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THE TOKEN SYSTEM : LABOUR ACQUISITION AND CONTROL ON THE NATAL COLLIERIES, 1911-1956.

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Between 1911 and 1939 the Natal coal industry initiated and developed a labour policy which aimed at having a significant proportion of its labour force living as permanent colliers with their families in the vicinity of the mines. This was in direct contradiction to the gold and coal mining industries in the Transvaal, which were almost entirely dependent on migrant labour, and government policy, which favoured migrant labour and discouraged the existence of black families outside the reserves.

In the early days of the gold mining industry the question of providing a married quarters system on a large scale had been considered and rejected primarily because of the sheer size of the labour requirements which approached the 200 000 mark in the 1920s. [1] Land was difficult to obtain in the urbanised vicinities of the gold mines. Another major consideration was the effect of continuous employment on health, and the danger of early incapacitation through silicosis. [2]

By contrast the labour requirements of the Natal coal mines were relatively modest, not exceeding 20 000 during this period. [3] Moreover, most of the collieries were situated on farms which coal companies had either bought, or leased for the purposes of conducting mining operations. Many of the original black inhabitants of these farms continued to reside there, and worked on the collieries. [4] In addition, Northern Natal was the scene of the largest concentrations of black-owned land in the province, and many collieries were situated in the vicinity of such land, and also of mission-owned farms. Black land-owners readily provided accommodation for black labourers, particularly with the passage of time, when increasing subdivisions made 'labour farming' a necessary source of income. Some white farmers, too, permitted such tenants on their farms. Until the 1950s, when pneumoconiosis was finally recognised as a health hazard, coal mining was considered to be a healthy occupation and indeed, it was often the case that miners, suffering from incipient silicosis, were sent to the coal mines to recover. [5]

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But the most important explanation for the divergence in labour policies lay in the particular conditions that governed the Natal coal industry virtually from its inception in 1889, through to the early 1950s.

Although superior in quality to Transvaal coal, Natal coal was excluded from the lucrative and expanding Rand market at an early stage because of higher mining costs, and a less favourable geographical location. As Natal's own domestic market was limited, and characterised by cut-throat competition, the coal industry was forced to turn to the bunker and export trade as the main sources of profitability. This was a precarious base on which to build an industry. Natal coal had to find a place in the Eastern market in competition with superior northern hemisphere coal, and had to contend with the rising coal industries of Eastern producers such as India and Japan. The normal condition of the Natal coal trade could be described as one of 'struggle'. It was only when misfortune, such as strikes or wars, befell other coal producing countries of the world, that the Natal coal trade experienced some degree of prosperity, and the only really sustained periods of prosperity occurred during the years of the First and Second World Wars. Factors such as these imparted alternating periods of depression and prosperity to the industry. To these gyrations were added the problems of the distant location of the Natal coal fields from the port, an inadequate transport infrastructure, and a chronic shortage of railway trucks. As the friable nature of Natal coal militated against stockpiling at the mine, and dictated the need to work from seam to truck, lack of trucks could result in the mines standing idle for hours in the day, or days at a time. From a labour perspective these conditions meant that periods of retrenchment alternated with times of acute labour shortages, making it extremely difficult to compute labour requirements precisely, and raising the problem of what to do with the labour force during times of enforced idleness. Lack of sustained prosperity and the knowledge that good times were invariably

succeeded by bad, inculcated an intense cost consciousness among coal owners, which influenced all facets of mining policy, whether it involved labour matters, or the actual choice of mining methods. As Robert Campbell, the general manager of the Natal Navigation group, told the magistrate at Dundee:

> 'The rich coal deposits in the Transvaal have brought the profits of the Natal coal mines to a very fine point with the result that the Natal mines are unable to finance a proper recruiting system...' (6)

His remarks could equally well have applied to the provision of decent living and working conditions on the collieries which, notwithstanding some improvement, remained appalling well into the 1950s.

