table 2.1 *Pro rata* subsidy contribution in Pretoria paid to PUTCO, 1947.

EMPLOYER	NO. OF EMPLOYEES	NO. USING BUS TRANSPORT	PRO RATA SUBSIDY £
Government Departments	6 288	5 030	7 799
Transvaal Provincial Administration	768	614	952
SAR and Harbours	3 845	3 076	4 769
ISCOR	4 704	742	1 151
Pretoria Municipality	3 904	2 147	3 329
TOTAL	19 509	11 609	18 000

Source: CAD, TES 2918 file 11/270, Memorandum, Native Transport Services, undated.

marked the beginning of a new era regarding subsidies: there was a move from temporary mechanisms to a permanent subsidy policy. As early as 1949, plans had already been introduced to pass legislation in Parliament to subsidise bus fares for workers.[103] In 1948 the newly established NTC was instructed by Government to investigate the possibility of establishing legislation concerning transport subsidies. The urgency of the situation was epitomised in the words of the Secretary for Transport who enunciated that "any failure of Native transport must have a vital effect on industry, commerce, and the whole life of the city concerned".[104] The high transport fares at the time prompted the Government to draft the Native Housing and Transport Levy Bill in 1950 and to amend the Motor Transport Carriers Act of 1930. Both Bills made provision for employers to contribute a levy to subsidise transport. In

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[103] *Ibid,* DOT to Treasury, 22 December 1949.

[104] *Ibid.*

amending the Motor Carrier Transport Act, the objective was to establish a transport fund which would provide subsidies for uneconomic bus services. The fund would consist of some levies imposed in terms of the 1950 Native Housing and Transport Levy Bill in respect of African employees who were not provided with workplace accommodation.[105]

The Government's support of subsidised transport may be captured in the words of Mr. P. Sauer, the then Minister of Transport, who observed that the peculiar spatial organisation inevitably caused high travelling expenses:

> I would like to say that we are facing transport crises in many of our industrial areas at the present moment...The reasons for these crises is that as our towns grow larger there is a demand from the Europeans that the Native must be moved to the outside the towns. The further the Native goes away from town the more expensive it becomes to transport that Native from his place of residence to his place of work. The Native can only pay a certain amount toward his own transport. In certain cases we are reaching the stage where the native can only pay less than it costs to transport him from his place of residence to his place of work, and we cannot transport him on the amount that he can pay. Somebody will have to pay the difference.[106]

The Government intended to subsidise fares only on routes patronised by Africans sited far away from urban industrial areas. The central Government looked upon employers, the beneficiaries of labour in urban areas, to contribute to the transport subsidy pool. The principle of levying employers to subsidise transport was not new in the 1950s in the Union. Previous Governments accepted and enforced levies from employers for various services in urban areas at different times. The National

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[105] CAD, Department of Commerce and Industries Archive (hereafter, HEN) 3931, file 493, the Draft Bill amending the Motor Carrier Transport Act of 1930, and the Native Housing and Transport Bill of 1950, undated. The Bills provided for the payment of contributions by employers toward the cost of housing and transport services for their male 'Native' employees and also was to amend certain laws relating to 'Natives' in urban areas.

[106] *Ibid,* Extract of minutes of a meeting held in Cape Town on the 31 March 1950, to discuss the question of employer's contributions toward 'Native' housing and transport.

Party Government followed the precedent set by the former ruling party.[107]

The Minister of Native Affairs, Dr. H. Verwoerd, recommended that when the Native Services Levy Act would be passed, the rate of employers levy should be increased in Pretoria and in Johannesburg, a strategy to reduce contributions from the Treasury to approximately £10 000 per annum.[108] By 1950, two Draft Bills were circulated for comments before being debated in Parliament.[109] Apparently both Bills were not debated in 1950 until the Native Services Levy Act which contained similar principles of the Bills, was debated and passed in Parliament in 1952. The enactment of the Native Services Levy Act (No. 64) of 1952 was a milestone as regards bus subsidies.

Outcomes of Temporary Bus Subsidies

Prior to 1944, there was no legislation in the Union that made provision for bus fare subsidies. Nonetheless, some local governments subsidised fares, notably the Johannesburg City Council and Pretoria City Council. Both municipalities subsidised fares purely to compensate for the dislocation of African communities on the one hand and their low economic position on the other. In Johannesburg, tram services were extended to Western Native Township in 1920 and subsidised fares were charged to encourage Africans to move from backyards and slum properties and occupy the houses in the township. The 2d fare per journey to and

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[107] Members of Parliament argued that the system of levying employers had gradually been discarded throughout "civilised" countries (*Hansard* (Assembly), 13 June 1952, col. 8059).

[108] CAD, TES 2918 file 11/270, NAD to Treasury, 11 July 1950.

[109] *Ibid,* DOT to Treasury, 17 May 1950.

from the city was however insufficient and the Johannesburg City Council incurred substantial losses amounting on average to £7 000 per annum. In order to keep fares low, the Johannesburg Council agreed to subsidise the Tramways Department by an annual amount of £30 000 from the Council's general revenue account.[110] The situation in Pretoria was different as the City Council bought monthly and weekly tickets from the operators and sold tickets to Atteridgeville commuters at subsidised rates.

It was only in 1944 that the central Government began to formulate strategies to subsidise bus fares. No supporting evidence can be found, however, to prove or refute that all employers in 'proclaimed' areas paid their employees travel allowances in 1944. The coupon scheme introduced by the Johannesburg City Council in 1945 did not benefit occasional passengers, but only those who used weekly and monthly coupons. Similar to the subsidy measure under the Emergency War Regulation, the coupon subsidy system was a temporary mechanism that excluded casual workers, daily paid commuters, and the unemployed who had no need to buy weekly or monthly coupons. One significant limitation of the coupon subsidy scheme initiated by the Johannesburg City Council was that the system benefited Alexandra workers only, unlike the war measure of 1944 which had the potential to benefit all employees in townships in and around Pretoria, Witwatersrand and Vereeniging area. Whereas the war measure made provision to benefit workers using buses and trains, the coupon scheme was restricted to workers staying in Alexandra who patronised bus services. The 1944 regulation remained ineffective in the statute books, and in 1947 the central Government made an abortive attempt to apply the regulation in Pretoria. The temporary regulation was totally withdrawn in June 1948.

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[110] *Minutes,* Johannesburg City Council, 23 August 1949. The losses on municipal bus and tram services in Johannesburg reported in the press were higher, £58 000 in 1946, and over £133 000 in 1949 (*Rand Daily Mail,* 27 January 1949).

A new procedure then emerged to subsidise PUTCO in Pretoria and later in Johannesburg. This was the *pro rata* scheme that lasted for two years.[111] Subsidisation of PUTCO now took a new direction. The central Government paid subsidies directly to PUTCO on condition that the amount would be reimbursed after a permanent mechanism was formulated and enacted in 1952. Whereas the amount paid for Johannesburg was £66 000, Pretoria received only £18 000 annually.[112] Prior to 1944 two prominent local authorities in the Transvaal paid subsidies to bus operators so that fares could be kept low. When the 1944 temporary regulation was proclaimed, it affected some eleven magisterial districts, twenty four municipal locations and seven townships in the Transvaal (Table 2.2). The abortive resuscitation of the subsidy regulation in 1947 affected one Magisterial district, two municipal locations and four African townships. When the scheme was ultimately repealed in 1950 it marked the end of the first type of subsidies; a permanent and more viable policy was established in 1952.

Summary

This chapter examined the first type of fare subsidies in South Africa. The origins of bus subsidies arranged by the central Government date back to 1944. The manner in which the 1944 subsidy regulation was drafted, implemented and rejected, reveals the complex relationships between state and capital on the one hand, and between Government and African communities on the other hand. The relationship between the central and local Governments was strained, and cooperation in the process of drafting the measures was not always fruitful. When the regulation was proclaimed,

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[111] CAD, TES 2918 file 11/270, Memorandum, DOT, 1 June 1950. Principal employers in the two urban areas contributed *pro rata* shares to the bus operator thereby keeping fares low.

[112] *Ibid,* Memorandum, Native Transport Services in Pretoria, undated.

Table 2.2 Magisterial districts, municipal locations and townships affected by the Emergency War Subsidy Regulation, 1944.

MAGISTERIAL DISTRICTS	MUNICIPAL NATIVE LOCATIONS	TOWNSHIPS
Benoni	Alberton	Alexandra
Boksburg	Benoni	Evaton
Brakpan	Boksburg	Kliptown
Germiston	Brakpan	Martdindale
Heidelberg	Edenvale	Newclare
Johannesburg	Elsburg	Race Course
Krugersdorp	Germiston	Sophiatown
Nigel	Heidelberg	
Roodepoort	Eastern Native	
Springs	Orlando Native	
Vereeniging	Pimville Native	
	Western Native	
	Kempton Park	
	Krugersdorp	
	Lewisham	
	Munsieville	
	Meyerton	
	Nigel/Charterston	
	Randfontein	
	Roodepoort	
	Springs/Payneville	
	Vereeniging	
	Sharpeville Old Location	
	Sharpeville Native Location	

Source: *Government Gazette,* 88 (No. 3412), 3 November 1944.

it met strong criticism and was subsequently rejected not only by the majority of the urban African population (who were ironically excluded from the subsidy benefits), but also by workers in permanent employment and by several local governments. The rejection ignited the fourth bus boycott at Alexandra which ended some eight weeks later. Commuters refused to use buses, either using alternative 'people's transport' or walking to and from work. The 1944 war regulation did not serve any purpose as potential beneficiaries were afraid of being victimised by their employers when asking for transport allowances; they were more eager to preserve their jobs than to get transport allowances and chose not to approach their employers.

The deliberate neglect on the part of the central Government to consult the Native Representative Council in Parliament and other civic and political organisations in the process of drafting the regulation confirm that the state and capital amalgamated on several occasions attempting to control Africans in urban areas. As the 1944 bus boycott increased in momentum, the Government was asked unsuccessfully by extra parliamentary parties, the Johannesburg City Council and the general public to subsidise African commuters. The Government also refused the Johannesburg City Council permission to subsidise Alexandra workers. Despite the disagreements between the local and central Governments, the Johannesburg City Council was "prepared to use every endeavour to find a...satisfactory solution to the present impasse".[113] In defiance of the central Government, the Johannesburg City Council initiated a successful but temporary scheme selling coupons for a period of three months at subsidised fares. Although Alexandra residents accepted the offer enthusiastically, the subsidy scheme was temporary and excluded many people at Alexandra. As such it was similar to the war subsidy measure which was rejected earlier. The coupon system was terminated in 1945 when PUTCO was established. Fares reverted to the pre-coupon system level, and this heralded a new era in the public transport services.

Striking similarities were evident between the 1944 and the 1947 regulations. Similar to attempts made by the central Government to subsidise buses in 1944, the subsidy regulation in 1947 did not receive good cooperation from employers and workers. Both temporary subsidy measures failed to provide adequate machinery for effective enforcement. Even the NAD acknowledged that there was nothing the Department could do to carry out the provisions of the 1947 subsidy regulation unless workers

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[113] *Ilanga Lase Natal,* 30 December 1944.

concerned made voluntary complaints to law enforcers.[114] Consequently the 1947 measure was withdrawn a year later. There emerged a new scheme indicating a shift in subsidy mechanisms from relying on less effective subsidy formulae to more controlled, state-administered ones. The *pro rata* contribution by the principal employers in Pretoria and in Johannesburg was paid to PUTCO as subsidy from 1948 to 1950. The enactment of the 1952 Native Services Levy Act marked the end of the first era of bus transport subsidies, and was a landmark in the subsidisation of bus fares.

The war subsidy being the first statute promulgated by the central Government, is significant to understanding the mechanics and outcomes of subsidisation in South Africa especially when examining the later legislation passed in Parliament in the years 1952, 1957, and 1972. The change of trends in the period 1944 to 1952 was marked by the war measure in 1944, introduction of a temporary coupon subsidy system in Johannesburg, the abortive application of the war measure in 1947 in Pretoria, and finally the *pro rata* bus subsidy scheme used to subsidise bus fares in Johannesburg and Pretoria. Local Government's initial involvement was assisted by central Government intervention in 1944, however, from 1948 to 1950 a *pro rata* scheme was used in Johannesburg and in Pretoria. When 1952 dawned with the passage of Native Services Levy Act, it marked the beginning of new era, featuring a second type of bus fare subsidies.

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[114] CAD, TES 2918 file 11/270, Memorandum, Native Transport Services in Pretoria, undated.

CHAPTER THREE

ENTRENCHMENT OF BUS SUBSIDIES, 1952-1972

Several strategies shaped the 'Native' policy used to control and manipulate Africans in urban areas. The first and foremost strategy was the version evolved by Stallard and developed by Verwoerd. The Stallard Commission of 1922 established the impermanence of Africans in urban areas, and concluded that Africans should only be allowed in urban areas to serve the needs of whites. Stallardism was a foundation for the development of the Bantustans. The 'implicit' strategy that shaped the policy of control was the supply of basic services such as housing and transport in urban areas. Granting of financial assistance on certain services was not without ideological motivations. Subsidisation of fares on trains and buses was one other strategy perpetuated by the dominant groups to exercise control over a cheap labour force and over the location of Blacks.

In the history of the development of subsidy policy, the consolidation and entrenchment of bus subsidies occurred from 1952 to 1972, and this period was characterised by a permanent type of subsidy as opposed to previous temporary mechanisms. The consolidation of subsidy policy involved attempts by Government to concretise the mechanics of subsidies, as an adaptation to political and economic events of the time. The outcome of consolidation was the central Government enactment of the Black Transport Services Act in 1957. There, the mechanics of bus subsidies were clearly outlined in a concrete and comprehensive manner. The entrenchment of bus fare subsidies refers to the implementation and application of the Black Transport Services Act mainly to resettled Black Communities. The two principal Acts, namely, the Native Services Levy

Act (No. 64 of 1952) (hereafter, Levy Act), and the Black Transport Services Act (No. 53 of 1957) (hereafter, Transport Services Act), the pillars of bus transport subsidies, affected urban areas in South Africa in different ways. The Levy Act and Transport Services Act were debated and passed in Parliament under peculiar circumstances. Although the Levy Act was passed as temporary legislation to deal with a crisis that existed at the time, the ever increasing need for fare subsidies throughout the decades made subsidies a permanent and ubiquitous feature of South African transport.

Bus subsidies were influenced by both the changing economic and political conditions of the country, and the changing urban settlement patterns in 'white' South Africa. The origins of, debates about and enactment of the Levy Act of 1952 and Transport Services Act of 1957, and their impact on transport, demonstrates that subsidy should be viewed within the framework of the historical structure of apartheid. There is a clear and continuous association between the Levy Act of 1952 and the Transport Services Act of 1957. The development of the subsidy policy, and its financial implications, can only be understood within certain contexts. These were first, the increased number of Black townships created on the fringes of urban areas; second, the change of Government in 1948; third, the introduction of grand apartheid in the 1950s; fourth, the resettlement of Black communities and consolidation of the Bantustan policy in the 1960s and in the early 1970s; fifth, and last, the reform initiatives of the Government in the late 1970s and 1980s. These events were all met by resistance from the disenfranchised and voteless Blacks against the grand apartheid ideology which the National Party Government cemented out of policies of segregation that existed previously.

The 1952 Native Services Levy Act

There was dramatic resistance against policies of the state and Government repression in the 1950s. Social relations between the ruling class and the oppressed changed dramatically in South Africa. The advent of the militant African National Youth League with its proclaimed 'Programme of Action' was a turning point in the liberation struggle; politics changed from consultation to confrontation. It is significant that in 1952, the year the ANC instituted the popular defiance campaign against unjust apartheid laws, the Government also enacted the Levy Act, arguably to facilitate the creation of townships and to also provide essential services on the urban fringes. Sites for building houses were provided in those areas. As shown by the heated debates in Parliament about the Levy Act, the application of race zone policies hinged on transport being provided between place of employment and residence. The relationship between the race zoning policies and subsidy provision is presented in this section by reviewing the origins of the Levy Act, the debates in and outside Parliament, and lastly the inception and outcomes of subsidies.

Origins

The origin of the Levy Act of 1952 was associated with the attempt by central Government to cope with the ever increasing influx of Africans into urban areas, their overspilling into 'white' urban areas, deplorable slum conditions and the desire of Government to provide "lawful and well-planned" properties on urban fringes.[1] Urbanisation of Africans created a housing crisis and this did not abate in the 1950s. The absence

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[1] *Hansard* (Assembly), 11 June 1952, col. 7765.

of shelter in urban areas left the 'new comers' in the city with little choice but to establish squatter camps near places of work. The squatter movements not only pricked the conscience of white inhabitants of towns, they also became a target of the new apartheid Government which aimed at abolishing slums to keep cities 'white' and orderly. Government officials stressed that instead of allowing squatters to "blunder around" on illegal stands, land should be properly provided in a demarcated area where Africans could squat.[2]

The central Government proposed two steps to solve the squatting problem. The fist was to find sites where houses could be provided some distance away from 'white' settlement. The second step was to provide these sites with essential services. Thereafter, Africans would be sited in the periphery and would be provided with essential services. The Government expected Africans to build one room per year there on their own.[3] In order to make such plans viable, an enormous amount of money had to be provided. Funds to cater for essential services (e.g. water, sewage systems, health facilities, roads, transport, and electricity) were beyond what the state could afford. Transport, like other services, was a conspicuous service in need of levies. In view of the lack of state funds, the central Government approached employers to pay levies in order to provide services in the townships.

By 1952 the demand for bus fare subsidy had reached a peak. Commuters, trade unions, civic and political organisations, and even various Ministers lobbied for subsidisation of transport. Commuters had in the past proved resistant to high transport fares. The Levy Act came some two years after the enactment of the Group Areas Act, which was a device

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[2] *Ibid.*

[3] *Ibid.*

for urban management and provision of revenue to administer the policy of the state. Within the process of managing the built environment, the provision of transport at low fares became problematic. The largest African bus carrier was experiencing financial problems in the 1950s. As revealed in Chapter Two, the *pro rata* bus subsidy scheme in Johannesburg and in Pretoria was discontinued on 31 March 1950. PUTCO could no longer continue providing services without financial assistance. Numerous applications for increases in fares were refused by NTC, instead the central Government granted a loan of some £300 000 to PUTCO. In addition, the Government agreed to give a subsidy of £84 000 per annum from April 1950 until March 1952. In the 1950s, temporary fare subsidies could no longer cope with the demand (see Chapter Two). It was not surprising that the central Government was determined to enact the Levy Act so as to transfer the subsidy responsibility from the central Government to Commerce and Industry.

Debates

On introducing the Bill for service levies in Parliament, Verwoerd mentioned three reasons that made the legislation essential. First, he argued cogently that resettling squatters and clearing slums (Black spots) from 'white' areas to peripheral Black townships would be viable in economic terms, because money received from employers would be used to provide services. Second, he contended that the Levy Act would facilitate the establishment of locations in urban areas. Third, proper control of urban Africans, including those not entitled to stay in urban areas, would be strictly enforced within certain bounds and limits of the

townships, and as such, illegal Black residence in cities would be eliminated.[4]

Although the Service Levy Bill had a favourable reception from the press, this was not so in Parliament, especially from members of the United Party. Even Smit, the veteran of 1944 war subsidy regulation (see Chapter Two), did not support the Bill. It was also rejected outright by Commerce and Industry, the principal employers of African labour, by the Labour Party, and by the Native Representatives in Parliament. The Levy proposal attracted considerable criticism both inside and outside Parliament. It was Condemned as "economically unsound", "thoroughly bad", "benevolent blackmail", "purely a sham and a delusion", an "irrational proposition", "a compulsory tax", and "discriminatory taxation". The Minister of Native Affairs was himself slammed as a "taxing machine". The debates lasted for a long period, filling several pages of both the Senate and Assembly *Hansards.*[5]

Not only were critics opposed to the general principle of subsidy, certain specific clauses also came in for strong criticism. Fears were expressed that the local authorities would "squander the money" collected from the employers. Instead it was argued that subsidy should come from the Consolidated Revenue Fund voted through parliamentary procedures.[6] The mere fact that only employers who did not provide their employees with accommodation should pay the levies met strong opposition in and outside Parliament. Further arguments arose that the Bill was discriminatory because not all employers were forced to pay the levy. Furthermore, the

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[4] *Ibid,* 23 June 1952, col. 8539.

[5] *Ibid,* 11 June 1952, cols. 7773, 7778, 7790; 13 June 1952, col. 8064; 21 June 1952, col. 9012; *Hansard,* (Senate), 24 June 1952, cols. 4691, 4698.

[6] *Hansard,* (Assembly) 11 June 1952, col. 7795.

'white' electorate which advocated segregation was excluded from paying transport subsidies. Some viewed the levy as a penalty imposed on employers of Africans to provide services for their workers and argued that employers would freeze wage increases. The United Party suggested that instead of levying employers, decent wages should be paid to workers. The application of the subsidy only to Africans and not to poor whites, Coloureds and Indians brought more heated debate and puzzling questions.[7] As the levy could only be paid by employers of Africans, Mrs. Ballinger, a Native Representative in Parliament, argued that Africans would only get employment when they were needed and as soon as there was service contraction of employment they would be the first to be laid off because of their expensive labour. She also predicted that Commerce and Industry would prefer hiring Coloured and Indian workers to Africans since the latter would no longer have cheap labour.[8] Other critics argued that the levy would be paid by the man in the street. It would be an additional burden on the everyday cost of living, because unscrupulous employers could pass the levy to consumers thereby causing inflation. Indeed, the levy was an indirect tax on the population.[9]

Other objections raised regarding the levy, included the high penalty for potential defaulters, anxiety about the lack of skilled workers to administer the levy in different local authorities, and about the ambiguous role which employers had to play in enforcing the levy. Critics also noted the absence of any guarantee that all those employees for whom levies were paid would have the opportunity of using subsidised transport. The penalty of £100 and six months imprisonment was described as

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[7] *Ibid*, 13 June 1952, cols. 8064, 8079, 8089, 8096. Municipalities subsidised fares for whites through ordinances, bus fare subsidies for Coloureds and Indians were introduced in 1972 (see Chapter Four).

[8] *Ibid*, 13 June 1952, cols. 8079, 8102; 18 June 1952, col. 8537.

[9] *Ibid*, 13 June 1952, col. 8101.

"barbarous"[10] and an unsuccessful move was introduced by the United Party to reduce the penalty to £25 and three months imprisonment. The National Party perceived the penalty as a deterrent to potential defaulters rather than as a device to incriminate employers who might evade payment of the levy. There was unanimous agreement in Parliament that inspectors should be given the right to enter any place of employ to check the documents and to interview employees ascertaining whether or not they were registered. An abortive move by those opposed to the Bill was that the 'declared' areas should be areas with over 40, 000 African residents (this meant fewer urban areas could be declared). One member of Parliament predicted that if the Bill were to be made law, it would be completely ineffective. Another objection against the Bill was that inspectors had little chance of finding out why workers were sacked. For this reason employers could evade the penalty. Despite all these criticisms, the National Party capitalised on the divided opinion in the ranks of the opposition.[11]

Implementation and Outcomes

Despite the protests outlined above, the Levy Act was proclaimed in 1952. The second reading of the Bill was passed by a majority of some thirty members of Parliament, 74 for and only 43 against. The Levy Act obliged employers of African male labour of the age of eighteen and above to pay 2s 6d per employee per week, within declared areas which had more than 20 000 African residents in urban areas. Of the total levy, approximately 20 percent (6d) was for bus fare subsidies whereas the remaining 80 percent (2s) was utilised for services necessary in the

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[10] *Ibid,* 23 June 1952, col. 9071.

[11] *Ibid,* 11 June 1952, col. 7783; 13 June 1952, cols. 8061, 8062; 21 June 1952, col. 8994; 23 June 1952, col. 9017.

establishment of, and the maintenance of townships for urban Africans. Employers of domestic workers, female employees and workers provided with accommodation (by their employers) were exempted from having to pay levies. Three factors constituted the criteria for declaring urban areas. First, a need for a subsidised bus service should be established. Second, the numbers of registered African male workers should (in the opinion of Minister of Native Affairs) be 'reasonable' in an urban area to justify such a declaration. The third factor that justified a declaration of an urban area was the absence of train services.

Employers paid levies to local authorities, and from the amount collected, the local authority transferred transport contributions into the Levy Fund which was administered by the NTC (see Chapter Four). Eight whites served on the Native Services Levy Committee, the supervisory body for all local authorities regarding the administration of levies. The Levy Committee consisted of two representatives of local authorities, two representatives of Commerce and Industry, and four members appointed by the Minister of Native Affairs. The United Party made unsuccessful attempts in Parliament to include Africans in the Levy Committee.[12]

The Levy Act did not permit employers to deduct the levy from wages of employees and also gave them no right to expel their workers if the Act was applied to them. To ensure efficiency in the administration of the levy, inspectors were appointed, and defaulters were liable to a fine of either £100 or six months imprisonment or both. The levy was not applicable to daily paid casual workers. Regardless of the vociferous objections, the Levy Act was proclaimed on 14 November 1952 and started operating on 1 January 1953. Verwoerd was strongly opposed to the wage level as a criterion of the levy payment and argued that the process of

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[12] *Hansard* (Assembly), 21 June 1952, col. 8974; *Hansard* (Senate), 24 June 1952, col. 4728.

administering the levy would be too complex and cumbersome. Although Smit pleaded that the Levy Act should not be applied to any area before the Minister of Native Affairs consulted local authorities, on enactment the Levy Act was automatically applied to some eighteen geographical areas (Table 3.1). Verwoerd made provision to exempt any declared area from levies if the amounts collected were sufficient for subsidies.[13] The central Government made provision to withdraw the application of the Levy Act in declared areas depending on the need for transport subsidies. During the debate, questions were asked as to who should collect the levy if Africans worked in one local authority but resided in another. Local authorities were urged to cooperate in carrying out or complying with provisions of the Levy Act. The adjacent areas had to cooperate in order to ensure the smooth administration of the Levy Act. Employers in small districts and towns were exempted from the levy payment. Employers in declared areas were expected to pay levies before the tenth day of every month.[14]

When the Levy Act was enacted, the enthusiasm in Johannesburg among certain firms was such that by the end of December 1952 over 400 firms had already registered their employees with the Non-European Affairs Department.[15] The time of year, however, slowed down the registration of workers as most employers had already closed for the festive season. In Johannesburg, for example, on 13 January 1953 only 11 000 of the estimated 27 000 employers of Africans were registered. A grace period was allowed for firms closed for Christmas vacation to register their

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[13] *Ibid,* 21 June 1952, cols. 8993, 8998, 9026, 23 June 1952, cols. 9111, 9119.

[14] *Hansard* (Assembly), 21 June 1952, cols. 8989, 8999; *Hansard* (Senate), 24 June 1952, col. 4715; *Rand Daily Mail,* 31 December 1952; *Government Gazette* No. 2598, 14 November 1952; CAD, NTS file 1036/313 part II, Memorandum, Native Transport Services, 8 November 1952.

[15] *Rand Daily Mail,* 30 December 1952.

Table 3.1 Urban areas which were automatically declared under the Native Services Levy Act, 1952.

CAPE PROVINCE	TRANSVAAL	ORANGE FREE STATE	NATAL
Cape Town Port Elizabeth East London Kimberley	Benoni Brakpan Boksburg Germiston Johannesburg Krugersdorp Pretoria Randfontein Roodepoort Springs Vereeniging	Bloemfontein	Durban Pieter-maritzburg

Source: *Government Gazette*, No. 2598, 14 November 1952.

employees before the authorities were "forced to take action against them".[16] Although the central Government initially issued a warning that if by 7 January 1953 employers who had failed to give necessary information would be liable to a fine, in certain areas the response from others was so good that those who delayed were exempted from prosecution.[17]

Cooperation between local and central Governments, and between local government and employers, was vital for the Levy Act to be effective. The introduction of the levy required hiring more skilled workers, and buying new equipment for storing levy information. Verwoerd appealed to local authorities and their staff to cooperate so that existing staff, accommodation, and equipment should be utilised before resorting to the appointment of special staff. The central Government was concerned that levies should be used and not lie idle. Local authorities were further

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[16] *Rand Daily Mail*, 13 January 1953.

[17] *Cape Argus*, 7 January 1953.

urged to give immediate consideration to spend levies on necessary services in the locations.[18]

In order to have control over subsidies paid to bus companies, a "scientific" administrative formula was devised. The accepted procedure was to calculate the difference between fares authorised by respective LRTBs and those fares which commuters were able to pay. In Johannesburg and Pretoria, PUTCO benefited in subsidies through this formula immediately after the *pro rata* bus scheme was withdrawn. The need for subsidised bus service in Johannesburg and in Pretoria was so great that even levies collected in terms of the Levy Act were inadequate. Whereas Johannesburg received about two-thirds of the subsidy, Pretoria received about one third. Subsidies paid to PUTCO rose enormously, from £84 000 in 1950 to £200 000 in 1955. By 1957 PUTCO needed £311 000 but only £200 000 was available from the Levy Fund.[19] In view of the discrepancy between the levies received from employers and the subsidy required by PUTCO, the bus operator applied for permission from the LTRB to increase fares in Johannesburg and Pretoria. The increases in bus fares were granted and these caused the popular boycott of buses in 1957 at Alexandra, Sophiatown, Moroka, Pretoria and Port Elizabeth.

From the point of view of transport subsidies, the Levy Act was not as successful as the Government anticipated. Several local authorities did not utilise the levies for subsidies. Complaints were recorded in the press that:

> No subsidies have yet been granted from the revenue of the Native Services Levy Act for Native transport in the Union although the

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[18] *Pretoria News,* 5 January 1953; CAD, NTS file 1036/313 part II, Memorandum, 8 November 1952.

[19] Annual Reports of NTC and DOT, U.G. 53/1952; U.G. 56/1954; U.G. 31/1956; U.G. 53/1957.

> Act has been in operation for almost a year and the revenue is estimated to exceed £2 000 000 annually.[20]

Industrialists also joined the bandwagon and revealed that local authorities spent less than 1 percent on essential services for which the fund was initially intended.[21] The Levy Act succeeded only in establishing the permanence of the principle of subsidy in Parliament. This set a precedent for the Transport Services Levy enacted in 1957 which was a refinement of the previous subsidy policy.

During the operation of the Levy Act (1952 to 1957), only one bus operator, PUTCO, benefited from the subsidies in the Transvaal.[22] In Natal, the magisterial districts Durban and Pietermaritzburg benefited from subsidies. Transport subsidisation in the two metropolitan areas was quite different. The Durban Transport Management Board (DTMB) suffered losses on the African bus services, and as a result successfully applied for a subsidy from employer contributions. The situation in Pietermaritzburg was peculiar. The first application for fare subsidies from the City Council to NTC was rejected because the municipal bus service charged higher fares than private Indian bus operators. Although the NTC initially opposed the Pietermaritzburg City Council, the ruling was reversed after a few concessions, and approximately £27 000 was paid in subsidy.[23] Prior to 1954 neither bus companies nor Africans received subsidies in the Cape. Nevertheless, the Divisional Council submitted applications to the NTC on behalf of City Tramways Company and Golden Arrow Bus Service both of which transported African commuters to and from

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[20] *Friend,* 2 October 1953. Employers contributed over £2 000 000 throughout the Union in 1953, but only 20 percent could be used for transport.

[21] *Star,* 6 June 1953.

[22] Annual Reports of NTC and DOT, U.G. 53/1957; U.G. 26/1958.

[23] *Ibid,* U.G. 26/1958.

Nyanga township. But because it was not the policy of NTC to use employers' levies to subsidise companies which carried both Black and white passengers, the application was not successful. To obviate the NTC policy on payment of subsidies, the City Tramways Company and Golden Arrow Bus Service established subsidiaries, namely, Nyanga Passenger Transport and Cape Bantu Passenger Transport. It was only after the establishment of these exclusively African transport carriers that the NTC subsidised fares on three routes in Cape Town (Nyanga-Belville, Nyanga-Claremont, and Nyanga-Langa from April 1957). In Kimberley and Welkom, two bus operators applied for bus subsidies from the NTC. Neither the Kimberley Bus Service nor the Welkom Village Council succeeded in their subsidy application because the central Government claimed that their services were profitable and that Africans could afford bus fares there. A different situation arose at New Brighton. The South African Railway's own bus service was losing financially, and as a result, transport monopoly was given to a newly established bus operator, Bay Passenger Transport. Although this new bus operator became the major subsidy beneficiary at Port Elizabeth in decades that followed, by the end of March 1957 investigations were still continuing with a view to subsidising bus commuters living at the site-and-service scheme in New Brighton.[24]

Application of the Levy Act created different effects in the four provinces. Out of eleven urban areas which were declared in the Transvaal, only two, namely Johannesburg and Pretoria, benefited from the subsidies. Of the four declared urban areas in the Cape Province, only Nyanga benefited (Table 3.1). Both declared areas of Durban and Pietermaritzburg in Natal benefited from the subsidies. In the Orange Free State the situation was rather different. Although Bloemfontein was declared in terms of the Levy Act, bus fares were not subsidised there.

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[24] *Ibid.*

The declaration of Kroonstad in 1956 and the events thereafter disclosed a classic case of racist attitudes in the provision of basic services. Prior to 1956 the Town Council provided subsidies for both white and African commuters. After 1955 the municipality only subsidised white commuters. Even though the central Government posed as 'messiah' to salvage Africans at Kroonstad, its prerequisite was that the 'undesirable elements' had to be removed first from the 'white' territory and relocated several kilometres away. The withdrawal of council subsidies epitomised deprivation of the 'common people'. Passengers at Kroonstad were not passive captives of the transport market. Immediately after the termination of the fare subsidies at Kroonstad, a bus boycott was instituted. The transport resistance prompted the central Government to begin paying bus subsidies.[25]

The local and central Government actions provided tangible evidence that subsidies were used for the ideological purpose of excluding Africans from 'white' areas. Differences in the application of the subsidy policy revealed remarkable variations in the level of urbanisation, and the application of race zoning policies. Urban areas which experienced unprecedented African urbanisation received large subsidies. In these areas, townships were in most cases established on the fringes of urban areas and relocations had just began. The theme which emerges here came to be manifest especially strongly when the Transport Services Act was passed.

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[25] *Ibid.*

The 1957 Black Transport Services Act

A range of factors in urban African communities (*inter alia*, race zoning policies, high transport fares, long distance travel to and from place of employment, and the general economic conditions) in the 1950s played a pivotal role in shaping the patterns of and changing the workings of bus subsidies. The success of transport resistance demonstrated that even though Blacks did not have political power to influence central Government decisions, the Government could be forced to either subsidise buses or to amend transport subsidy legislation which imposed levies on employers.

Origins

The Transport Services Act was triggered by the bus boycotts which occurred in 1957. The community of Africans at Alexandra, on the outskirts of Johannesburg, resisted increased bus fares. The state and local government, Commerce and Industry, and the Alexandra commuters were the main actors in three month boycott which ended when the Chamber of Commerce introduced a temporary coupon subsidy scheme. During the operation of this scheme, the central Government debated and enacted comprehensive subsidy legislation. Examination of the Transport Services Act, its origins, debates in and outside Parliament, its provision and enactment, demonstrates that transport subsidy is a product of the socio-political heritage and of the geography of separation of different communities in South Africa.

The daily poverty experience of the African working-class on the one hand, and financial difficulties of bus operators on the other, were striking in the 1940s and 1950s and, together with race zoning policies,

these completely shaped the policy of transport subsidies. Since 1944 the gulf had widened between income and bare subsistence of African families. For example, the monthly average deficit was estimated to have risen from £5 in 1950 to £8 in 1954.[26] The family income deficit was compounded by the fact that communities which could not afford basic necessities, were also sited on the outskirts of 'white' cities. As an example, it was reported that Vlakfontein township in Pretoria was "hardest hit" by the transport fare of 2s daily return.[27] In Johannesburg, 69 percent of families were below the Poverty Datum Line. Forty four percent of African families earned less than £15 monthly.[28] A survey undertaken during the 1957 bus boycott in Pretoria indicated that most workers could not afford the increased bus fare, and over two-thirds of the boycotters earned less than £9 per month. Any fare increases meant a burden beyond their earning capacity. The machinery that regulated wages of unskilled labour was not improved in the 1950s.[29] After 1948, the National Party Government was quick to cement territorial apartheid, but this was not matched by increases in wages. The official opposition in Parliament pleaded vociferously that Government should improve wages (by fixing minimum level), but this never came to fruition.

Bus transport companies also experienced financial crises in the 1950s. This was especially true of PUTCO, the largest Black transport carrier which had some 326 buses in Pretoria, Germiston, and Johannesburg's South Western Areas in 1957. For more than seven years, the 440 share holders of PUTCO received no dividends because of financial losses. The rate of inflation on bus spares exacerbated the financial

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[26] First, R., 1957: The bus boycott, *Africa South,* 1, 55-64.

[27] *Star,* 25 January 1957.

[28] SAIRR, COPL, WITS, Memorandum, Alexandra and Pretoria bus boycotts, 1 February 1957.

[29] *Star,* 26 February 1957.

crises. The increased cost in oil was over £13 000 per year, and some £10 000 was spent in servicing roads.[30] In 1949 PUTCO could not operate economically and was placed under judicial management. As interim relief the Government gave PUTCO a loan, but this was only a palliative as the bus company required enormous financial assistance. The financial crisis which faced PUTCO partly gave rise to fare increases.

The Transport Services Act emerged out of the economic and political events of the 1950s, and was strongly associated with the bus boycott in 1957. The bus boycott started at Alexandra on 7 January 1957 and was purely an economic struggle in response to PUTCO's increased bus fares in Johannesburg and in Pretoria. The boycott started as a "genuine demand for economic relief" not as a political campaign.[31] Soon the boycott spread to Sophiatown and Moroka in Johannesburg, Pretoria, and Port Elizabeth.[32] Although the Government refused to intervene unless the boycott ended, Commerce and Industry were concerned about the effect of the boycott on productivity and suggested various strategies to end the boycott. Civic and political organisations launched the boycott as a concrete course of action which mobilised their communities and collectively responded to what was perceived as an endless escalation of bus fares, but others viewed the boycott as a way of gaining political ends. PUTCO had been plunged into financial crisis and judicial management; it was unwitting scapegoat for apartheid.

The interests of different groups and parties clashed during the 1957 bus boycott. The Government, with its intransigent attitude, refused to intervene to solve the transport dilemma. The Minister of Transport, Mr.

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[30] Municipal Reference Library, Johannesburg (hereafter, MRL), Box no. M Pam 388 (4042), PUTCO Newsletter, undated.

[31] *Rand Daily Mail,* 16 February 1957.

[32] *Star,* 21 January 1957.

B. Schoeman, without even investigating the causes of the boycott alleged that it was a political campaign launched by the ANC to test the Government's strength through intimidation and violence.[33] Contrary to the Government's perception of boycott leaders as 'terrorists', 'instigators', 'communist inspired', 'irresponsible elements' and 'myopic political thugs', a spokesman of the Witwatersrand and Pretoria Co-ordination Council which monitored the bus boycott, countered the allegations and averred:

> We do not intimidate people who would like to travel by bus. We hold meetings three times a week and remind them of their resolution to boycott the buses.[34]

The Government was determined to break the bus boycott and adopted ruthless strategies which included both propaganda bulletins through the *South African Digest* and the use of 'law enforcers'. Schoeman blamed the "misguided public" for encouraging the boycott by giving lifts.[35] The Bishop of Johannesburg played a significant intermediary role between the boycotters and the white community, appealing that the lift-giving system should continue. Lift-giving rose to such an extent that senior inspectors admitted that nothing could be done to stem the tide[36] and the state was obliged to adopt much harsher measures. Taxis were banned by the LRTB officials from entering Alexandra and restricted to carrying passengers only inside the Johannesburg municipal boundary and not beyond.[37] The much publicised tactic which the state used against the alternative forms of transport was popularly known as "operation phtt!"; the deflation of the front tyres of cyclists. This strategy to break the

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[33] *Star*, 25 January 1957.

[34] *Star*, 8 February 1957.

[35] *Cape Times*, 18 January 1957.

[36] *Rand Daily Mail*, 2 February 1957.

[37] *Star*, 23 February 1957.

boycott was questioned mostly by the press which labelled it "the misuse of power".[38]

The tactics adopted by Government to offset the boycott differed from one area to another. Whereas no railway line linked Johannesburg and Alexandra, bus boycotters used train services as an alternative between Pretoria and Lady Selborne. In Pretoria, railway police did not initially refuse boycotters to use trains.[39] As more and more boycotters bought weekly and monthly railway tickets, the Railway Administration refused to issue tickets beyond a certain quota, and extra train coaches put on in the early stages of the boycott were subsequently withdrawn.[40] Unlike transport conditions in Pretoria, in Johannesburg the City Council provided extra buses to transport boycotters.[41] The local government in Johannesburg exploited the boycott for its economic gain and at the same time encouraged transport resistance by offering extra bus services.