In the colonial period the Natal collieries were to some extent protected from the need to offer attractive labour conditions as serious competitors in the labour market, by the government's policy of restricting the outflow of labour from the colony as far as possible, and, more importantly, by the decision to make extensive and increasing use of indentured Indian labour from the 1890s onwards. Indentured Indians provided a stable, settled core of cheap labour, and coal owners recruited the balance of their requirements, as and when needed, through a variety of labour agents. This appeared to offer an adequate, if not ideal, solution to the difficulties confronting coal owners. The government of India's decision, under pressure from the Union government[7], to stop indentured Indian immigration in 1911 caused panic-stricken coal owners to moot wild schemes, including the recruiting of labour from as far afield as Japan. In the end they found a solution on their own doorstep. They hit on the idea of expanding the existing core of settled blacks on colliery farms, or neighbouring farms, by transforming transient recruits into permanent colliers, who would regard the mines and their

environs as 'home'. The instrument of this transformation was the notorious 'token system', which was a form of debt peonage, and which came to be practised on some 85% of the Natal coal mines. [8]

In practice, the system worked as follows: a recruit would arrive at the mine already in debt to the extent of two to four pounds for cash advances and his rail fare. He would immediately need to purchase a blanket, a billycan and boots, although most black miners seemed to dispense with the latter requirement. The compound manager would send him to the concession storekeeper who would issue him with tokens. These tokens were known as 'skillivaans' meaning 'trash money'. They were issued in denominations of 3d, 6d and 1/-, and would be used by the new recruit to purchase his requirements. In due course he would feel the need to supplement his rations with bread, meat or beer from the beer hall, or purchase items such as soap, matches and tobacco for his personal comfort. More tokens would be issued by the storekeeper. These advances would be recovered subsequently on pay day when the recruit had completed his ticket of 30 shifts. By this stage little or nothing of his pay would be left, and to see him through the next ticket of his contract, more tokens would have to be acquired, and so the recruit would have stepped on to a treadmill of debt. He would have little or no money to remit home. He would have no money to buy a beast for lobola 'so that he can take his place in the tribe to which he belongs.' Having no money for his own rail fare home, or to provide food for the journey, he would tend to stay at the mines. In this way, for instance, T. Nzimande found himself chained to Northfield colliery near Glencoe:

> 'I did work on the mine since I was a small boy, but I could not leave the mine to go and look for work elsewhere because I would have starved on the road. I had no cash on me.' (9)

The Rev. D.J. Kambule of the African Ethiopian Church alleged that:

> 'By reason of the temptation afforded by the token-credit system, the Natives, who are recruited from all parts of the Union, are unable to save a penny either for themselves or their dependents. Nor do a majority of them ever see their homes again.' (10)

Wives and children left behind became, in the words of Chief Robert Kunene of Boschhoek in the Waschbank valley, 'widows when their husbands are alive' and 'orphans while their fathers are yet alive.' [11] C.L. Cope, the inspector of native labour for Dundee, recorded a case where enquiries were still being received from the family of a man who had been gone eleven years to the mines, and who had never once remitted any money home. [12] In such cases new liaisons were often formed with women residing at, or in the vicinity of the mines. Lucy Vilikazi, for instance, married her husband when he was working at the Durban Navigation No. 2 colliery. She asserted: 'My husband always buys in tokens. I have never seen cash.' [13] In some cases wives followed their husbands to the mines. Elias Mkwanase explained:

> 'Some of the Natives' wives have come to reside in the neighbourhood of the mines where their husbands work to try and get a little money from their husbands because in the kraals they do not receive anything.' (14)

Samuel Lazarus, who founded Mines Stores (Natal) Ltd. in 1911, with branch stores on several Natal mines, is thought to have initially devised the token system at about that time. But its subsequent development and refinement was the work of close

collaboration between mine managements and storekeepers, with not a little help from Ignatius de Jager, inspector of native labour for the Dundee district. De Jager claimed to have improved the system and established its subsequent form in 1919, by having token issues endorsed on the working tickets of the colliers, and also entered in books held by the storekeepers in order to obviate disputes about degrees of indebtedness which had hitherto characterised the system. [15]