One tactic used by the Government to discourage PUTCO from reducing fares was to 'subsidise' the losses during the boycott. The boycott of PUTCO caused enormous financial losses (£76 000 per month).[42] The money to meet the financial losses came from the Levy Fund.[43] The public and the ANC in particular did not support such bus 'subsidies'. There was strong opposition to the "misuse" of the Levy Fund.[44]

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[38] *Star*, 20 Febraury 1957.

[39] *Star*, 28 January 1957.

[40] *Star*, 21 January 1957.

[41] *Rand Daily Mail*, 2 February 1957.

[42] *Star*, 22 January 1957.

[43] *Star*, 28 January 1957.

[44] *Rand Daily Mail*, 6 February 1957.

A deadlock was imminent in the middle of February. PUTCO was faced with two alternatives; either to continue running skeleton services with the consequence of financial loss or to withdraw services and expel its staff. The latter course was chosen, and on 2 March 1957, buses were withdrawn to a military enclave. Schoeman introduced a Bill to bar alternative services from operating where bus services had been withdrawn because of bus boycotts.[45] In response to the withdrawal of PUTCO buses, and the threats by Government to ban alternative transport service, a 'stay-at-home' strike was contemplated.[46] The attitude of the United Party toward the bus boycott swung from condemnation to sympathy. On a much harsher tone, one official of the United Party suggested that someone:

> take out all the seats from PUTCO buses, and have standing room only. You will have standing room for many more passengers and the fare could be reduced to 4d or even 3d.[47]

On a sympathetic level, the United Party challenged the Government to create a commission of inquiry to ascertain whether or not Africans could afford to pay transport fares. However, the Government refused to do so before the bus boycott ended.[48]

The South African Institute of Race Relations presented a memorandum that suggested three steps to resolve the boycott. First, the establishment of a judicial commission of inquiry consisting of representatives of Industry and Commerce, local and central Governments and the African commuters, was recommended. Second, central Government

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[45] *Rand Daily Mail,* 19 February 1957. The Bill was withdrawn in Parliament after the boycott ended.

[46] Mr. D. Mokonyane, the spokesman of the People's Transport Council was reported having said: "we will go to work a few days, then rest a few days...we will sit and starve to death, if necessary" (*Star,* 20 February 1957).

[47] *Star,* 4 February 1957.

[48] *Rand Daily Mail,* 6 February 1957.

was urged to pay bus subsidies until a commission of inquiry reported. Third, Industry and Commerce, the African people, local and central Governments, and bus operators were encouraged to cooperate together to bring about a genuine solution.[49]

Commerce and Industry intervened to break the boycott especially as it impinged on worker productivity through absenteeism and late arrivals. Trading in many shops dropped sharply during the boycott and it was not surprising that as soon as the Johannesburg Chamber of Commerce introduced its 'Bob-a-week plan', Commerce and Industry received it with enthusiasm. According to the plea, employers were encouraged to contribute an amount of 1s a week per employee on a voluntary basis on routes affected by boycott. A further shilling had to be provided to employees whose wives and children travelled by bus.[50] The President of the Johannesburg Chamber of Commerce encouraged all employers to pay transport allowances. The Alexandra People's Transport Action Committee (APTAC) and the Central Transport Co-odinating Committee rejected the 'Bob-a-week plan', and suggested forming a committee of employers who could administer a transport fund to pay fare increases directly to the bus company while the fares remained at 4d.[51]

The 'Bob-a-week plan' was given exceptional publicity by the press as an "extremely good" attempt on the part of employers to solve the transport fare dilemma. However, the scheme received mixed responses from civic and political organisations. The South African Congress of Trade Union (SACTU) for example, viewed an extra shilling paid by employers as a strategy to break the boycott and advocated increases in wages as a

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[49] *Star,* 1 February 1957.

[50] *Rand Daily Mail,* 23 February 1957.

[51] *Star,* 23 February 1957; *Sunday Times,* 24 February 1957.

viable solution. However, some boycott leaders viewed the scheme in a favourable light.[52] The offer from Commerce and Industry was discriminatory, which was similar to the strategy of SACTU, because only those in employment could benefit.

When leaders of the bus boycott presented the 'Bob-a-week plan' to a large crowd of some 5 000 at Alexandra, they rejected the plan firmly, shouting "Azikwelwa" and "Goodbye PUTCO".[53] The rejection caused disillusion among members of the Johannesburg City Council, one of whom asserted that the leaders of the boycott had "gone beyond reasonable limits".[54] The rejection spelled the death knell of the 'Bob-a-week plan'. A new alternative emerged in March 1957. Commuters would pay 5d fare, and could hand their clipped tickets for 1d refund. An amount of £25 000 would be provided for refunds.[55] The written proposal was burnt publicly at mass meetings because the scheme did not cater for those who would alight from buses before reaching PUTCO head quarters. The (white) South African Congress of Democrats circulated handbills in which they also rejected the scheme.[56]

Disagreements arose among the boycott leaders when some leaders wanted concessions. Others demanded total reversal of bus fares to the original fare. Vundla, one of the original boycott leaders alluded to the problem that complicated the boycott, saying:

> we started the boycott for economic reasons. Then the extremists came in and took over. We the moderate leaders, have nothing more to offer the people. The extremists hold their power by reminding

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[52] *Rand Daily Mail,* 26 February 1957.

[53] *Rand Daily Mail,* 28 February 1957.

[54] *Rand Daily Mail,* 2 March 1957.

[55] *Star,* 1 March 1957.

[56] *Rand Daily Mail,* 2 March 1957.

> the people of their grievances. Although they are doing nothing to lessen the grievances, the people are following them.[57]

The rejection of the second scheme was controversial. Commerce and Industry were perturbed at the response from the Alexandra residents, but the enthusiasm to win the ultimate victory on the part of the boycotters remained an ideal worth pursuing. As evidence one commentator in the press congratulated:

> The villain men and women who have the dignity to choose martyrdom rather than such a compromise. To add to their already burdensome time squandered queueing for buses they must now suffer the ignominy of having to collect the wretched penny rebate.[58]

Taking into consideration criticisms of the two previous schemes, the Johannesburg Chamber of Commerce, with the full support of the City Council, launched a new scheme which modified earlier ones. This involved buying tickets at 5d from the bus company and selling them back to commuters at 4d. The arrangement in which commuters bought discounted tickets was to last for three months, April to June 1957.[59]

The boycott lost popular support by the end of March 1957, and the Chamber of Commerce's coupon subsidy system was introduced according to which users paid 4d for a 5d ride. The number of passengers using buses rose from 17 000 on 2 April 1957 to 33 000 the following day.[60] A group of 'extremists' tried unsuccessfully, to revive the boycott. Xuma

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[57] *Rand Daily Mail,* 5 March 1957.

[58] *Star,* 5 March 1957.

[59] *Star,* 6 March 1957. The scheme was similar to the one introduced in January 1945 at Alexandra (see Chapter Two). The introduction of the coupon subsidy scheme resulted in a dramatic change of events. Violence erupted between boycotters and anti-boycotters. Some ANC leaders were reported to have changed their initial stand of viewing the boycott as an economic struggle and announced that it "was becoming a political war" (*Rand Daily Mail,* 11 March 1957).

[60] *Rand Daily Mail,* 3 April 1957.

appealed to the boycotters to return to the buses "without divisions" and after such appeals the boycott came to an end at Alexandra.[61]

The introduction of the coupon subsidised fare system for three months provided a breathing space during which a more permanent solution was sought.[62] The general public was asked to aid the coupon plan sponsored by the Chamber of Commerce known as the 'Johannesburg Special Transport Fund'.[63] During the three months, the Government was faced with how to make permanent the temporary subsidy which the Johannesburg Chamber of Commerce provided. Some people believed that the Government could solve the fare dilemma by amending the Levy Act and increasing the employer's levy.[64] The *Rand Daily Mail* had as its head lines "higher levy is the only solution" and advocated increases in the transport levy as a quicker and easier solution which the Government should aim at.[65] After three months of the operation of the Chamber's subsidy scheme, the *Sunday Times* correctly predicted that a resumption of the boycott was unlikely.[66]

The three month coupon scheme had advantages as well as limitations. It helped end the boycott, but this was only a temporary solution and was discontinued thereafter. Although the scheme broke the boycott, there was no guarantee that central Government could intervene. Despite these

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[61] *Star,* 3 April 1957.

[62] *Star,* 5 April 1957.

[63] *Rand Daily Mail,* 5 April 1957. Some boycott leaders claimed that they were not consulted about the subsidy coupon system and argued that the scheme could only be temporary as the money was limited to £25 000 and were to last for the period of three months (*Rand Daily Mail,* 6 April 1957). Whereas further attempts to revive the boycott failed in Johannesburg the boycott of buses continued in Lady Selborne in Pretoria as the Coupon scheme was not applicable in that area (*Star,* 8 April 1957).

[64] *Star,* 12 April 1957.

[65] *Rand Daily Mail,* 16 April 1957.

[66] *Sunday Times,* 28 April 1957.

limitations, the three month breathing space during operation of the coupon scheme was helpful for the Government introduced, debated and passed the subsidy legislation that doubled the transport levy. Suffice it to say that without the 1957 bus boycott, the Transport Services Act would not have been introduced and passed in Parliament. The Chamber of Commerce initiated the scheme to 'kill' the boycotts so as to protect and safeguard business interests. The coupon system was divisive in nature as there was no unanimous acceptance of the scheme by the boycotters. The Chamber of Commerce subsidy was only applicable to Johannesburg. In Pretoria the Afrikaanse Sakekamer refused to support the Johannesburg Chamber's subsidy scheme. A few concessions offered for Pretoria were the inclusion of Vlakfontein in the Chamber of Commerce subsidy because it was adjacent to Johannesburg, shortened bus routes, and travel at the old fare. Boycotters at Lady Selborne were offered no such alternatives and resistance continued there for some twelve months.[67]

Debates - 'Employers! Carry Your Own Baby'

It was only after the end of the bus boycott when the Government intervened in the transport fare problem. In June 1957 the Transport Services Act was passed in Parliament. The Government argued that Commerce and Industry intervened during the bus boycott on their own by introducing subsidies, and the state was not prepared to 'look after the baby'. Schoeman stressed this point when the legislation was introduced:[68]

> They were so full of patriotism that they collected £25 000 in order to bring about a temporary solution of the boycott and that I am now abusing that goodness of theirs because I am now going to raise that levy...why should the baby be once again left to the Government

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[67] Lodge, 1981, *op. cit.*

[68] *Hansard* (Assembly), 4 June 1957, col. 7170.

> to hold at the end of three months? For that reason I said that legislation had to be introduced so that they can continue to pay that money which will enable the Natives to pay the original fares.[69]

The total levies collected in Johannesburg in terms of the 1952 Levy Act were "insufficient to enable them to carry on with their operation without a loss".[70] The state paid additional subsidy from the Treasury, supplementing the Levy Fund, however, this course was unacceptable to the central Government.[71]

The intervention of the Johannesburg Chamber of Commerce in resolving the boycott forced the central Government to devise an alternative permanent subsidy mechanism enshrined in the Transport Services Act. In contrast to the Levy Act of 1952, the United Party gave qualified support to the legislation and was grateful that the Government had "decided to avail itself of the time bought for South Africa by the public spiritedness of commerce and other employers on the Rand".[72] Although the opposition Party gave conditional support to the legislation, improvement of wages was viewed as a lasting solution. As Ballinger, a Native Representative in Parliament, argued that the levy constituted "an unpaid part of the worker over which he is denied any control by the way in which this law is applied, and I think to that extent it is quite unjust to the worker".[73]

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[69] *Hansard* (Senate), 10 June 1957, col. 5222-5223. Schoeman addressing Senators.

[70] *Ibid.*

[71] *Ibid,* 10 June 1952, col. 5219.

[72] *Hansard* (Assembly), 4 June 1957, col. 7171.

[73] *Ibid,* 4 June 1957, col. 7181.

Attempts were made to refund Commerce and Industry for its role in averting a "dangerous situation" at Alexandra at the time of the boycott.[74] Because the Government viewed trains as the major transporter of Africans to and from places of work, the attempts were unfruitful. To promote its policy of subsidising train fares without requiring employers to pay levies, the central Government used money from the Consolidated Revenue Fund. This practice came in for strong criticism.[75] The fact that employers in Johannesburg set the precedent by contributing money to subsidise buses encouraged the Government to effectively implement its popular slogan; 'employers! carry your own baby!'. The new subsidy legislation did not include as beneficiaries, African women, white workers, Coloureds or Indians.[76]

Implementation and Outcomes

The Transport Services Bill was carried through all its stages with minimal opposition in both the House of Assembly and the Senate in June 1957. Immediately the Act was passed in Parliament, bus fares were reduced in Johannesburg and Pretoria.[77] The reversion of fares came before the three months deadline of the Chamber of Commerce scheme.[78] The 1957 Act differed from the 1952 Levy Act in three respects. First, the Transport Services Act provided that the administration of the transport subsidy portion be transferred from Native Affairs to the Department of Transport. Second, the Minister of Transport, in consultation with the

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[74] *Ibid,* 4 June 1957, col. 7178; *Hansard,* (Senate), 10 June 1957, col. 5223.

[75] *Hansard* (Assembly), 4 June 1957, col. 7190.

[76] *Ibid,* 4 June 1957, col. 7192.

[77] *Star,* 24 June 1957.

[78] *Star,* 28 June 1957.

NTC, was empowered to apply the levy in any urban area where more than 20 000 Africans lived, provided the need for subsidised transport could be proven. Third, the 1957 Act dealt exclusively with transport subsidies as opposed to the Levy Act which catered for several services. Like its predecessor, the Transport Services Act exempted employers from paying levies to those who hired domestic servants and employers who provided free accommodation for their employees. In terms of the Levy Act, 2s per week per African male was for other township services, whereas only 6d was for transport subsidies. The Transport Services Act made provision that if in declared areas 6d could be proved insufficient, the Minister of Transport should increase the levy to a maximum of 1s. This rate of employer contribution was automatically applicable in Johannesburg and Pretoria.[79]

Removals of African communities from 'white' areas to the periphery of urban areas were always followed by bus and train fare subsidies. Fare subsidies on buses were only granted by the central Government in an area if there were no train services. Throughout South Africa, the resiting of Africans was made possible by application of the Transport Services Act. For instance, when Boksburg Town Council sited Vosloorus township some 12 km away from town, bus subsidisation was introduced. A similar situation occurred in Pinetown in 1958 when an African residential area was planned some 10 km away from the city centre; employers paid transport levies and fares were subsidised. Africans who initially lived at Cato

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[79] *Hansard* (Assembly), 4 June 1957, col. 7169. The object of the fund as reflected in the Black Transport Services Act of 1957, (7(2)a,b) was "the payment of subsidies or granting of loans to any person who conveys Black passengers for reward to or from the area of jurisdiction" and of "assisting Blacks directly or indirectly to defray the costs of using transport services to or within the area of jurisdiction". The subsidy was confined to *bona fide* workers whose employers contributed to the Levy Fund, and as such was highly selective.

Manor (Durban) were resettled to Kwa-Mashu[80] and subsidised fares were also introduced. Because of the rapid development of the site-and-service scheme at New Brighton, routes were extended in Port Elizabeth and it became necessary to apply a subsidy scheme. Also, the resettling of Africans from Brakpan to Tsakane Township some 12 km away from the Central Business District, prompted the Government to apply the Transport Services Act in Brakpan in 1959. After the establishment of Tsakane, the Brakpan Town Council which provided transport for Africans reduced fares and the NTC paid fare subsidies as from 1960. In East London also, the application of the Transport Services Act was applied after Mdantsane Township was established as from 1963.[81]

Exemption from subsidy payments was not arbitrary. At Kroonstad, for example, the bus fare subsidies which were paid were insufficient and both the Town Council and the bus operator appealed for increased subsidies from NTC. Later, Africans who benefited from subsidies did not exhaust the subsidy pool in the Levy Fund, and for that reason, the area was exempted in terms of the Transport Services Act as from 1 July 1961. Two months later, in September 1961, Benoni was also exempted from the application of the Act as there were sufficient funds already collected from employers but not yet paid to bus companies. In view of the decline of available employer transport contributions in the area, the exemption given to Kroonstad in 1961 was withdrawn 5 years later on 1 September 1966.[82] The exemption of bus subsidy at Benoni was withdrawn eleven years after it was granted and employers paid transport contributions as they did before. In Germiston and Pretoria, money in the Levy Fund were

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[80] Maasdorp, G. and Humphreys, A.S.B., (eds.) 1975: *From Shantytown to Township,* Juta, Cape Town.

[81] Annual Reports of NTC and DOT, U.G. 25/1959; U.G 50/1959; U.G. 78/1960; R.P; 61/1962; R.P. 15/1964; R.P. 76/1965.

[82] *Ibid,* U.G. 25/1959; U.G. 61/1962; R.P. 25/1967.

sufficient and employers was exempted from levies as from 1 October 1968. In view of sufficient transport contributions in Johannesburg, the levy was reduced by half (from 10 cents to 5 cents per week from 1 December 1968) but later reinstated in 1970. The exemption granted in Pretoria was withdrawn (from 1 October 1971) three years after it was first introduced, the rate of contributions being fixed at 10 cents. At New Germany (in Natal), the Transport Services Act was applied from 1 January 1970 and employers paid 10 cents per employee per week, as at Sandton with effect from July 1969.[83]

During the entrenchment of subsidies, a levy could be decreased or increased depending on the transport conditions of that urban area. The application of subsidy policy differed from one place to another. The availability of employer contributions and the severity of resettlement determined the necessity for, levels of and perpetuation of, transport subsidies. Further resettlement of Africans in Kroonstad occurred in the late 1960s, and to compensate for the locational disadvantage, transport contributions from employers were doubled.

In theory, only commuters who held weekly and monthly tickets were entitled to subsidies. In reality, some daily cash tickets were also subsidised especially in areas which were prone to transport crises or transport resistance. At Port Elizabeth, the Bay Passenger Transport bus company received subsidy as from 18 August 1957 and both weekly and daily cash tickets were subsidised. Bus subsidies paid to Bay Passenger Transport between KwaZakhele Township and Port Elizabeth increased at an unprecedented rate. The amount of subsidy paid to the bus company was directly proportional to the number of passengers it carried. The larger

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[83] *Ibid*, R.P. 90/1969; R.P. 77/1970; R.P. 85/1972.

the clientele the higher the subsidy. The amount in current prices nearly doubled between 1958 and 1962 (Table 3.2).[84]

Subsidy procedures in the Cape Province were the same as elsewhere. Relocation of Africans to townships was followed by subsidisation of transport fares. Both cash and weekly tickets were subsidised at Nyanga in Cape Town. Whereas at Nyanga East subsidies were administered by the Divisional Council from 1 April 1957, at Nyanga West the Cape Town City Council began to administer subsidies from the 1 January 1960. In both cases exemptions from payment of subsidies were temporary and were granted as from 1 September 1960. In view of the decline in funds available for subsidies, the exemptions were withdrawn six year later (1966).[85] The substantial increase in subsidies throughout South Africa after 1966 was to a considerable degree a consequence of the Group Areas Act (No. 36 of 1966), as amended. In order to give relief to Africans on the one hand, and to meet increases in subsidy claims, bus fares were reduced while the relevant subsidy rates were correspondingly increased.[86]

Notwithstanding the fact that fare subsidies generally burgeoned in the 1970s and 1980s, subsidy trends were not so in the 1950s and the 1960s. The introduction of electrified rail services between Black townships and 'white' areas had profound effects on bus operators in general and on the amount of Government subsidy in particular. As a result, payments of subsidies, notably to PUTCO, in current prices were reduced by 50 percent from 1958 to 1963 (Table 3.3). In 1957, a Railway Construction Act (No. 49 of 1957) was passed in Parliament, and railway lines began to be constructed, joining cities and Black townships. Funds

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[84] *Ibid*, U.G. 25/1959.

[85] *Ibid*, R.P. 25/1967.

[86] *Ibid*, R.P. 17/1972.

Table 3.2 Bus subsidies paid to Bay Passenger Transport to transport Africans between KwaZakhele Township and Port Elizabeth, 1957 to 1963.

PERIOD	NO. OF PASSENGERS	NO. OF CLIPCARDS	AMOUNT OF SUBSIDY R
Aug 1957-Jun 1958	1 286 097	125 919	30 640
July 1958-Jun 1959	2 602 859	265 262	63 276
July 1959-Jun 1960	2 878 782	320 156	71 991
July 1960-Jun 1961	2 737 340	296 741	67 878
July 1961-Jun 1962	2 627 067	399 008	86 769
July 1962-Jan 1963	1 885 248	245 933	56 150

Source: Annual Report of NTC and DOT, R.P. 15/1964.

for constructions were provided from the Consolidated Revenue Fund. It was only in the late 1960s and the 1970s that the central Government began to inject large amounts of fare subsidies from the general account.

The explanation of the reduction in subsidies in the 1950s and 1960s could be attributable to the withdrawal of PUTCO services on several routes. Trains were introduced where PUTCO operated and as a result it had to curtail or discontinue bus services. Routes notably affected by the introduction of rail services were: Atteridgeville-Pretoria (December 1958), Vlakfontein-Pretoria (April 1959), and Soweto-Johannesburg (January 1959). When Sophiatown was entirely abolished and Africans were completely relocated to Meadowlands, PUTCO ceased operating the Sophiatown-Johannesburg service. The introduction of electric services between Durban and Kwa-Mashu and the transport monopoly given to trains forced PUTCO to withdraw its services there. The introduction of railways impinged indirectly on subsidies paid to bus operators. For example, subsidies received by PUTCO declined in Johannesburg, Pretoria and Germiston (Table 3.3).

Table 3.3 Payment of subsidies to PUTCO in Johannesburg, Pretoria and Germiston, 1950 to 1963.

PERIOD	AMOUNT R
1950 (April-June only)	42 000
1951	183 000
1952	235 700
1953	296 600
1954	377 900
1955	397 300
1956	415 300
1957	603 300
1958	722 600
1959	629 200
1960	469 300
1961	405 300
1962	578 000
1963	347 000

Source: Annual Report of NTC and DOT, R.P. 15/1964.

In the municipal area of Pietermaritzburg, the City Council received relatively constant subsidies throughout the period 1953 to 1962.[87] This was contrary to subsidies paid to other bus companies in the metropolitan areas of Durban, Johannesburg, and Cape Town. The resettlement programmes (especially in the Transvaal) caused dwindling passenger traffic as many commuters relied on trains for transport to and from their places of work. In order to offset the decline in passenger numbers, PUTCO opened new avenues to provide and cater for transport in locations where train services were not sufficient or did not exist. Significantly, in January

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[87] *Ibid*, R.P. 15/1964.

1961 PUTCO inaugurated a bus route between Klaarwater and Pinetown in Durban. Subsequently, Government paid fare subsidies to commuters there. At Umlazi in Durban, a new resettlement area, efficient transport was required for the inter-city services. PUTCO provided services there and fares were subsidised. By 1972, PUTCO had successfully secured a transport monopoly in eleven areas (Alexandra, Boksburg, Edenvale, Germiston, Johannesburg, Meyerton, Pretoria, Sandton, Randburg, Durban and Pinetown) (cf. Appendix A). The monopoly policy in the transport services limited commuting modal choice. Commuters became captive to bus companies because of their cheap fares. Since only one bus company received subsidies in each geographical area, bus companies did not strive to improve the quality of services.

Tables 3.4 and 3.5 disclose that urban areas can be ranked according to the amount of subsidies received annually. Johannesburg ranked one, Pretoria two, Port Elizabeth three, Cape Town four, and Kroonstad five. The variations in the application of race zoning policies, resettlement of communities, and variations in the length of distances of such geographic displacement impinged on the levels of subsidies. The amount of subsidy was also dependent on the number of urban Africans patronising buses. There has also been a geographical diversity in subsidy size. The larger the urban area, the greater the amount of subsidy. Johannesburg, being the largest urban area in South Africa, captured more than half of the total bus subsidies. On inception of the Transport Services Act in 1957, bus fares were subsidised in five metropolitan areas, namely, Pretoria, Johannesburg, Pietermaritzburg, Cape Town, and Port Elizabeth and significantly also in one small town, Kroonstad. By 1960, the municipalities of Cape Town and Pietermaritzburg received subsidies on their bus services that catered for African services. By 1972, PUTCO operated and received subsidies in some eleven areas.

Table 3.4 Bus subsidies paid from employer's levies for the financial year 1 April 1957 to 31 March 1958.

DISTRICT	BENEFICIARY	AMOUNT £
Cape Town	Divisional Council	3 300
Johannesburg	PUTCO	117 200
Kroonstad	Kroonstad Bus	600
Pietermaritzburg	City Council	4 600
Port Elizabeth	Bay Passenger Transport	7 900
Pretoria	PUTCO	58 200
TOTAL		191 800

Source: Annual Report of NTC and DOT, U.G. 50/1959.

Trends in the patterns of subsidies changed from the 1960s to the 1980s. The number of areas where subsidies applied increased in the 1970s and the 1980s. Indeed, in the 1980s, over seventy urban areas benefited from bus fare subsidies (see Chapter Four). When subsidies were extended to African Women, Coloureds and Indians in 1972, some 23 towns and 13 bus companies benefited (Appendix B). As indicated earlier (see Chapter One), the monopoly in the transport market in the Transvaal deliberately removed competition. Of the eleven areas where PUTCO operated in 1973, only at Meyerton did PUTCO operate concurrently with another transport organisation (VTC). Six municipal bus operators also received subsidies (Alberton, Benoni, Brakpan, Cape Town, Carletonville, and Pietermaritzburg). From 1952 to 1972, PUTCO was the largest beneficiary of subsidies especially in Johannesburg and in Durban. Port Elizabeth and Alberton (in Johannesburg) received almost one-fifth of the amount paid compared to Durban and Johannesburg. Of areas where PUTCO operated, Alexandra received the least subsidy from Government. The explanation could be that Alexandra is close to the city and parts of the township

Table 3.5 Bus subsidies paid from employer's levies for the financial year 1 April 1959 to 31 March 1960.

DISTRICT	BENEFICIARY	AMOUNT £
Cape Town	Divisional Council	10 800
Johannesburg	PUTCO	194 000
Kroonstad	Kroonstad Bus	400
Pietermaritzburg	City Council	15 000
Port Elizabeth	Bay Passenger Transport	37 600
Pretoria	PUTCO	58 300
TOTAL		316 100

Source: Annual Report of the NTC and DOT, U.G. 78/1960.

were demolished and many residents were relocated to Soweto. However, taking into consideration the transport history of the area, one would anticipate larger subsidy being received there. In the Western Cape, previously a Coloured labour preference area, fare subsidies for Africans were only one-third of the amount received by PUTCO in Pretoria (Appendix B). City size had profound effects on subsidies. Small towns received relatively small amounts of subsidies (e.g. Krugersdorp, Meyerton and Kroonstad). Another noteworthy factor is that influx of Africans was less in towns than in cities. In addition, relocation of Africans occurred at a larger scale in big cities. Of the four metropolitan areas in South Africa, until 1972 Johannesburg and Durban benefited most from subsidies.

Summary

Entrenchment of bus subsidies occurred over a period of two decades, 1952 to 1972. The year 1952 marks the inception of the Levy Act, while 1972 is the year in which subsidies were extended to African women, Coloureds and Indians. The origin of the Levy Act was closely related to the strategies which Government used to cope with increasing numbers of Africans in urban areas, the housing shortages, and the need to provide sites and services on the outskirts. Although approximately 20 percent was for transport subsidies, transport came to assume an air of importance in Parliament. The Levy Act was strongly criticised by the United Party which found the race zoning policies to be responsible for subsidies in South Africa. Despite all the criticism of the Levy Act, the legislation was passed by a majority of some thirty votes in Parliament.

In contrast, the origin of the Transport Services Act was associated closely with the bus boycotts which occurred in 1957. Undoubtedly, the boycott triggered and facilitated the passing of comprehensive subsidy legislation. Had the boycott not occurred, subsidy on buses would have followed a different direction. The boycott lasted for three months during which time Commerce and Industry, PUTCO, Johannesburg City Council, boycotters, civic and political movements, were significant players in the transport drama. Commerce and Industry suggested the 'Bob-a-week plan', a voluntary scheme whereby employers would contribute 1s per week per employee. As the scheme did not guarantee that employers would pay, boycotters rejected it. The scheme was instituted successfully by the Johannesburg Chamber of Commerce, passengers buying tickets at the subsidised fare of 4d for three months. The central Government capitalised on this arrangement to let Commerce and Industry continue to 'carry the baby' of subsidising bus fares for Blacks. The question which was asked was 'whose baby is it', Government or employers? The peculiar

management of the built environment made fare subsidies necessary. Even though the central Government has over the years tried to shelve the responsibility of paying subsidies, in the 1970s and the 1980s this could not continue.

In the 1950s and 1960s, subsidies were paid to those communities which became victims of the Group Areas Act and other race zoning policies. Removal of 'Black spots' to the periphery was concomitant with the entrenchment of subsidies. The Levy Act of 1952 and the Transport Services Act of 1957 affected urban areas in different ways. Only six geographical areas benefited from subsidies under the operation of the Levy Act. On inception of the Transport Services Act in 1957, several geographical areas benefited from subsidies. The number of areas where commuters were subsidised increased from eight areas in 1958 to some twenty three areas in 1972. For two decades, subsidies were paid only for African male workers in urban areas. During this period, employers contributed to subsidies more than the central Government. In the 1970s and the 1980s the trend changed (see Chapter Four). As a greater need for subsidies arose, Government introduced changes to the subsidy policy, and extended subsidies to African women, Coloureds and Indians. This extension marked the start of the third type of subsidies.

CHAPTER FOUR

BUS SUBSIDIES FOR AFRICAN WOMEN, COLOUREDS AND INDIANS, 1972-1986

The changing economic and political conditions in South Africa in the 1970s and 1980s legitimised the extension of bus subsidies to African women, Coloureds and Indians. A review of the political climates of the past decades is given in order to contextualise the third type of subsidy. The 1950s saw the introduction of several repressive laws that further emasculated Africans of political and economic rights. Influx control and pass laws were ruthlessly enforced in urban areas. From the point of view of the oppressed, the 1950s witnessed the smashing of the expectations of political liberation by the unsympathetic state machinery. The Sharpeville massacre, the banning of the ANC and Pan African Congress, and the Rivonia treason trial spelled the death knell of resistance in the 1960s. Its actions provided the Government with the opportunity to systematically pursue repressive apartheid ideology and the Bantustan policy. The Bantu Self Government Act of 1959 was implemented and became the blueprint of 'separate development'. It was clear from the beginning that Bantustans were to serve as a reserve for cheap labour. When the Bantu Affairs Administration Boards (hereafter, BAABs - later renamed Development Boards) were introduced in the 1970s, one of their prime aims was to exercise influx control, to generate funds and to provide services in the townships. Bus subsidisation procedures were also influenced by these changes.

Subsidy policy is in a state of flux in the 1980s. For the first 15 years of fare subsidies, the policy affected only African male workers. The extension of subsidies to African women, Coloureds and Indians marked

the beginning of a third type of bus subsidies. The extension of subsidies to African women was an admission on the part of the Government that women were an essential part of the economy and also constituted a significant section of working-class commuters. Unique conditions prompted the central Government to extend subsidy to Coloureds and Indians in South Africa. The changing trends and procedures of subsidies to Coloureds and Indians in various geographic areas differed to those of Africans. Prior to 1972, African male workers benefited from bus subsidies, but women were not included in the subsidisation procedures. The extension of subsidies to Coloureds in particular was significant because employers paid levies to both male and female employees.

Bus Subsidies for African Women

Political control over freedom of movement of African women in urban areas and on their right to seek employment where they chose, was applied rigorously from 1952. Resistance to this control reached a climax in 1956 when over 20 000 women marched in Pretoria to protest the extension of passes to women. Prior to 1964, women could only come to cities as dependants of men with urban residential rights. This privilege was curtailed in 1964 and the central Government embargoed entry of all African women to urban areas. Nonetheless this did not block the influx of 'illegal' women into urban areas. Although most were washerwomen and domestic servants in urban areas, the great majority of women brewed and sold sorghum beer to earn their living. The introduction of monopoly beer brewing and selling in urban areas curtailed the number of women in this informal trading. In association with general inflation, urban women were compelled to seek employment. Increasing numbers of African working-class women were employed in other sectors of the South African economy in the 1970s and the 1980s. The increasing number of

working-class women posed a question about whether or not the Government should include them in bus subsidy provision previously only enjoyed by male African workers.

As the majority of newcomers in the cities were hired in factories and industries near city centres, they relied on subsidised train and bus transport services. In addition, women employed in urban areas also used subsidised transport to work, which 'depleted' subsidies in the Levy Fund. The National Party argued cogently that if women were excluded in terms of the Transport Services Act, employers would evade the levy by employing females in preference to males. Giving an example, the deputy Minister of Transport alleged that over 500 women were employed at a factory in East London and used subsidised bus services between Mdantsane and East London. In view of this, the central Government extended subsidies to women in order to discourage employers from employing more women than men with a view to evading levy payments.[1]

In the late 1960s, African women already formed a significant part of working-class commuters. From 1972, employers were not only obliged to pay levies for their male workers, but also for their female employees, and the levy was also doubled for the first time. Employers of domestic servants were still exempted from the transport levy. The levy increases were applicable in those urban areas which had an insufficient subsidy pool for bus fares in the Levy Fund. Several urban areas did not receive sufficient amounts from employers to meet the subsidy requirements for bus services, and the central Government contributed part of the subsidy. Evidence was tabled in Parliament that Boksburg, East London, and Vereeniging had an acute need for financial relief in order to subsidise bus fares. For example in Boksburg, in 1967 the total employer payments

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[1] *Hansard* (Assembly), 23 February 1972, col. 1769; *Hansard* (Senate), 2 March 1972, cols. 1030, 1405.

were approximately one-third the amounts of the subsidy requirements. The 1972 levy increases were attempts by the Government to "keep the state contributions within limits".[2]

The extension of subsidies to African women and increases of employers' levies in 1972 drew criticism and objections which was even stronger than when the 1952 and 1957 Acts were passed. Mr. S. J. Steyn, a United Party member, vociferously objected to the legislation saying it was "the result of the state policy, of social circumstances and the historical heritage".[3] The legislation was indeed an admission by the central Government that urban Africans including women had become a permanent part of the population in 'white' South Africa.

Apparently African women benefited from train subsidies as well. A host of arguments opposing the mechanisms of subsidies in trains emerged. The Government was accused of using a double standard towards transport subsidies. On the one hand the central Government subsidised fares on trains, and on the other, it shifted responsibility of subsidising bus fares to employers. The double standard was heavily attacked inside and outside Parliament as a "slapdash approach" which could "not be tolerated very much longer".[4] Just as all rail services catering for urban Africans were directly subsidised by funds from the Consolidated Revenue Fund, so it was argued that the Government should subsidise buses from the same source.[5]

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2 *Hansard* (Assembly), 23 February 1972, cols. 1766, 1767, 1768; *Hansard* (Senate), 2 March 1972, cols. 1028, 1029.

3 *Hansard* (Assembly), 23 March 1972, col. 1775.

4 *Ibid,* 24 February 1972, cols. 1839, 2837.

5 *Hansard* (Senate), 2 March 1972, col. 1033.

Similar to the Transport Services Act of 1957, the subsidy extension legislation of 1972 was variously criticised as "sectional tax", "double tax", "a punitive measure", "a hidden tax", "a hide away tax" and "a pickpocket tax". The National Party which advocated increases in levies was itself labelled "a pick pocket party".[6] Another strong criticism was that the levy was originally introduced as 'punishment' for Commerce and Industry (see Chapter Three). Some critics argued further that the white community should pay the cost of land apportioning, since the electorate demanded segregation. Others viewed the subsidy principle as entrenching residential apartheid.[7] Not every member of Parliament was opposed to the extension of subsidies however. The National Party members favoured extension of subsidy to African women. Mr. A. S. Erasmus, a member of the National Party, said the Bill was favourable:

> Something which was unfair to other employers, is now being eliminated. An industrialist whose workers at this stage comprise 70-80 percent Bantu women, contributes absolutely nothing. His workers travel on the same buses in regard to which other people contribute for the transportation of Bantu men. It is not only fair that he should be taxed? I think it is right that he should.[8]

The extension of subsidies to African women did not imply that the repressive influx control would be relaxed. Government officials continued to articulate clearly that African males were in urban areas to sell their labour and the presence of women in white areas was still unwelcome. African women were "only to be in urban areas if they are living [there] permanently".[9]

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[6] *Hansard* (Assembly), 24 February 1972, cols. 1840, 1853, 1864, 1865, 2009.

[7] *Ibid,* 24 February 1972, cols. 1840, 1841; 28 February 1972, col. 2023.

[8] *Ibid,* 24 February 1972, col. 1870.

[9] *Ibid,* 28 February 1972, col. 2016.

Although according to the subsidy legislation an urban area could be declared anywhere, including the Bantustans, the recent decentralisation policy exempted employers who established industries in the so-called homelands. It is within this context that one can argue that the levying of employers with regard to their female labour in 'white' South Africa was one strategy which the central Government used to encourage decentralisation of firms to the Bantustans where women formed a significant cheap labour market. Subsidies of bus fares in the Bantustans have been forthcoming from the Department of Bantu Administration and Development (later renamed Department of Co-operation and Development Aid) using profits on the sale of liquor to African people.[10] The central Government continued its allegation that 'employers must carry their own baby' in urban areas; as Parliament was told "it was the employers who first introduced the method of subsidisation."[11]

The extension of bus subsidies to women was not without merits. Indeed over the years even before 1972, women increasingly used subsidised public transport without any 'legitimacy'. A series of questions emerged out of the conditions associated with extension of subsidies to African women. Can one be justified in claiming that women began to benefit from bus fare subsidies in 1972? Or is there no such thing as bus fare subsidies for women? How can one critically discuss bus subsidies for women as distinct from subsidies for men if information gathered on annual subsidies paid to bus companies does not make such a distinction? Given that the aim in the dissertation is to examine the origins of subsidies, and to discuss the debates surrounding subsidies, their workings and their outcomes, it

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[10] South Africa, 1974; *Report of the Commission of Inquiry into Urban Transport Facilities in the Republic of South Africa,* (hereafter, Driessen Commission), R.P. 60/1974, Government Printer, Pretoria.

[11] *Hansard* (Senate), 2 March 1972, col. 1041. The Government referred to the 1957 coupon system which ended the 1957 bus boycott in Alexandra (see Chapter Three).

is evident that women benefited 'illegally' from subsidies prior to 1972. After this date a new type of subsidy extension began. Although statistical records make no distinction between subsidies for African males and females, women were legally entitled to bus subsidies after 1972. What emerged strongly in the 1970s and the 1980s was a drastic change in the procedures of bus subsidisation.

'A Matured Baby'?: Changing Subsidisation Procedure

The changing economic and political milieu had a profound and striking effect on subsidisation procedures. Major changes in procedures of fare subsidy were influenced partly by two external factors. First, there was the resuscitation of resistance in urban areas in the 1970s and the 1980s. Second, there was the Government's attempt to maintain credibility as the supplier of services in urban areas. From the point of view of bus subsidies, the establishment in 1974 of the Commission of Inquiry into urban transport facilities in South Africa was important. The Commission of Inquiry known as the Driessen Commission outlined for the first time in South Africa the "principles of subsidising urban public transport".[12] The Driessen Commission accepted six broad conditions necessary to justify transport subsidies in urban areas. First, subsidies were justified if costs of providing transport services could not be covered from passenger fares. The second condition was if commuters could not afford to pay an economic fare they should be entitled to subsidies. Thirdly, subsidies should be employed to encourage a shift of passengers from one mode to another. A fourth consideration was if there was a need for investment in the urban transport system. Fifth, subsidies could be employed as means of encouraging employment in particular industrial

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[12] Driessen Commission, 1974, *op. cit.*

areas. This latter condition was closely associated with the attempts by Government to subsidise "frontier commuters" whose numbers increased rapidly in the 1970s and 1980s.[13] Lastly, the Driessen Commission accepted that subsidies should be used to promote non-economic objectives, such as social and urban redevelopment, road safety, improvement of the environment, conservation of resources, and the appeasement of labour. These outlined conditions were, however, ambiguous and too generalised to be applied in South Africa. The goals and objectives of fare subsidies have never been clearly articulated by the central Government (cf. Appendix C). Information gathered revealed that there are three broad motivations for transport subsidies; namely for economic, social and political factors. The latter assumed central importance in the management of settlement patterns.