Most coal owners and mine managers assiduously supported the storekeepers in the operation of the token system. Firstly they assisted them in establishing trading monopolies on the various mines. This process was well illustrated by the case of the Dundee Coal Company's mine at Burnside. When Farouz Khan wanted to transfer his retail licence from the Company's old mine at Dundee to 'Volker', a neighbouring farm to Burnside, Mine Stores opposed the transfer. While the Company did not lodge an official objection, the Company's solicitor, Livingston, undertook to explain the position privately to the licensing officer. When local farmers came to the compound to sell goats and sheep to the Indian workers for slaughter purposes, Mine Stores asked the Company to put a stop to the practice on the grounds that it interfered with their trading rights. The Company's solicitors argued that while there was no legal obligation to do so, there was a good moral obligation, and so the farmers were asked to desist. The attempt of an Indian to open a butchery adjacent to Burnside No. 2 mine was foiled in 1916. When the Company had omitted to register trading rights granted by the Marais family over the whole of Burnside, members of the family disposed of the surface rights without indicating that the trading rights were excluded. Mine Stores was accordingly faced with the task of getting the trading rights from the owners of the various subdivisions of the farm. Ben Sokehill, the general manager, was instructed by the Company to oppose the granting of any trading licences in these areas, and

to place all the obstacles he possibly could in the way of those, other than Mine Stores, endeavouring to trade. [16]

Secondly, and perhaps even more importantly, mine management provided storekeepers with facilities for the recovery of debts. Although the deduction of cash from labourers' wages for payment to a third party was illegal under the Native Labour Regulation Act of 1911, a system was devised which effectively got round this prohibition. On pay day the mine secretary would hand over the full cash wage due to the worker. But the worker would in turn be required to hand it over to the storekeeper, or his representative, sitting at an adjacent desk. The amount of money owing to the store would be deducted and the remainder, if any, handed back to the worker. Although mine managements and storekeepers claimed that the repayment of debts was voluntary, V.H.M. Barrett, deputy inspector of mines, observed that

> 'a native faced with mine officials and storekeepers agents in the pay office has little option in the matter and the method of payment does not differ in effect from that of a stoporder.' (17)

The token system made concession store-keeping on the Natal collieries a highly profitable undertaking. Robert Shapiro, who bought Mine Stores (Natal) Ltd. from the Lazarus brothers in 1919, said of the token system:

> 'it means our business was practically on a cash basis - no bad debts. ... This system influenced me in buying the business. It is an important factor at all the Mine Stores.'

He estimated that of the 9 500 black workers employed on the Natal collieries in 1935, some 60-70% availed themselves of the token system. His view was that

> 'A Native cannot keep his money when he gets it and if not collected at once he wastes it.' (18)

The monopoly conditions afforded by exclusive trading rights on mine property, and the use of tokens which could only be exchanged at the store of issue, allowed for excessive profits to be made. For instance a blanket costing 5/- in token money at a mine store could be bought for 3/6 at an Indian store.[19] Boots issued at a cost price of 9/9 to colliers at the Natal Cambrian colliery, where the token system was not allowed by the controlling company, J.C.I., cost double that amount at a concession store. [20]

Such was the support given by mine management to storekeepers that several government officials suspected them of having an unhealthy financial stake in the stores. [21] For instance, an assistant inspector of mines, D.H. Bowden, told the Native Affairs Commission in 1938 that

> 'We all know in a round-about way, although you cannot prove it, that the Compound Manager and the Management get a side cut. It is libellous to say so, but they hinted those things themselves and if they do not do it they are fired.' (22)

But the report of the Native Affairs Commission of 1938 more accurately captured their motives in these words:

> 'These permanent Natives are regarded as the "back bone" of the coal mining labour force; and the expressed and obvious desire of the mine managements is to increase that permanent source of manpower by turning this "floating" worker into the path of detribalisation as quickly as possible. Any scheme, therefore, which will train for the future a colony of skilled colliers, living with their families on the mines, is favourably regarded by the mine owners.' (23)

Hugh Williamson, manager of the Burnside colliery, put the matter succinctly - 'If you keep them on the mine you retain their labour.' [24] Robert Campbell argued that

> 'The person giving credit must be protected as credit is responsible for us being able to retain our trained men.'