The establishment of BAABs further changed subsidy procedures in the 1970s. When the BAABs were established, they were entrusted with administrative functions previously undertaken by white local authorities in urban areas. Transport levies previously collected by local authorities were then collected by BAABs. Under the new subsidy dispensation more urban areas were grouped together under one region and administered by BAABs. Several areas or towns with similar features and needs were amalgamated. By 1975, some eleven such urban areas were consolidated into four major areas. The Peninsula area was formed out of Cape Town and the Divisional Council of the Cape. Port Natal was formed out of New Germany, Durban and Pinetown. West Rand consisted of Alexandra, Johannesburg, Randburg and Sandton. Lastly, Vaal Triangle Area was the amalgamation of Meyerton, Vanderbijlpark and Vereeniging.[14]

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[13] Matravers, D.R., 1980: It's all in the day's work, in G. Cook and J, Opland (eds.), *Mdantsane: Transitional City,* Institute for Social and Economic Research, Occasional paper No. 25, Rhodes University, Grahamstown.

[14] Annual Report of NTC and DOT. R.P. 19/1975.

Depending on whether or not an area required larger amounts of bus fare subsidy, the levy could be reduced or increased.[15] Subsidy legislation was further amended in 1974 and three changes were introduced. First, the definition of 'urban local authority' was widened to include BAABs. Second, central Government empowered the Minister of Transport to declare any urban area, after consulting with the NTC. The third change introduced a new method of funding whereby employers of African workers paid monthly instead of weekly levies. Whereas weekly contributions were 20 cents prior to 1974, the monthly levies rose to R1 for every employee. The new method met unprecedented criticism. Opposition in Parliament pointed out that over R2 million in the subsidy pool remained unused and argued for a reduction in the levy rather than an increase.[16]

In the aftermath of the Soweto riots of 1976, the central Government considered ways of easing the burden on commuters hit by bus fare increases. Commuters on the one hand would resist fare increases by boycotting the buses. Between 1970 and 1980, for example, some 20 recorded boycotts throughout South Africa were associated with fare increases. It is not surprising that after 1976 in particular, the central Government injected an enormous amount of money into the subsidy pool (Figs 4.1, 4.2).

Another shift in the administration of subsidies occurred in 1982. At the time of the changes, commuters paid approximately 50 percent of the bus fare, central Government paid 37 percent and employers 13 percent.

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[15] *Hansard,* (Assembly) 20 September 1974, cols. 3456, 3457.

[16] *Ibid,* 20 September 1974, col. 3460. The overall balance of employer contribution in the Black Transport Account in 1972/73 was over R2 million. The unused overall balance did not indicate that the rate of levy paid by employers was adequate to meet requirements of bus fare subsidies in some urban areas, since the amount collected in one urban area could not be used to subsidise commuters in other urban areas.

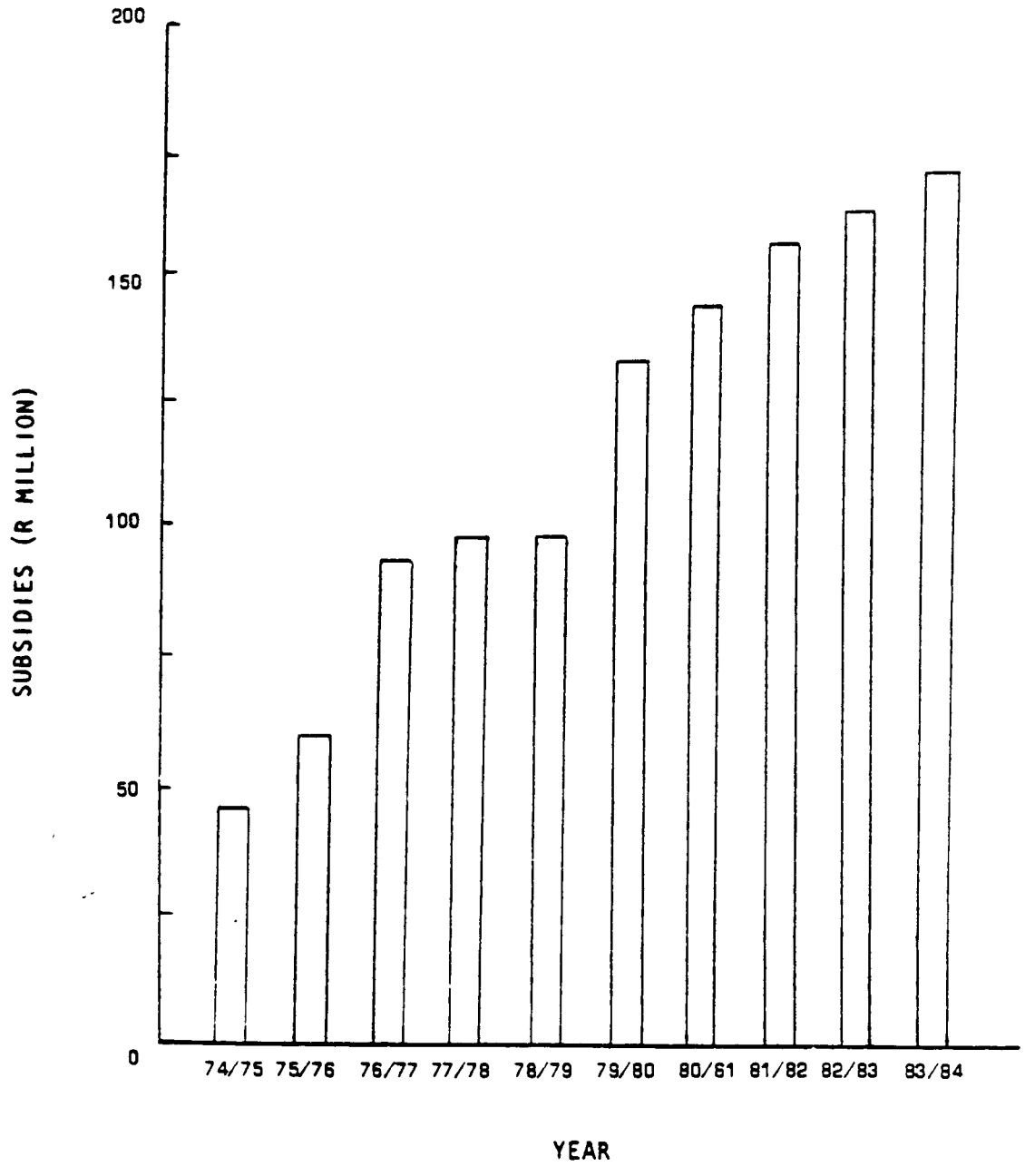


Figure 4.1 Growth in bus subsidies paid out by the NTC, 1974 to 1984. (Source: Viljoen, 1985, p. 178.)

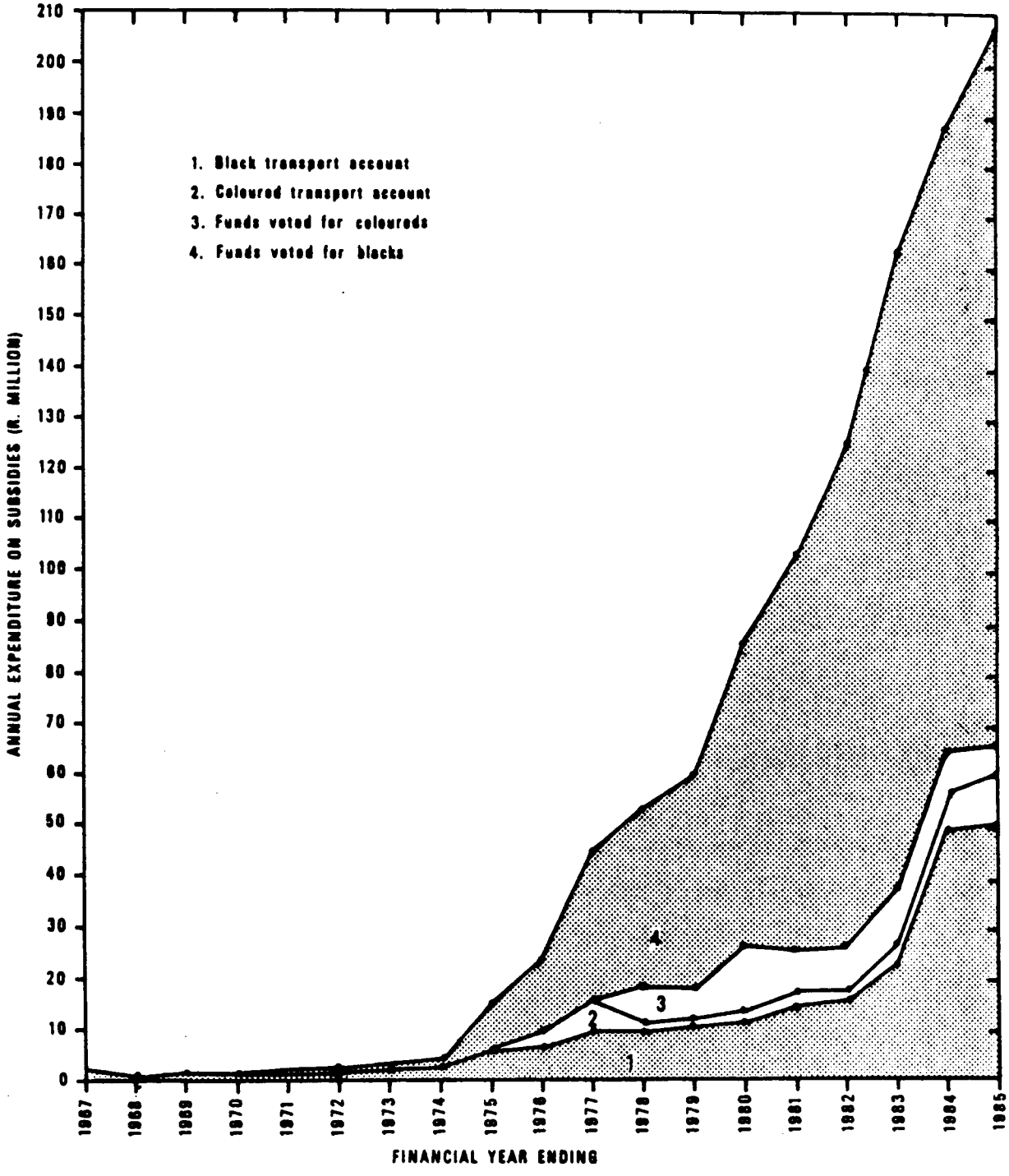


Figure 4.2 Annual expenditure on bus subsidies, 1967 to 1985. (Source: Robinson, 1987, p. 51.)

The Government desired to "close" the gap between employer contributions and the subsidy from the Treasury.[17] The upsurge of subsidies paid by the state caused alarm among Government officials who contended that some bus companies were "hiding profits" by clever bookkeeping in order to get subsidies from the Government.[18] The mounting Government transport contributions toward bus subsidies prompted the state to amend the subsidy legislation. The Minister was given power to increase or decrease the levy in what was acclaimed as a "workable formula".[19] In order to give employers time to lodge complaints against the levy increase, the Minister of Transport was obliged to publish the rate of levy in the *Government Gazette* twelve months before it could be applied to employers. The idea was not to everyone's taste, however, for as Parliament was told, removal of the maximum limit "could really upset the budgets of very many companies and...would create an untenable situation".[20]

For the first time in the history of the highly contested bus subsidies, a critic ventured so far as to condemn the measures for their paternalism. They were, he said, a device which undermined "the self-respect of many individuals".[21] In addition, the New Republic Party (NRP), the Progressive Federal Party (PFP) and ASSOCOM pleaded that the present method of fixing the maximum levy be retained. A clear message was communicated that increases in the levy "could force some employers to dismiss workers which would precipitate a labour dispute", resulting in a stronger move towards mechanisation and a high unemployment rate. The Government did not only increase the levy in 1982, but also extended

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[17] *Ibid,* 25 May 1982, col. 7635.

[18] *Ibid,* 24 September 1974, col. 3702.

[19] *Ibid,* 24 May 1982, cols. 7610, 7634.

[20] *Ibid,* 23 April 1982, col. 5274.

[21] *Ibid,* 23 April 1982, col. 5275.

bus fare subsidies to include domestic servants[22] which the PFP also rejected as "totally unreasonable" and "totally unnecessary".[23]

After 1982, there was a shift in Government circles toward eliminating bus subsidies, or alternatively, shifting the responsibility of transport subsidy onto employers. Commerce, Industry and the central Government called for privatisation of transport, albeit their conception of privatisation was different. While from the Government's point of view, privatisation simply means eliminating subsidies, the business sector conceives privatisation not only as a process of eliminating subsidies, but also of phasing out transport monopoly and introducing free competition. The Welgemoed Commission of Inquiry argued clearly in favour of phasing out subsidies within four years.[24] If subsidies are phased out, transport costs will be inflated. Long distance commuters, especially the poor, could no longer afford transport (Table 4.1).

Another official document which contributed to the recent debate on whether subsidies should be phased out or not was the 1985 President's Council Report on urbanisation. Published just two years after the Welgemoed Commission reported, the President's Council Report revealed the danger of phasing out transport subsidies entirely. The Report suggested that in future townships should be sited nearer to urban areas. By virtue that transport subsidies paid to bus companies were high, the President's Council Report recommended that transport subsidies introduced purely because of the position of residential areas should be

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[22] *Ibid,* 23 April 1982, col. 5261. However, domestic servants who actually lived in the premises of private householders were excluded.

[23] *Ibid,* 23 April 1982, col. 5257.

[24] South Africa, 1983; *Report of the Commission of Inquiry into Bus Passenger Transportation in the Republic of South Africa,* (Welgemoed Commission), R.P. 50/1983, Government Printer, Pretoria.

Table 4.1 Estimated additional monthly expenditure on bus transport if subsidies are removed.

TYPE OF BUS FARE	SHORT DISTANCE (0-10kms)	MEDIUM DISTANCE (11-25kms)	LONG DISTANCE (26-50kms)	EXTRA DISTANCE (51+kms)
Present fares per month	R11, 05	R18, 88	R22, 80	R32, 77
Monthly fares without subsidy	R16, 09	R33, 32	R53, 64	R101, 59
Additional expenditure	R5, 04	R14, 44	R30, 84	R68, 82

Source: Cameron and Lipman, 1987, p. 40.

phased out where travelling times were short.[25] Since phasing out subsidies seems not to be feasible in the foreseeable future, the Government opted for a devolution of subsidy administration to local governments, namely, the Regional Services Councils and Provincial Administrations. The first such move was in 1986 when Provincial Administrations took over the function of collecting levies from employers.

At present, the established Regional Services Councils (RSCs) seem reluctant to fully accept the responsibility of administering subsidies. However, the recent White paper on transport, the Regional Services Council Act of 1985, and the recent Draft Passenger Transport Bill provide convincing evidence that the RSCs may play an important role in transport subsidies in future. The new sources of revenue will be generated by RSCs from an employers levy and a turnover levy. The Draft Passenger Transport Bill makes provision for the transfer of transport control and subsidy

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[25] South Africa, 1985; *Report of the Committee for Constitutional Affairs of the President's Council on an Urbanisation Strategy for the Republic of South Africa* (hereafter, President's Council Report), R.P. 3/1985, Government Printer, Pretoria.

responsibility to the RSCs, provides for the creation of regional passenger subsidisation, introduces a tender system for subsidised bus companies and partly implements deregulation. Under the proposed subsidy policy, DOT would sign short term contracts with bus companies. The Passenger Transport Authorities (PTAs) (soon to be established), which in most cases will be RSCs, will be responsible for subsidies. If the PTAs do not have sufficient finances to subsidise passenger transport, they would apply for aid to the Provincial Administrator or to the central Government. At present negotiations are still continuing between DOT and the subsidised bus operators on one to five year contracts. Undoubtedly, the Government's reform initiatives in the 1980s also prompted some restructuring in the transport sector. The primary aim of Government was to 'depoliticise' transport through privatisation and phasing out transport subsidies.

Outcomes

After bus subsidies were extended to African women in 1972, the employer's levy was doubled in ten urban areas (namely, Boksburg, Brakpan, Durban, East London, Edenvale, Johannesburg, Meyerton, Randburg, Vanderbijlpark and Vereeniging) from 10 to 20 cents. In Cape Town and at Carletonville the levy was increased from 10 to 15 cents per employee per week. Whereas PUTCO alone received 77 percent of the total subsidies in 1973 from both employers and the Government, some 15 bus companies received 23 percent of subsidies. Of the total subsidies only ten percent went to some eight municipal bus undertakings which catered for African commuters. Because of their limited clientele, small bus operators received small amounts of subsidies. The more passengers a bus company transported, the higher was the subsidy paid by NTC. The situation changed significantly when the levy payment was revised from a weekly to

monthly basis. An increasing number of areas were declared and small bus companies were also subsidised. The share of subsidies received by PUTCO dropped to 40 percent while some 30 bus companies received 60 percent of the subsidies. In 1975 seven local authorities received nearly 8 percent of the subsidies, while 24 bus companies received 53 percent of total subsidies.[26]

The changing procedures of subsidy had a profound effect on bus subsidies. In 1982, when the maximum limit of levy was deleted from the Transport Services Act, in 43 areas the levy per employee per month was R3; R2 in 3 areas; R1,50 in one area and R1 in six other areas. From the point of view of the state, the increases in the levy from R1 to R3 in 1983 was justifiable because the Government contributions were approximately 84 percent, while the employer contribution amounted to only 16 percent.[27] In relative terms, the percentage of state contributions in relation to employers was reduced from 84 to 73 percent after the levy was increased.[28] One other factor which partly contributed to the rapidly increasing Government subsidy contributions was the exemption of certain employers in areas where employees benefited from fare subsidies. In 1983, 16 urban areas received subsidies from Government and employers did not contribute. In 1986 African workers benefited from bus subsidies even in areas where employers were exempted from contributing to the levy. Although employers did not contribute to the subsidy pool in 13 such areas (Dendron, Ellisras, Ermelo,

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[26] Annual Reports of NTC and DOT, R.P. 88/1973; R.P. 96/1976.

[27] *Ibid,* R.P. 73/1983.

[28] President's Council Report, 3/1985, *op. cit.,* p. 101. During 1985/86 a total of R270,5 million was paid out to bus companies in terms of the Transport Services Act of 1957 and the Transport Services for Coloured Persons and Indians Act of 1972. The amount was made of 27 percent in employers contributions and 73 percent in funds from the treasury (South African Institute of Race Relations, 1986: *Survey,* Part 1, Johannesburg, 187-217).

Grobblersdal, Hoedspruit, Kaapmuiden, Knysna, Marble Hall, Paulpietersburg, Pongola, Slurry, Stanger and Stellenbosch), Africans resident there nonetheless benefited from subsidies.[29]

For several years subsidies were monopolised by a few bus companies in a few densely populated urban areas. PUTCO alone received 44 percent of the total subsidies awarded in 1982/83; 70 other bus companies between them received 56 percent. In 1985/86 subsidies received by PUTCO alone were 46 percent; 73 other bus companies between them received 54 percent. Seven Town Councils received only 7 percent; 64 other private bus companies received 47 percent in 1985/6. These figures show that subsidies awarded to PUTCO were equivalent to subsidies received by over 60 other private owned bus companies on average. The regional variations of subsidies persisted in the 1980s. Of the total subsidies received by PUTCO in 1982/3, 79 percent of subsidies were spent in the Transvaal and 21 percent in Natal. Of the total amount paid to PUTCO in 1985/86, 70 percent benefited Africans in the Transvaal alone while some 30 percent was received as fare subsidies in Natal.[30] Because of transport monopoly over geographic areas, PUTCO neither operated nor received transport fares in the Cape Province and Orange Free State. The Transvaal has come to capture enormous amounts of subsidies whether paid to private bus companies or municipal undertakings.[31] Several City Councils which rendered bus services received more subsidies in the Transvaal. In 1985/86, of the seven municipal bus companies, five were from the Transvaal and two from Natal, one from the Cape, and one from the Orange Free State (Table 4.2).[32] The development regions of Natal and PWV (i.e.

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[29] Annual Report of NTC and DOT, R.P. 112/1986.

[30] *Ibid*, R.P. 73/1983; R.P. 112/1986.