In his view the token system 'anchors the family on the mine and enables them to live a settled contented life.' [24] Given the conditions of the Natal coal trade when it could take from five to as many as twelve weeks to earn a ticket of 30 shifts, the token system did make it possible to retain labour. [25] This was particularly the case when on most collieries no rations were provided for children and mealie meal only was issued to women. [26] By 1938 it was estimated that about 60% of the labour force on the larger Natal collieries consisted of permanent colliers, and the percentage at Hlobane was estimated as high as 75%. [27] At the level of compound manager, however, it seems true that officials did have a material interest in that they were either paid by the storekeeper, or were given a percentage of the amounts spent by the labourers at the store. [28] They were also, as Bowden pointed out, faced with the threat of dismissal by mine managers if they failed to co-operate with the system. [29]

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The token system functioned by exploiting the improvidence of workers. Easy credit was 'literally thrust' upon them. Bowden explained the process in these words:

> 'When a boy goes to a mine office and asks for money he is not welcome. If he asks for an advance, say of £1, they say "It is causing trouble. You had better take 10/-", but at a Jew store, if he asks for 10/- they give him £1.' (30)

A collier at the Durban Navigation collieries told Bowden:

> 'I have been here for six years. That is all I have got [pointing to the clothes that he was wearing]. I am the first to be there for tokens. I am mesmerised by this thing; I can just tear it off and I get what I want.' (31)

There also appears to have been some element of compulsion in persuading workers to make use of the token system. Archdeacon Lee of St Augustine's, Rorkes Drift, said of assertions that colliers were entirely free agents as far as purchases from the stores were concerned:

> '... every man is a free agent in the matter of life and death, but he does not have much choice. He either lives or dies, and in this case he either goes to the mine and falls in with the system, or he does not go.' (32)

A major source of perpetual indebtedness under the token system was beer on credit in the beer halls on the collieries. Under the Natal Act 23 of 1908, which aimed to control the use and provision of beer, mine managers were permitted to grant licences

for the manufacture and sale of beer. Licences were usually granted to the concession storekeepers. The Liquor Act (No. 30) of 1928 vested the granting of licences in the minister of justice and he permitted the continuation of the licences granted under the old Act on the collieries. [33] Although the conditions governing these licences prescribed cash sales only, the storekeepers claimed that the minister, Tielman Roos, had assured them in an interview in 1928 that it was not intended to interfere with the system of using tokens, and that the provision for cash sales would not be enforced in colliery beer halls. [34] However, V.H.M. Barrett, deputy inspector of mines, claimed that the reason for non-enforcement was that beer was considered to be a necessary food for blacks. [35]

The effect of the supply of beer on credit to workers was described by Joel Maduna, induna at the Dundee Coal Company's By-Products Works, in these words:

> 'If they spent cash on drinks he would not spend so much money as they do with the skillivaans because when all their money had been spent each one will say: I will drink on pay-day. With the token system he drinks even when he has no money.' (36)

On most Natal collieries the beer halls were strategically located between the mine shaft or adit and the compounds. 'Natives', observed the inspector of native labour for Dundee,

> 'after coming off shift throng these places, animated doubtless to some extent by a sense of temporary loss of vitality and a conceivable desire for companionship and conviviality ...' (37)

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In the opinion of the Kaffir Beer Committee of 1938 the warmth of the beer halls, where winter fires were sometimes provided, were a major node of attraction away from the 'uninviting, comfortless and unhygienic' compounds which characterised most of the Natal collieries. 38