[31] President's Council Report, 3/1985, *op. cit.*

[32] Annual Report of NTC and DOT, R.P. 112/1986.

Table 4.2 City/Town Councils which received subsidies from NTC.

TOWN/CITY COUNCIL	PROVINCE	PERIOD
Alberton	Transvaal	April 1964 -
Benoni	Transvaal	April 1964 -
Brakpan	Transvaal	April 1961 -
Divisional Council of the Cape	Cape	April 1957 - Mar 1977
Durban	Natal	April 1961 -
Evander	Transvaal	April 1975 - Mar 1980
Germiston	Transvaal	April 1977 -
Nigel	Transvaal	April 1980 -
Pietermaritzburg	Natal	April 1957 -

Source: Information collated from Annual Reports of NTC and DOT.

E and H regions respectively) received larger amounts of subsidies than other regions in the country (cf. Appendices D and E).

The annual average subsidy per commuter burgeoned over the years and the higher subsidies were paid for longer distances (Table 4.3). In contrast, from 1982 onwards there was a steady decline in ticket sales of African passengers (Fig 4.3). The reduction in bus clientele is associated with the emergence of Black taxis and the resulting shift towards patronising this personal mode of transport. The reduction of passengers in buses did not reduce subsidy expenditure but had an opposite effect of upward thrust effect on subsidy. The increase in average annual subsidy per annum is associated with the increase in the average distance travelled. The increase of subsidies with commuting distance is primarily a result of race zoning policies and relocation of African communities which have occurred throughout South Africa. Over very short distances the subsidy is less than 50 percent of the total economic cost, over

Table 4.3 NTC subsidy and distance trends, 1979 to 1986.

Year	AVERAGE TRAVEL DISTANCE km	AVERAGE SUBSIDY (%)	AVERAGE ANNUAL SUBSIDY PER COMMUTER (1985 prices) R
1979	23	51	185
1982	25	56	280
1983	26	53	240
1984	28	56	255
1985	28	54	286
1986	29	54	300

Source: Clark and Naude, 1986, p. 61.

medium distances the subsidy is approximately 50 percent, and for long distances subsidies are more than 50 percent of the economic fare.[33]

Two themes emerged with regard to bus subsidies in the 1970s and in the 1980s. The first theme was an ostensible role of the central Government in extending the subsidy legislation to working-class commuters which did not previously benefit directly. Secondly, extension of subsidies was concomitant with increases in employers' levies. The levy was neither constant over time nor was it the same in all declared areas. The rate of levy which Coloured employers paid from time to time differed from the rate paid for African workers. The subsidisation

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[33] Cities with higher densities or more concentrated urban forms (e.g. Port Elizabeth, Cape Town, Witwatersrand and Durban) have lower transport costs than cities where a large proportion of the Black population is living in dispersed satellite settlements (e.g. Pretoria and Bloemfontein) (Viljoen, 1985, *op. cit.*) The further the distance travelled to work, the larger the proportion of the economic fare covered by the subsidy. The average annual subsidy per bus commuter in 1986 was R600 for workers commuting from African residential areas to work in Pretoria, R420 to Bloemfontein, R283 to Durban, R180 to Cape Town, R163 to the Witwatersrand, and R80 to Port Elizabeth (South African Institute of Race Relations, 1986, *op. cit*).

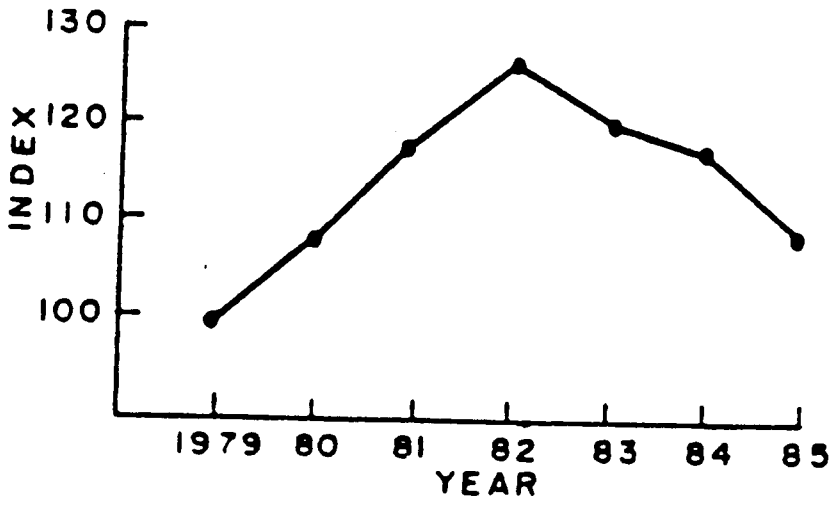


Figure 4.3 Index of ticket sales to Black passengers transported by private bus companies, 1979 to 1985. (Source: DOT Information bulletin No. 2, 1986.)

procedures for Africans differed from those for Coloureds and Indians. The origins of Coloured and Indian subsidy policy will now be examined, the debates in and outside Parliament throughout the period 1972 to 1986 will be scrutinised, and the outcomes of the extension of subsidies to Coloureds and Indian workers will be discussed.

Bus Subsidies for Coloureds and Indians

The resettlement of communities through the application of the Group Areas Act had a profound effect on transport subsidies in general and on bus subsidies in particular. Several Coloured communities were the victims of resettlement throughout South Africa. In Port Elizabeth, for example, Coloured people were resettled from Southend, Salisbury Park and Fairview (all were multiracial communities which were near the heart of the city), and dumped at Gelvandale. The Community at Gelvandale Coloured

Township was dependent on the two main urban industrial areas, namely, Struandale and Deal Party in Port Elizabeth. Relocations of the Coloured and Indian communities resulted in a considerable increase in travel distances.[34]

Apart from the increase in travelling expenses because of race zoning policies, poverty was another pressing problem facing Coloured communities. According to official figures for 1973, some 14 000 Coloured families at Port Elizabeth alone had no source of income, and over 34 000 families had an annual income of between R100 and R499. A survey in 1971 revealed that 54 percent of Coloured people earned less than R70 per month, the Poverty Datum Line. Over 68 percent of Coloured people relied on buses from Gelvandale to and from Port Elizabeth. Coloured people in Cape Town were also resettled. At District Six, Coloureds were close to places of employment and transport fares were relatively cheap. Their removal to places such as Cape Flats and Mitchell's Plain inflated travel expenses.[35]

The fact that subsidy policy for African people had been enacted in parliament was sufficient grounds for the urgent passage of the Coloured Persons and Indians Transport Services Act (No. 27 of 1972), to compensate for their locational disadvantage. The effect of the Group Areas Act on the one hand, and the "Brown Sharpeville" police shooting of Coloured bus protesters, triggered unrests in Gelvandale in 1971. The two factors are significant in understanding the extension of subsidies to Coloured and Indian commuters. Coloureds and Indians suffered the worst from Group Area removals. By 1975, over 300 000 Coloureds were already resettled

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[34] *Hansard* (Assembly), 28 February 1972, col. 2056.

[35] *Ibid,* 28 February 1972, cols. 2072-2074. Western, J., 1981, *Outcast Cape Town,* University of Minnesota Press, Minneapolis.

Table 4.4 Victims of removals by population group in terms of the Group Areas Act, 1975.

GROUP	REMOVEES	AWAITING REMOVAL
Coloureds	305 739	93 929
Indians	153 230	44 590
Whites	5 895	733

Source: Western, 1981, p. 72.

compared to less than 6 000 whites (Table 4.4).[36] Living conditions at resettled areas were in most cases not satisfactory. Gelvandale Township at Port Elizabeth stood as a 'melting-pot' of Coloured revolt; significantly the first police shooting after Sharpeville massacre of 1960.

About half of the estimated 100 000 Coloureds at Port Elizabeth lived at Gelvandale. Not all inhabitants lived in decent accommodation and their economic position was worsen by inflated prices on basic commodities such as food, housing and transport. The unrests were triggered by the increase in bus fares there. For the first time Coloured commuters boycotted buses and walked 15 km to and from work. Protesters carried posters with evocative slogans "We walk! Ons loop" (equivalent of "Azikwelwa"). Violence erupted when police arrested one protester in a mass meeting. Over 10 000 protesters marched to the police station to demand the release of the arrested man. Police fired live bullets and teargas. For the next two weeks Gelvandale was ablaze: buses and vehicles were stoned, and police retaliation abounded. The situation disturbed

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[36] These figures were provided by the Minister of Community Development, Mr. M. Steyn in the House of Assembly. When the sum of both those removed and those waiting to be removed in 1975 is expressed as a percentage of the total population in each racial group, the proportions are 16.2 percent of Coloureds, 25.6 percent of Indians, and 0.15 percent of whites.

whites in the 'Friendly City' as Port Elizabeth was popularly known and the Government introduced a Parliamentary debate related to unrests at Gelvandale.[37] It was the first time that the central Government discussed the economic and political plight of Coloured people at Port Elizabeth. The extension of subsidies to Coloureds must be viewed within this context. First the Government extended subsidies to Coloureds so as to prevent further disturbances not only at Port Elizabeth, but also at the Western Cape where the majority of Coloureds lived. Secondly, the Government extended subsidies to compensate victims of resettlement and removals.

After thorough consideration of the implications of the resettlement of Coloureds and Indians, the central Government extended bus fare subsidies to these two race groups. Similar to the previous Acts (No. 64 of 1952 and No. 53 of 1957) which enforced employers of *African* workers to contribute levies, the subsidy legislation which extended subsidy to Coloured and Indian workers met strong objections in Parliament, as well as from employers and the general public. The United Party viewed the extension as an "attempt to hide the crazy structure of separate development" by readily providing transport fare subsidies for those sited in the fringes of urban areas. If implemented, critics argued; owners of small businesses could be bankrupted because of their low annual turnover. Similar to previous subsidy legislation for Africans, the extension of the levy to Coloured and Indian employers was seen as a "separate tax for a selected group" and a "pickpocket tax".[38] Arguably, producers and manufacturers would not pay the levy from their pockets, but would unscrupulously inflate prices of their products and by so doing,

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[37] Venter, A.J., 1975: *Coloured: A Profile of Two Million South Africans,* Human and Rousseau, Cape Town.

[38] *Hansard* (Assembly), 28 February 1972, cols. 2042, 2050.

communities depending on those products would indirectly be paying transport subsidies.

Critics objected to Coloured and Indian employers paying transport levies and urged the Government to subsidise bus fares using money from the Consolidated Revenue Fund. They argued that in extending bus subsidies to Coloureds and Indians, there would arise additional costs through administering the levies; additional staff to collect the money, to administer funds, to keep records, to deal with payment of subsidies and handle the system used in selling tickets.[39] Other opponents argued that the central Government should pay the costs of the Apartheid ideology because "the state moves people many miles from where they work".[40] The criticisms did not differ considerably from those raised in regard to subsidy procedures for Africans. Several reasons to justify the rejection of extension of subsidies to Coloureds and Indians were presented. First, a levy was a sectional tax imposed on employers. Second, it was punitive measure enacted some fifteen years ago and would be extended to Coloured and Indian employers. Third, subsidies were bound to increase the cost structure of employers of Coloured and Indian employers. Fourth, it would also introduce a cost factor not taken into consideration when agreements were negotiated in respect of Coloured and Indian employers. The United Party wanted a change in the mechanics of subsidisation and argued that Commerce and Industry were already overloaded by "ever greater burdens" of levies. However, the central Government did not accept these criticisms and continued to implement its plans.[41]

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[39] *Ibid,* 28 February 1972, cols. 2049, 2050.

[40] *Ibid,* 28 February 1972, col. 2084.

[41] *Hansard* (Senate), 9 March 1972, col. 1449.

The opposition to extension of subsidies did not abate in the late 1970s. Even in the 1980s under the opposition of the Progressive Federal Party, the mechanics of subsidies did not get approval. In 1982, when the transport levy paid by employers was increased, critics ventured to say that the Minister of Transport was given a "blank cheque" to write levy increases.[42] From time to time, the official opposition in Parliament noted the historical context which necessitated transport subsidies, the inevitable consequence of having moved Blacks far away from places of employment to the periphery. The extension of the levy to include domestic servants in 1982 was even criticised as an "irritant for houseowners who employed Coloureds or Indian servants" because administration costs would be incurred in collecting levies.[43] The debates in Parliament attracted a number of groups with interest in bus subsidies. ASSOCOM and the Federated Chamber of Industry (FCI), the representatives of employer organisations, objected to the extension of subsidies. ASSOCOM petitioned Members of Parliament objecting to the increases in the levy.[44]

Outcomes

Despite several objections to the extension of fare subsidies, the Transport Services for Coloured Persons and Indians Act of 1972, was enacted in Parliament. Nine areas were subsequently 'declared' in terms of the Act and the number remained the same for some 14 years (Table 4.5). Employers within declared areas paid a levy of 20 cents per employee per week from 1972 to 1982. Levies were increased to 60 cents per employee

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[42] *Hansard* (Assembly), 28 April 1982, cols. 5576, 5582, 5590.

[43] *Ibid,* 28 April 1982, col. 5579.

[44] *Ibid,* 28 April 1982, cols. 5580, 5581.

Table 4.5 Declared municipal areas where Coloured employers paid transport levies in terms of the Coloured and Indian Transport Services Act of 1972.

WESTERN CAPE REGION	EASTERN CAPE REGION	WITWATERSRAND REGION
Bellville Cape Town Goodwood Kuils River Simonstown Stellenbosch Wynberg	Despatch Port Elizabeth Uitenhage	Johannesburg

Source: Information collated from the Annual Reports of and NTC and DOT.

per week from 1983 and the rate remained the same until 1986. Prior to 1977, all bus fare subsidies for Coloureds were paid for by employer contributions.[45] At the time of proclamation in 1972, no levy was paid for domestic servants employed by private householders until 1982.

The procedures of collecting levies from employers of Coloureds differed from those of Africans. Whereas in the case of Africans, the BAABs collected levies from employers, the NTC collected levies from Coloured employers. Apart from the official bulletin, publicity for the Coloured bus subsidies was by means of press statements and by radio broadcasts over the regional programmes of the South African Broadcasting Corporations. Despite these attempts, the responses of Coloured employers were disappointing. To deal with the situation of indifference, DOT devised strategies of door-to-door canvassing from one firm to another, educating employers on the mechanics of bus subsidies and urging employers to register their employees and pay levies. Ultimately, the

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[45] Munitz, S.M., 1984: The urban transport subsidy: companies versus communities - City Tramways and Cape Town, unpublished BA Honours Dissertation, Department of Economics, University of Cape Town, Cape Town.

strategies became effective and most employers registered their Coloured employees.[46]

The mechanics of subsidies for Coloureds differed from those of Indians. Subsidised bus fares for Indians were only introduced in 1980/81 in Lenasia and funds were paid to Lenasia Bus Service from the Treasury. Employers of Indians did not pay levies, as the central Government experienced problems in distinguishing employers and workers. The fare subsidy paid for Indian workers increased enormously (Table 4.6).[47] The injection of large amounts of subsidy at Lenasia after the 1984/85 financial year can be variously interpreted. Firstly, the tricameral system had just been established and the cooption of Indians to the apartheid structure justified the increases in the Government grants. Secondly, the resentment in Indian communities against the tricameral system was at its apex during this period to such an extent that the increase in bus fares would lead to further unrests. Thirdly, because of the bus boycott in 1985, the Lenasia Bus Service successfully applied for increases in subsidies from the Government. In order to prevent fare increases in Indian bus fares, the central Government voted large sums of subsidies.

When changes in subsidy policy were introduced in 1982, three significant alterations arose in the mechanisms of subsidies for Coloureds. First, similar to African domestic workers, Coloured domestic servants benefited from transport subsidies after 1982. Domestic servants who stayed in approved accommodation on the premises of private houseowners were still exempted from such benefits. Second, the Minister of Transport was empowered to impose any amount of levy on employers after

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[46] Annual Report of NTC and DOT, R.P. 88/1973.

[47] *Ibid,* 28 April 1982, col. 5575.

Table 4.6 Indian fare subsidies paid to Lenasia Bus service, 1980 to 1986.

Year	Government vote R
1980/81	31 816
1981/82	72 301
1982/83	90 897
1983/84	99 615
1984/85	99 947
1985/86	221 554

Source: Information collated from the Annual Reports of NTC and DOT.

consultation with the NTC, the Minister of Finance and the Minister of the Interior. Third, the amount imposed had to take effect only after twelve months of publication in the *Government Gazette* to allow employers an opportunity to present objections.[48]

A rapid decline in the percentage of subsidies paid by employers in relation to that from the Treasury become evident after 1978. The Coloured employers contribution declined from 87 percent in 1978 to 25 percent in 1982. After 1978, transport contributions from employers of Coloureds were inadequate and the Government devised strategies of increasing levies. In order to compensate for the deficiency in levies, central Government appropriated additional funds under the vote of DOT. In the case of Coloured commuters, the total amount of subsidies over the years in real terms remained constant (Appendix F). The higher the employer contributions, the lesser the Treasury contributions. The total annual subsidy expenditures for Coloured commuters did not increase at the same rate as African bus subsidies. The explanation for this could

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[48] *Ibid*, 28 April 1982, col. 5579.

be the increasing income levels among Coloured people. In addition, average travel distances did not increase at the same rate as for Africans.

The effectiveness of the subsidy mechanisms for Coloureds from 1972 to 1986 could be measured by using the decrease or increase in number of Coloured employers registered. While registered employers paid transport contributions, unregistered employers did not do so. For example, less than ten thousand Coloured employers registered and paid transport levies. In 1973 employers paid levies in two metropolitan areas of Port Elizabeth and Cape Town. The central Government devised strategies to recover unpaid transport levies from employers. Whereas one-third of the employers were registered in the Eastern Cape, the number was as high as two-thirds in the Western Cape. There was an unprecedented increase in number of employers registered in 1974, for example at the Cape, the number rose by some two thousand in 1975, and at Port Elizabeth by some one thousand (Appendix G).

Over the years, there has been a general decline of registered Coloured employers, and the decline began around 1976. The year 1975 had the highest number of employers of Coloureds who registered in the three principal areas, Cape Town, Port Elizabeth, and Johannesburg. In 1976 an interesting decline of recorded Coloured employers occurred, by some two thousand employers at the Cape, by five thousand in Port Elizabeth, and by some four thousand in Johannesburg. Reasons for the decline from 1977 could be attributed to the political climate related to the June 1976 student riots in Soweto which spread throughout South Africa. A few Coloured employers might have evaded levy payment during the unrests. The general decline of registered employers persisted in the 1980s. Whereas at the Western Cape there was a decline by one-third in 1986, in Johannesburg a remarkable decrease by some 50 percent was recorded. As

a predominantly Coloured labour area, Cape Town had a greater number of employers of Coloureds than Johannesburg and Port Elizabeth throughout the period 1972 to 1986 (Appendix G).

In view of the marked decrease in the number of Coloured employers in the three metropolitan areas, the Government began a campaign of checking registrations of Coloured employers (Appendix H). Between 1980 and 1986 several inspections were done and they revealed that a significant number of Coloured employers evaded payment of levies. In 1981 Cape Town had 50 percent of non-registers, Johannesburg 35 percent and Port Elizabeth 15 percent. The high non-registration of employers in Western Cape was however reduced in the 6 years of the Government control of levy payments. The Government campaign was effective and total non-registers were reduced by half from 1980 to 1986. A conclusion can be drawn that the more the inspections the higher the number of offenders. The number of inspections was proportional to the number of offenders, however, this conclusion may be an exception than a rule (Appendix H).

Evaluation of the present subsidy mechanism for Coloureds revealed that the Government had not made effective use of the existing mechanisms to get all employers to pay their levies. It is evident that many more employers might have evaded the levy payment and the state could not trace them. The problem of levy non-payment could not be solved easily, because the costs involved in tracing defaulters were higher than the gains made through such investigations. Complete control over the payment of levies was not possible. Despite the difficulties in securing levies, those collected together with contributions from the Government were put at the disposal of some thirteen bus companies between 1972 and 1986. Eleven different bus companies were from the Cape Province, two in the Transvaal, none in Natal and the Orange Free State (Table 4.7). Simonstown Passenger Transport was the first company to benefit from Coloured fare subsidies

Table 4.7 Districts where Coloureds and Indians benefited from bus subsidies paid by the NTC, 1972 to 1986.

DISTRICT	PROVINCE	BENEFICIARY	PERIOD
Cape Town	Cape	Atlantic Bus Service ------	1977 -
		Boland Passenger Transport	1976 -
		City Tramways----------	1976 -
		Mitchells Plain Bus Service----------	1974 -
		Simonstown Passenger Transport--------	1973 - 1979
		Mamre Passenger Transport--	1976 - 1977
		Helderberg Passenger Transport--------	1976 - 1977
Port Elizabeth	Cape	Uitenhage Passenger Transport--------	1977 - 1980
		Port Elizabeth Passenger Transport--------	1973 - 1980
		Port Elizabeth Tramways----------	1979 -
Johannesburg *	Transvaal	PUTCO----------	1976 -
		Lenasia Bus Service*-------	1981 -
George/ Oudtshoorn/ Mosselbay *	Cape	Southern Cape Passenger Transport----------	1980 -
Kimberley*	Cape	Kimberley Bus Service------	1982 - 1983
		SA Transport----------	1982 - 1986
		Interstate Bus lines-------	1986 -

Source: Information collated from the Annual Reports of NTC and DOT.
*Employers did not pay transport levies, subsidies were granted by the Government only.

in Cape Town. A subsidy scheme was introduced in 1973 between Simonstown and Fish Hoek and the resettlement area of Ocean View. In 1986 four bus companies transported Coloured commuters at subsidised weekly and monthly tickets. The first company to receive subsidies at Port Elizabeth, was Port Elizabeth Passenger Transport. After 1980, only Port Elizabeth Tramways at Port Elizabeth transported Coloureds at subsidised fares. Similarly, the George-Oudtshoorn-Mosselbay area had one bus company subsidised. In Johannesburg, PUTCO provided subsidised fares for Coloured commuters. The Lenasia Bus Service case was different and

interesting, as it is the only bus company which provides subsidised Indian bus services throughout South Africa. In Kimberley three bus companies benefited from subsidies between 1982 and 1986. In 1986 only one bus company provided subsidised fare for Coloured workers in Kimberley.

Mechanics of Bus Fare Subsidies up to 1986

A review of transport subsidies elsewhere shows that no one formula for fixing the amount of subsidy is entirely satisfactory.[49] In South Africa, it is also true that no single formula exists to match the objectives of transport subsidies.[50] Levels of subsidy are determined individually on each route, and the level of assistance is re-evaluated periodically. The mechanics and procedures of fare subsidies differed from one place to another. In Canada, for example, subsidies are mainly the responsibility of the municipal and provincial administrations. Funds for subsidies are generated from general municipal and provincial revenues, or from profits on other routes on public utilities there.[51]

Transport subsidies in South Africa had been used to make the Group Areas Act and other associated race zoning policy more viable and to

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[49] Roueche, 1981, *op. cit.*

[50] Provision is also made for an *ex post* compensation of operators in the form of special subsidies to cover losses that may result from *inter alia* riot damage or of patronage because of bus boycotts. There was a clear relationship between areas inclined to 'unrests' and the amount of subsidy paid to such areas. The 'general climate' determined the amount the Government would approve for bus subsidies. Other factors taken into account in deciding on the subsidy proportion include, local wage levels, the degree of political 'sensitivity' of an area and policies such as subsidising border decentralisation areas at a higher rate than metropolitan areas (Clark and Naude, 1986, *op. cit.*).

[51] Frankena, 1973, *op. cit.*

justify the relocation of communities. It is this socio-political situation which makes subsidies in South Africa different from transport subsidies in other countries. The NTC subsidises a single operator in a geographic area. For a bus operator to receive a subsidy, an average total cost of providing a service is determined and reported to the NTC, and the Tariffs and Subsidies Division of the Department of Transport (DOT-TSD) administered the subsidy.[52] In order to receive subsidies, bus operators should be in possession of a permit issued by the LRTB (in terms of Act (No. 78) of 1977). Bus operators submit a subsidy claim form to DOT-TSD at the end of each month. The claim forms contain the number of tickets sold for each route subsidised, and the economic tariffs required by operators for weekly and monthly tickets (Appendix I). The total number of subsidised tickets sold per route was multiplied by the difference between the amount a passenger can afford to pay and the 'economic' tariff required by the operator on each subsidised route. The NTC paid subsidies to bus companies on monthly basis. On applying for subsidy, or for an increase in economic fare, a tight bureaucratic procedure was followed (Fig 4.4).

Until 1986, funds from the Treasury and levies from employers were two main sources of bus subsidies. Prior to 1973, BAABs collected levies from employers of African workers and the NTC collected levies from employers of Coloureds. Development Boards (formerly BAABs) collected levies from employers of African workers (males and females) in declared areas (Fig 4.5).

Until 1986 there were several variations of the subsidy system on routes within the Bantustans and in the four 'Independent' Bantustans.

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[52] The DOT-TSD is a subdivision of the NTC and its function is to subsidise Black commuters to and from their places of employment in terms of the subsidy legislation.

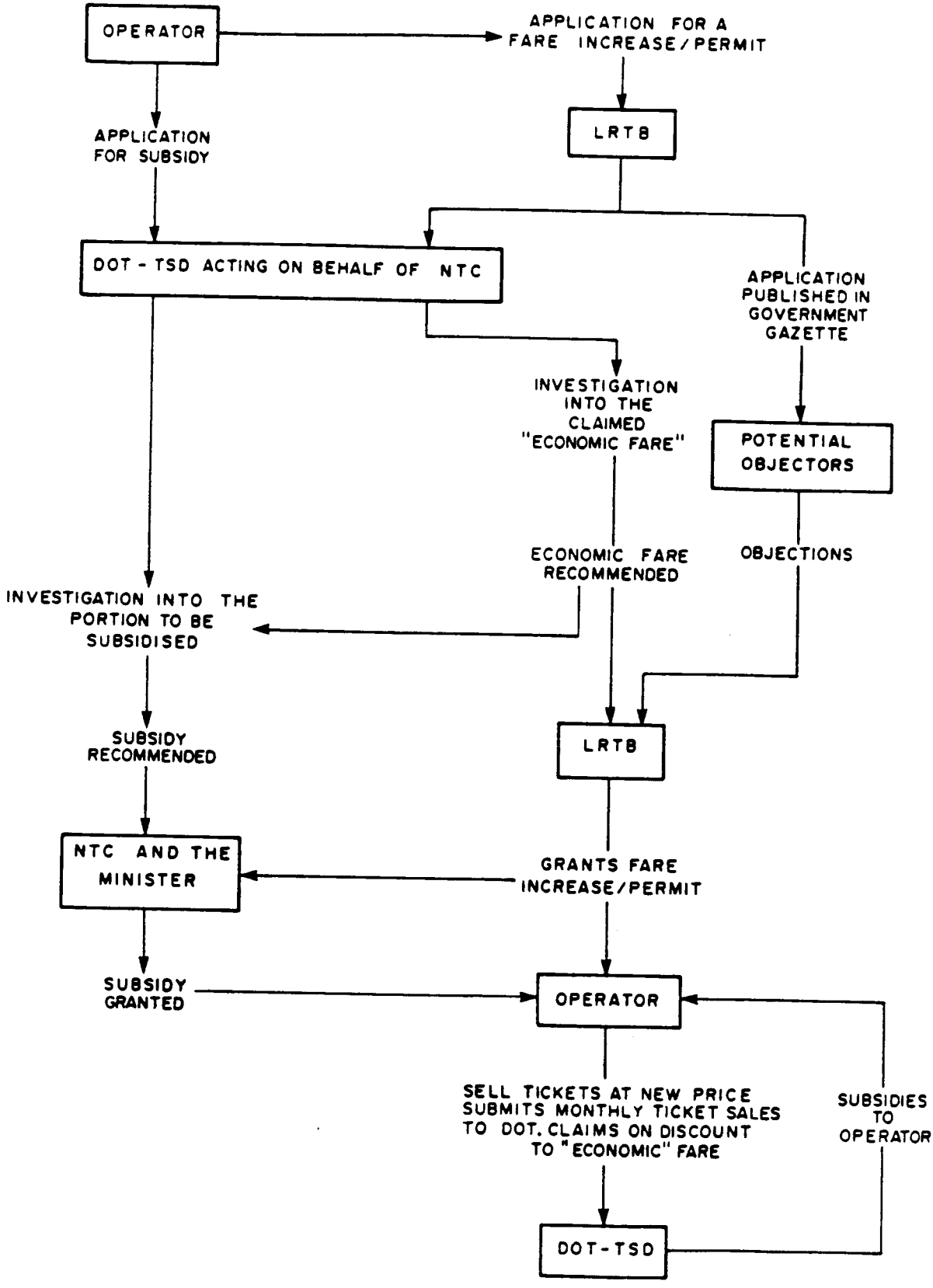


Figure 4.4 The NTC subsidy allocation mechanism. (Source: Clark and Naude, 1986, p. 35.)

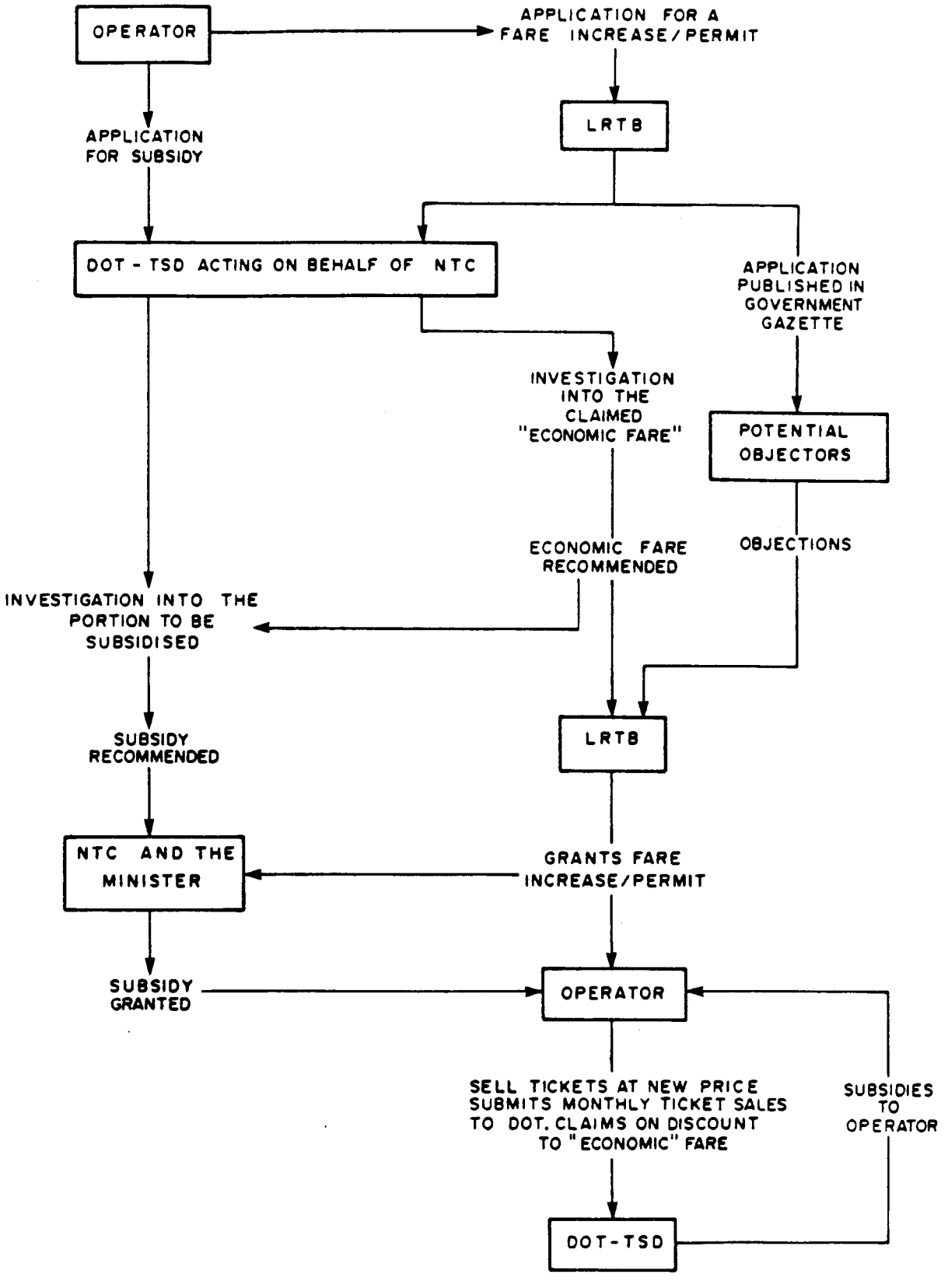


Figure 4.5 Financing in terms of the Black Transport Services Act. (Source: Clark and Naude, 1986, p. 35.)

These variations concern administrative agencies, relevant legislation, sources of funding and associated subsidy allocation mechanisms (Appendix J). The funding for bus transport subsidies in the so-called independent homelands (Transkei, Bophutatswana, Ciskei and Venda) was different to funding of subsidy in other Bantustans (Ganzankulu, Lebowa, Qwa Qwa, Kwa-Ndebele, KaGwane and Kwa-Zulu) and in 'white' South Africa. The so-called independent homelands obtained subsidies from diversified sources, such as locally generated revenue, external loans, and budgetary assistance from the South African Treasury. The NTC subsidy system catered for all bus fares that originated within Bantustans and 'Independent' Bantustans to 'white' South Africa.[53] Bus services that originated and terminated within the borders of the Bantustans were subsided by the Department of Co-operation and Development Aid, which procured funds from sales of liquor, as well as as from the central Government Treasury and the South African Trust.[54]

The changing political and social conditions of the 1970s and the 1980s forced remodelling of the subsidy procedures. The reform movement was probably accelerated by the strikes of the early 1970s and the popular school uprisings in Soweto in 1976. The accession to premiership of P.W. Botha in 1978 coincided with the state's reconstruction of the political economy of South Africa. A new constitution introduced in 1983 co-opted Indians and Coloureds into tricameral Parliament. With these changes,

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[53] The Government's Bantustan policies "cost taxpayer millions in transport subsidies". KwaNdebele is a classic example, of over 20 000 commuters who work in Pretoria, it was reported that each was subsidised to the tune of approximately R1 500 in 1987 (*Business Day*, 27 July 1988).

[54] Whereas subsidy administered by the Department of Development Aid was R1 700 000 in 1981/2, the amount doubled in 1985/86 to approximately R3 500 000. Different subsidy mechanisms are utilised for bus fares in Bantustans and 'Independent' Bantustans. Whereas in the former the subsidy administration agency is the Department of Development Aid, in the latter a specific Government department is the responsible agency to administer transport bus fare subsidies (Clark and Naude, 1986, *op. cit.*).

the subsidy procedures could not remain intact. The Regional Services Act of 1985, the abolition of Development Boards, and the establishment of RSCs were part of the state's restructuring of the political order to dispel what the Government called a revolutionary onslaught.

Summary

The extension of subsidies to African women, Coloureds and Indians emerged out of the political and economic conditions of the 1970s and the 1980s. Arguably, two strategies shaped the political economy of South Africa. First, the state's repressive apparatus was strengthened and the security forces acquired expanded powers and resources. As evidence one may cite the declaration of three consecutive states of emergency and the occupation of Black townships by troops. Second, the Government made an effort to remodel the economic and political institutions to generate some legitimacy for the social order.[55] Another factor that brought about changes in the mechanics of subsidies occurred when BAABs were established and local authorities were exempted from controlling the affairs of Africans in the townships from 1972. The introduction of the Bantu Affairs Administration Board Act ended the long standing use of municipalities as agents of the central Government. Also, the application of influx control and labour regulation were centralised and administered in a much more uniform practice throughout South Africa.[56] Instead of local authorities collecting levies from employers, BAABs did so.

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[55] Stadler, A.W., 1987, *The Political Economy of Modern South Africa*, David Phillip, Johannesburg.

[56] Bekker, S. and Humphries, R., 1985: *From Control to Confusion: The Changing Role of Administration Boards in South Africa: 1971-1983*, Shuter and Shooter, Pietermaritzburg.

A further change on transport subsidies occurred in 1982 when the maximum levy limit clause was deleted and the Minister of Transport was given absolute power to determine the rate of levy for particular urban areas. The recommendations of phasing out transport subsidies within four years were central to Welgemoed Commission. With regard to subsidies in South Africa, two important events occurred in 1985, first the enactment of the Regional Services Act, and secondly the President's Council Report on urbanisation dealt extensively with urban transport and also gave prominence to transport subsidies as applicable in South Africa. The White paper on urban passenger transport came as a watershed in transport subsidies in 1987. Commenting on the National Transport Policy Study recommendations about transport, the White paper suggested that the present bus fare subsidy system should be converted into fixed period contracts between current permit holders and DOT. At the end of the fixed period, the RSCs would either renegotiate the contracts with the operators or alternatively call for tenders to provide transport services at subsidised rates. Subsidies would be paid primarily out of the levies raised by the RSCs but also, on application, through the relevant Provincial Administrator, or by the central Government. The central Government accepted these recommendations and are included in the recent Draft Passenger Transport Bill which is due to be tabled in Parliament.

The third type of bus fare subsidies occurred between 1972 and 1986 during which time subsidies were extended to African women, Coloureds and Indians. Also during this time, several more bus companies benefited from subsidies more than in the previous decades. In addition, the levy paid for African workers was raised three times in 14 years. By contrast, the transport levy paid by Coloured employers remained constant for the first decade. Of the companies which received subsidies PUTCO emerged as the major beneficiary. In the Transvaal, PUTCO benefited from subsidies than in any other province. As for Coloured commuters, larger subsidies were

paid in the Western Cape and in Port Elizabeth, and major beneficiaries were Cape Town City Tramways and Port Elizabeth Tramways. Striking variations between subsidy financing for Africans, Coloureds, and Indians were observed. Prior to 1986, the levy paid by employers of Coloureds was 60 cents per employee per week as opposed to R3 per employee per month for employers of African workers, and no levy was paid for Indian workers. The NTC accumulated levies for Coloured employees directly from employers.

CHAPTER FIVE

CONCLUSION

Findings of the Study

The following major points emerge from the study:

(1) In the period 1944 to 1986, the proceedings of Parliament, as well as press debates, show that there were a variety of ideas about why black transport should be subsidised and how this should be done. The two Governments of the period had different views on these matters, and this diversity meant that the state did not present a uniform policy. As a result, bus subsidies fell short of achieving their professed economic aims, but satisfied the political ends of the Governments and of capital. Those opposed to subsidies branded them as unjustified sectional tax and argued that instead of commerce and industry subsidising Black bus users, that burden should be shouldered by the state which engineered the residential segregation and which in turn necessitated subsidies. But, blaming employers for paying their migrant workers low wages, the Government presented itself as a 'mediator' in overcoming the dilemma of Black transport costs.

(2) The criteria used in determining which areas were exempted from subsidies differed from one place to another. Subsidies were paid to victims of race zoning and resettlement (see Chapter Three). The subsidies were first applied in large cities such as Johannesburg and Pretoria where large scale urbanisation had occurred; subsidies were paid in proportion to population sizes. Smaller towns like Kroonstad also benefited from subsidies, although payments in these instances were less permanent and were withdrawn and then reinstated from time to time.

(3) Subsidy amounts and procedures differed by race. Employers of Coloureds contributed subsidies weekly, whereas employers of Africans did so on a monthly basis. Employers of Indians did not pay the transport levy. The amount which employers contributed per employee also differed in the four provinces and varied as between cities and towns. The timing of subsidy proposals varied too. Legislation in respect of Coloured and Indian workers was passed in 1972, whereas Africans were first affected by a War Regulation of 1944 (see Chapter Two). More permanent arrangements were introduced after laws were enacted in 1952 and 1957 (see Chapter Three).

(4) The nature of subsidies varied historically. At the outset, fare subsidies amounted to approximately 50 percent of the passenger fare. Subsidies came from the Government (funds voted in Parliament) and from employers. In the 1970s and the 1980s, there was an absolute increase in subsidies paid to bus companies, but the share which was paid by employers diminished. In 1982, the Government paid 37 percent of the subsidy whereas employers contributed only 13 percent. The contribution by employers declined from 32 percent in 1974. The increase in Government subsidy contributions was made possible by enforced increases in the contributions by employers of African workers from R1 to R3 in 1983. Then, in 1986, the Government devolved the subsidy administration to the Provincial Administrations. In future, the Regional Services Council may play an important role in bus fare subsidies (see Chapter Four).