Although the law prescribed that the alcoholic content of beer sold at the halls should not exceed 2%, it appeared that the potency of the brew sold exceeded this level. Robert Ferguson, manager of the Natal Cambrian colliery told Lugg, the chief native commissioner,

> 'I very much doubt that the alcoholic content of kaffir beer as required by law is observed because Natives get drunk very readily on it and it appears to be exceedingly potent.' (39)

Black colliers generally referred to the beer supplied as 'isipiliti' or 'spirits', and witnesses to the Kaffir Beer Committee of 1938 alleged that carbide was added to the brew to increase potency, and also aloe ash to induce thirst so that more beer would be drunk. 40 M.E.L. Maling, representing Chief Solomon, told the Native Economic Commission,

> 'Personally, I think that the beer which is brewed on the mines is very bad, and I think if a Medical Man were appointed to examine those natives who partake of that beer, it would be found that their insides were all burnt out.' (41)

Regulations governing colliery beer halls did not make provision for sex segregation in the halls, unlike those established under the Natives (Urban Areas) Act of 1923. As Robert Campbell

argued, 'Men must have women in the same way as they must have beer.' 42 A characteristic feature of Natal colliery beer halls was the women thronging around at all times of the day. Many of these were prostitutes, inevitably attracted to mining centres. Bowden, in his evidence to the Native Affairs Commission, referred to the 'low type of women' who

> 'immediately collar [the collier] when he gets tokens and he is whipped into the beer hall. I have seen it myself. At 10 o'clock in the morning I have seen them on the mines, waiting for the boys coming off the shift, and making a row.' (43)

Piet Africa, an induna at Steenkoolspruit, referred to the phenomenon of loose women as

> 'a very painful thorn in Natives, and it lowers our Nation, because these women drink and forget whether they are females, and there is a lot of prostitute in this, as they get drinks from any man who affords buying for them, whilst their husbands are all at work in the mine.' (44)

G.B. Molefe, a former clerk at the By-Products Works, referred to these 'women of the street', who 'by various temptations ... used to make men go to these canteens and spend more tokens.' 45 The report of the Kaffir Beer Committee vividly described some of the Natal colliery beer halls in these words:

> 'At one or two places which were in "full blast" the presence of coal-blackened Natives of all sorts and descriptions, including crippled and deformed and female hags and harridans, with their evil and distorted faces, conjured up a picture of the inferno.' (46)

While the Committee concluded that the beer halls were 'an evil, a public nuisance and menace to natives, both morally and physically' [47], storekeepers referred to the 'law-abiding manner' in which they conducted the beer halls. They claimed that by supplying beer in reasonable quantities under strict supervision and control, they were performing a social duty, by inhibiting excessive drinking and assisting the authorities in coping with illicit liquor selling and brewing. [48] Most mine managers supported the beer halls as a means of controlling labour during the weekends. Robert Campbell, for instance, claimed that prior to the advent of the beer halls, it was customary for 50-100 colliers to be short on a Monday morning at a colliery employing 600-700 men. With the token system, however, which denied workers access to ready cash, they tended to stick to the mining property and were usually available for work on the Monday. [49] Of this attitude the Report of the Native Affairs Commission commented somewhat drily,

> 'the idea that a drunken collier today is a working collier tomorrow is not altogether absent.' (50)

The one dissenting voice among mine managers came from Robert Ferguson of the Natal Cambrian colliery, where a beer hall existed but the token system did not operate. He saw the beer halls as the root of the trouble on the collieries, and favoured total abolition and the substitution of a free ration of beer. But his hands were tied because his company, by agreement, had to permit trading rights. He argued somewhat prophetically,

> 'If tokens were abolished and the beer question not dealt with, matters would still be the same.' (51)