(5) Major metropolitan areas received substantially larger subsidies than small towns. Within this hierarchy, different amounts were paid racially: a larger amount of subsidy for Coloured workers was paid to bus companies in Cape Town and Port Elizabeth than in Johannesburg. Also, there has been an increase in the number of beneficiaries of subsidisation. Whereas

only one bus company was a recipient in the 1940s, some seventy companies enjoyed subsidy in the 1980s (see Chapter Four).

The Political Implication of Bus Subsidies

In the 1940s, the Government did not launch subsidies as a social welfare programme. Instead they were intended as complementary strategies to urban race zoning, and as a device to break bus boycotts and to control other forms of protest. The political connotation of bus subsidy was a matter of great concern to opponents of the scheme who saw that the Government was safeguarding both its ideological interests and those of capital by transporting labour at subsidised fares. By virtue of the subsidies, Government not only conveyed labour cheaply to work places, but also maintained social control over, and subjugation of, Blacks. These people were never given any share in the bureaucratic procedure of transport subsidies. The nature and mechanics of subsidies confirm that in South Africa bus subsidies were used to manipulate the public for ideological reasons.

Bus subsidies became increasingly necessary as settlement patterns changed to reflect the increasing effectiveness of Government race policies. The large scale influx of Africans into urban areas since the 1940s was a challenge for the Government to provide accommodation and manage urban environments. The demand for houses exceeded provision and this resulted in squatter movements emerging in unprecedented manner in and around cities (see Chapter Three). At the time, only Africans were prohibited by law from residing in 'white' areas. Nonetheless, a few multiracial communities held freehold rights in major metropolitan areas (e.g. Sophiatown, Cato Manor and District Six). The change of Government in 1948 meant that previous segregation policies were extended. Bus

subsidies were entrenched concomitant with the application of the Group Areas Act, and they were inflated in concert with the increase in the number of Black townships. There can be little doubt that the geography of Black settlement in South Africa would have been different in the absence of transport subsidies. The Group Areas Act, the Bantustan policy, and the decentralisation legislation would have been unworkable, and the shortcomings of these policies would have been exposed earlier. Subsidies will continue to be implemented by the ruling class, provided they meet certain ideological ends. The political and economic conditions of the 'reform' initiatives of the 1970s and 1980s demanded less centralisation of administration of basic services such as transport and housing with the view to making them apolitical.

Cul de sac: Subsidies at a crossroad?

Bus fare subsidies for Blacks in South Africa were double edged swords. They were used as compensation for inflated travelling costs, but they were also used to facilitate further relocation of Blacks from city centres to the urban periphery. Subsidies proved to be costly to both central Government and employers in monetary terms and also in human resources. Racial classification was the most appropriate criterion for the ruling regime to allocate land for residence. In urban areas provision of housing and transport were (mis)managed to provide a larger share of productive land to the white minority through race zoning. Central to discussing transport subsidies are questions such as who resides where? Who decides on the location of others? By whom and how are the costs of apartheid ideology financed? Although the central Government and employers provided subsidies for bus commuters, struggles surrounding who should pay transport subsidies persisted. Contrary to popular belief, subsidies disadvantaged Blacks rather than benefiting them. Employers

paid transport levies which might otherwise have been used to pay worker's wages.

Another fact worthy of consideration is the sequence of events between the passing of the subsidy legislation and the implementation of race zoning. The Levy Act of 1952 and the Transport Services Act of 1957 played a role which was complementary to the massive removals of Africans from 'Black spots' to urban fringes. Although subsidies made travelling costs affordable, vital aspects of the lives of Blacks were affected. Bus subsidies undermined the self-respect of commuters, and continued to reinforce their economic dependence. Given the socio-political conditions in South Africa, transport subsidies were not an answer to the policy of removals and distant resettlement. Subsidies did not make provision for those who could previously walk or cycle, nor did they ease the discomfort of a long journey. Subsidies failed to compensate for the costs of long distance travel and for the associated transfers, infrequent services, crime and crowding. Subsidies also failed to compensate Black people for the truncated leisure hours and household and family time which long journeys caused.

Although influx control was abolished in 1986, the Group Areas Act has not been scrapped, nor has enough land been provided for Black settlement in or near major urban areas. In accordance with the new 'orderly urbanisation' strategies, thousands of unemployed Blacks in the barren and poverty-stricken Bantustans may yet flock into urban areas hoping to get jobs. Housing shortages and transport subsidies are likely to continue with no prospect of abating. Political 'reform' will not necessarily ease the burden of subsidies. Because the Group Areas Act is still enforced in most metropolitan areas, new commuters in the city can only be dumped in the already overcrowded townships where the housing shortage is severe.

What is the future of Black bus subsidies in South Africa? If, or when, the Group Areas Act is abolished or amended, subsidies may be terminated or phased out. Before this occurs, the deregulation and privatisation of transport may also end subsidies. What is certain is that satellite housing, racial zoning and decentralised industrial development cannot be supported without subsidies. Even if the Group Areas Act can be scrapped overnight the geography of settlement would not be transformed in the near future. Most Blacks will still be at the fringes of urban areas where land is cheap and housing is affordable.

Secondly, privatisation and deregulation will not necessarily solve transport subsidy problems. Blacks will still need subsidies, especially the frontier commuters in border areas who work in 'white' South Africa. Besides, the present bus companies which have been protected under transport monopoly would not be viable without subsidies. Eliminating their subsidy would first result in inflation of transport fares with the possibility of numerous bus boycotts and unrest in Black communities. Subsequently, the companies might be forced out of business. In their place, the unsubsidised Black taxis do not yet have the capacity to transport the entire work-force.

During the course of 1988, transport subsidies are expected to change course. Indications are that the central Government will shift the greater burden onto Provincial Administrations, RSCs and employers. However, Regional Services Councils are unlikely to be able to pay subsidies out of their own budgets. As the central Government is unwilling to abolish race zoning and allow Black people to live where they choose, the need for bus subsidies will remain. Moreover, commerce and industry will continue to protest at their contributions, and workers will continue to press for increased wages. The central Government must decide whether to scrap the race zoning policies which made subsidies necessary

or devolve subsidy responsibilities to local forms of Government leaving employers having to pay substantial subsidies. The two options are unpalatable to the Government. The first option is likely to enrage the right wing, and the Government does not wish to alienate this section of the white electorate. The second option is likely to result in unrest and strikes by labour movements because employers would be unwilling to increase wages. Subsidisation of transport is a contentious issue which will be resolved only after the transformation of the present political and economic social order has seen its course. Then subsidy might be a plain social policy to combat poverty.

Central authorities are pivotal in controlling and managing urban places and built environments. Informed strategies are fundamental in the maintenance of control by the dominant social and political order. Some controlling mechanisms may appear attractive, but blind the 'common people' into their own subjugation. The central Government has recently embarked on the programme of subsidising Black's public servant's houses and also encouraging Africans, Coloureds and Indians to accept housing loans provided by the private sector. In both cases the motives are to create a buffer-zone of middle-class, elitist tendencies and a false sense of 'security' which would create a stratified urban population and increase the rift between rural and urban Black people. After the 1976 Soweto riots, the Government reform initiatives were accelerated, and a move to co-opt 'moderate' Blacks into Government structures emerged, while covertly employing gruesome and brutal actions against genuine dissent. Similar to the housing subsidy, the transport subsidy was one other 'implicit' controlling mechanism to stifle opposition, to maintain authoritative control and to manipulate the public for ideological motives.

As the foregoing remarks demonstrate, bus subsidies in South Africa can only be understood in relation to the wider political environment of which they are part. In that sense, the subsidies applied in South Africa are not similar to those elsewhere in the world. The dissertation has traced the origins of subsidy policies, the changing trends over the past decades, the debates in and outside Parliament, and the outcomes of fare subsidies. The three distinct types of subsidies made the inquiry not only holistic, but also placed the argument within the societal, political and economic framework of South Africa. The bus fare subsidy issue examined in this dissertation is only exploratory, and there is a need for theorisation of the question of subsidies. Further areas of research which South African geographers might explore are; the effect of train fare subsidies on the settlement geography of South Africa; the impact of white transport subsidies provided by local Governments and Black transport subsidies provided by the central Government in the historical formation of the segregated city; the impact of subsidies on urban systems in different geographical areas and on specific routes. Still other areas of research which require attention are the emergence of the frontier commuters and their fare subsidies, and the origins, mechanics and outcomes of subsidies in the Bantustans. Inquiry into these phenomena is essential if we are to have a more realistic understanding of the way in which the financing of public transport has been used to shape South African society.

APPENDICES

Appendix A

Districts where Africans received bus fare subsidies prior to 1972.

DISTRICT	PROVINCE	BENEFICIARY	DATE STARTED
Alberton	Transvaal	City Council	March 1965
Alexandra	Transvaal	PUTCO	Jan 1953
Benoni	Transvaal	City Council	March 1962
Boksburg	Transvaal	PUTCO	March 1965
Brakpan	Transvaal	City Council	March 1962
Cape Town	Cape	City Council	March 1958
Carleton-ville	Transvaal	City Council	March 1963
Durban	Natal	PUTCO	March 1960
East London	Cape	Border Passenger Transport	March 1967

Appendix A (Continued)

DISTRICT	PROVINCE	BENEFICIARY	DATE STARTED
Edenvale	Transvaal	PUTCO	March 1967
Germiston	Transvaal	PUTCO	March 1962
Johannes-burg	Transvaal	PUTCO	Jan 1953
Kimberley	Cape	Kimberley Bus Services	March 1962
Kroonstad	OFS	Greyhound	March 1972
Krugersdorp	Transvaal	Greyhound	March 1958
Meyerton	Transvaal	PUTCO VTC	March 1969 March 1964
Pietermaritz-burg	Natal	City Council	March 1958
Pinetown	Natal	PUTCO	March 1962

Appendix A (Continued)

DISTRICT	PROVINCE	BENEFICIARY	DATE STARTED
Port Elizabeth	Cape	Bay Passenger Transport	March 1958
Pretoria	Transvaal	PUTCO	Jan 1953
Randburg	Transvaal	PUTCO	March 1971
Sandton	Transvaal	PUTCO	March 1971
Vanderbijl-park	Transvaal	VTC	March 1964

Source: Collated information from Annual Reports of NTC and DOT.

Appendix B.

Bus subsidies for Africans paid in the financial year 1 April 1972 to 31 March 1973.

DISTRICT	BENEFICIARY	DATE STARTED	AMOUNT R
Alberton	City Council	March 1965	13 200
Alexandra	PUTCO	Jan 1953	2 700
Benoni	City Council	March 1962	33 500
Boksburg	PUTCO	March 1965	165 700
Brakpan	City Council	March 1962	48 500
Cape Town	City Council	March 1958	17 500
Cape Town	Divisional Council	March 1958	84 400
Carleton-ville	City Council	March 1963	12 300
Durban	PUTCO	March 1960	869 600
Edenvale	PUTCO	March 1967	48 700

Appendix B (continued).

DISTRICT	BENEFICIARY	DATE STARTERD	AMOUNT R
East London	Border Passenger Transport	March 1967	243 700
Germiston	PUTCO	March 1962	25 000
Johannesburg	PUTCO	Jan 1953	704 900
Kroonstad	Greyhound	March 1972	24 900
Krugersdorp	Greyhound	March 1958	5 200
Meyerton	PUTCO VTC	March 1969 March 1964	6 900 8 300
Pietermaritz-burg	City Council	March 1958	75 000
Pinetown	PUTCO	March 1962	62 500
Pretoria	PUTCO	Jan 1953	69 800
Port Elizabeth	Bay passenger Transport	March 1958	174 900

Appendix B (Continued).

DISTRICT	BENEFICIARY	DATE STARTED	AMOUNT R
Randburg	PUTCO	March 1971	51 900
Sandton	PUTCO	March 1971	40 500
Vanderbijl-park	VTC	March 1964	133 000
Vereeniging	VTC	March 1964	131 900

Source: Annual Report of NTC and DOT, R.P. 88/1973.

Appendix C.

The goals of the national level subsidy policy in South Africa as reflected in various official documents.

Goals	Objectives
(1) Compensate for locational disadvantages and make transport affordable	* Introduce subsidized transport services to new settlement or homeland areas * Increase the subsidy rate with distance
(2) Depoliticise public transport and unpopular aspects of settlement policies	* Subsidize non-Whites travelling from distant settlements * Reduce commuter transport costs by granting a greater amount for politically "sensitive" settlements * Reduce fare increases in cases where such increases will or may result in in unrest
(3) Meet strategic labour needs of the urban economy	* Subsidize workers with a regular job who commute on a daily basis * Ensure and protect the supply of subsidized public mass transport modes
(4) Promote efficiency and an effective level of public transport service	* Subsidize fares of efficient services * Encourage economies of scale in public transport - subsidize single area-wide operators, operating high-capacity modes
(5) Promote the use of (high-capacity) public transport modes	* Use subsidies to reduce the generalized costs of bus vis-à-vis private and combi-taxi transport * Withdraw bus subsidies if rail transport is available
(6) Reduce and phase out bus subsidies.	

Source: Clark and Naude, 1986, p. 14.

Appendix C (continued).

The goals and objectives set out here are the interpretations of Clark and Naude (1986). They based their interpretations on various Government Commissions of Inquiry.

Appendix D.

NTC subsidy expenditure by Development regions: Black Transport Account (in money terms in thousands of Rand).

Subsidy expenditure from employee levies - Act 53 of 1957

Region*	Year 1979/80	1980/81	1981/82	1982/83	1983/84	1984/85
A	449	511	476	648	1 898	2 046
B	27	42	120	255	545	714
C	734	979	837	991	2 859	2 740
D	1 113	1 234	1 294	1 982	3 030	3 435
E	3 121	3 652	3 703	6 387	11 929	12 321
F	146	194	240	392	812	1 123
G	166	163	249	308	1 441	1 623
H	6 011	8 772	9 438	12 120	26 469	26 354
J	44	71	54	137	314	330
TOTAL	11 846	15 641	16 458	23 238	49 332	50 686

Subsidy expenditure from Treasury grants

Region	Year 1979/80	1980/81	1981/82	1982/83	1983/84	1984/85
A	3 055	753	1 044	1 104	511	985
B	633	767	1 162	1 169	711	2 800
C	2 294	3 359	4 929	6 369	6 698	7 042
D	3 351	4 096	5 646	5 494	2 083	1 344
E	20 707	30 922	36 841	43 478	49 292	55 400
F	2 858	3 756	4 548	5 330	9 309	11 280
G	3 543	3 754	4 392	5 680	7 347	8 071
H	20 915	28 129	37 222	51 677	53 783	49 076
J	2 619	2 986	3 454	4 488	4 035	4 253
TOTAL	59 975	78 512	99 273	124 788	133 768	140 257

Source: Clark and Naude, 1985, p. 96.
* Development regions.

Appendix E.

NTC subsidy expenditure by Development regions: Coloured Transport Account (in money terms in thousands of Rand).

Subsidy expenditure from employee levy revenues - Act 27 of 1972

Region*	Year			
	1981/82	1982/83	1983/84	1984/85
A	1 926	3 808	6 798	7 819
B	0	0	0	0
D	320	615	1 063	1 197
H	151	245	680	632
TOTAL	2 397	4 668	8 541	9 648

Subsidy expenditure from Treasury grants

Region	Year			
	1981/82	1982/83	1983/83	1984/85
A	5 807	6 403	3 239	3 016
B	1	2	4	49
D	1 862	2 060	1 412	1 201
H	956	2 927	2 927	2 282
TOTAL	8 626	10 510	7 582	6 548

Source: Clark and Naude, 1986, p. 97.
* Development regions.

Appendix F.

The Coloured Transport Services Account, 1977-1986. (in real terms, 1985 prices, and in thousands of Rand)

FINANCIAL YEAR	EMPLOYER LEVIES	TREASURY FUNDS	TOTAL EXPENDITURE
1977/78	7 317	16 758	24 075
1978/79	6 004	14 149	20 153
1979/80	5 977	26 033	32 010
1980/81	4 920	13 793	18 713
1981/82	3 841	13 759	17 600
1982/83	6 537	14 717	21 254
1983/84	10 815	9 599	20 414
1984/85	11 279	7 655	18 934
1985/86	8 705	15 199	23 904

Source: Clark and Naude, 1986, p. 41.

Appendix G.

Registered Coloured employers in Cape Town, Johannesburg, and Port Elizabeth, 1972 to 1986.

YEAR	CAPE TOWN	PORT ELIZABETH	JOHANNESBURG	TOTAL
1973/74	8 550	2 253	2 135	12 938
1974/75	9 278	2 590	2 206	14 074
1975/76	7 312	2 069	1 857	11 238
1976/77	7 111	1 955	1 617	10 683
1977/78	6 933	2 063	1 541	10 537
1978/79	6 817	1 948	1 593	10 358
1979/80	6 817	1 966	1 566	10 349
1980/81	7 051	1 939	1 654	10 644
1981/82	7 247	1 893	1 586	10 726
1982/83	7 227	1 589	1 488	10 304
1983/84	7 110	1 733	1 401	10 244
1984/85	6 618	1 584	1 282	9 484
1985/86	6 363	1 589	1 176	9 128

Source: Data collated from Annual Reports of NTC and DOT.

Appendix H.

Unregistered employers of Coloured labour, 1980 to 1986

YEAR	CAPE TOWN	PORT ELIZABETH	JOHANNES-BURG	TOTAL UNREGISTERED EMPLOYERS	TOTAL NO. INSPECTIONS
1980/81	324	120	251	695	7 949
1981/82	327	47	-	374	3 641
1982/83	175	60	-	235	4 404
1983/84	7	18	-	25	654
1984/85	-	50	-	50	541
1985/86	133	93	152	378	2 489

Source: Data collated from Annual Reports of NTC and DOT. The figures for Johannesburg are not recorded in the Annual Reports of NTC and DOT, and due to lack of staff, no inspections were done for the period 1982 to 1985.

Appendix I.

Monthly bus subsidy claim form

OPERATEUR/OPERATOR: ______________________

TABEL/TABLE 3 : SUBSIDIE–EISVORM/
SUBSIDY CLAIM FORM

OPERATEURSKODE/
OPERATORS CODE: ☐☐☐☐☐☐☐☐

Datum begin/ Date start: ☐☐ ☐☐ 19☐☐
DAG MND JAAR

Datum einde/ Date end: ☐☐ ☐☐ 19☐☐
DAY MONTH YEAR

TYDPERK/
PERIOD: ______________________

ROETEKODE/NO ROUTE CODE/NO	OORSPRONG/ ORIGIN	BESTEMMING/ DESTINATION	ROETE-LENGTE/ ROUTE LENGTH (KM)	TIPE KAARTJIE/ TYPE OF TICKET	AANTAL KAARTJIES VERKOOP/ NUMBER OF TICKETS SOLD	REISGELD/ BUSFARE: PASSASIER/ PASSENGER	REISGELD/ BUSFARE: SUBSIDIE/ SUBSIDY	SUBSIDIE-EIS BETAALBAAR/ SUBSIDY CLAIM PAYABLE

Korrek Gesertifiseer
Certified Correct

____

Hoedanigheid
Designation ______________________

Datum
Date ______________________

Goedgekeur deur N.V.K.
Approved by N.T.C.

Datum ______________ Date

Item no. ______________ Item no.

Aanbeveel/Recommended

____
Verantwoordelike Amptenaar/
Official in charge

Betaal/Paid

______________________ ______________
Rekenmeester/ Datum/
Accountant Date

Appendix J.

Summary of central and local Government subsidy systems.

Commuter category	Administrative agency	Act/ Legislation	Funding Source	Allocation Mechanism
(1) Black commuters				
(a) within white areas, and cross-border commuters	Development Boards	53/1957	Employer levies	Route-specific fare subsidy
	NTC (LRTBs and DOT)	74/1977	Treasury grants	
(b) Within National States	Department of Development Aid	74/1977	SA Development Trust, liquor profits.	Route-specific fare subsidy
(c) Within TBVC States	TBVC Transport (LRTBs) and finance authorities	TBVC Road Transport Acts (inherited from SA)	Local revenue, SA budgetary assistance, external loans	Route-specific fare subsidy
(2) Coloured commuters	NTC	27/1972	Employer levies	Route-specific fare subsidy
	(LRTBs & DOT)	74/1977	Treasury grants	
(3) Indian commuters	NTC	27/1972		Route-specific fare subsidy
	(LRTBs & DOT)	74/1977	Treasury grants	
(4) White commuters	Municipalities	Ordinances	Municipal revenues	Operating deficit subsidy

Source: Clark and Naude, 1986, p. 45.

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