Although various commissions and committees of enquiry in the 1930s would reveal black abhorrence of the token system, serious

criticism only surfaced in the context of the depression years of the early 1930s. Prior to this colliers seldom openly voiced criticism of the system because dismissal or victimisation could be the consequence. 52 For instance, Lucy Vilikazi's husband lost his job at D.N.C. after she had given evidence against the token system. 53 Moreover much depended on the attitudes of inspectors of native labourers as intermediaries between the workers and the authorities. In the 1920s the inspector of native labour in the Dundee district was I.W. de Jager, himself one of the architects of the token system and staunch defender thereof, even in retirement. He saw nothing irregular in the token system which he deemed to be an efficient method of accounting. He viewed the provision of beer as a 'native right' and the beer hall arrangements as

> ' 'n middel om die naturel te red van roekelose verkwisting van sy verdienste.' (54)

His counterpart in the Vryheid district, C.R. Eagar, dismissed the claims that all the wages were wasted at the mine stores and beer halls as 'frivolous'. 55 In 1934 de Jager was succeeded by C.L. Cope in the Dundee district. Cope was a scrupulous official who was above receiving bribes from the storekeepers. 56 Aware of abuses in the token system, he approached his Vryheid counterpart, Ben Gildenhuys, to devise ways of eliminating them. 'Unless you and I co-operate', he wrote to Gildenhuys,

> 'it will be useless for me alone to represent the matter to the Government as very large vested interests would be threatened resulting in a natural opposition by all concerned.'

Among the things he and Gildenhuys tried to do was to restrict beer sales to a cash basis , and to secure a compulsory deferred pay system. 57 The director of native labour in Johannesburg was himself opposed to the token system, but in the absence of a

legal remedy, except in the case of beer sales, he favoured trying to secure changes through negotiations with coal owners, but considered the depressed conditions of the coal trade in the early and middle thirties an inopportune time to bring the matter forward. [58]

Inspectors of mines could also be expected to be critics of the token system because of the implications for accident statistics that drunken colliers would have. Certainly D.H. Bowden, the assistant inspector of mines, emerged as an outspoken critic of the system in his evidence to the various commissions and committees of enquiry. Not only was he an outspoken critic; he also attempted vigorously to see to the enforcement of various compromise agreements arising out of opposition to the token system, even to the extent of driving his car over the veld to avoid look-outs posted on the roads to warn collieries of his coming. [59]

The very conditions which made the director of native labour reluctant to take action against the token system brought public criticism to a head. A major part of the explanation for this was that tokens had become a medium of exchange in the coal mining districts. Farmers, black, white and Indian, who attempted to sell their produce to colliers could only get tokens in exchange. Convicted criminals tried to pay their fines with tokens. Tokens appeared in church collection plates, and were even offered as admission fees to concerts. [60] Amidst the hardships of the depression years the storekeepers were seen to be waxing fat. The fact that most, if not all, the storekeepers were Jewish emigres from Russia and Eastern Europe added an anti-Semitic tone to some of the opposition, which appeared totally to obscure the fact that Christian coal owners and mine managers made the token system possible, and avidly aided and abetted in its operation. D.J. Kambule wrote of the concession

storekeepers 'who are all Jews out to fleece our people as much as they can ...' [61] A collier at Hlobane told Ben Gildenhuys that 'We risk our lives in the mine and all our money is eaten up by the Jews.' [62]

'Outside' storekeepers complained bitterly of the unfair competition from the mine stores' monopoly. [63] For instance, a general dealer store, Biggermans, in Paulpietersburg appealed to the minister of justice to 'save us from ruination.' A cutting edge to their despair was given by the diminished output and retrenchments at Dumbe colliery, which reduced the spending power of colliers in the Paulpietersburg region by £600 a month after August 1931. At the same time the recently equipped Makateeskop colliery which had paid £700 a month in salaries and wages, was closed down. [64]

Farmers associations in the Vryheid area protested and appealed and mobilised their member for Parliament, E.G. Jansen, and Senator Wessels to take up their case. [65] W. Birkenstock of the farm 'Hlobane' wrote to the Minister of Finance:

> 'Ons reken £40 tot £50 duisend pond word gespandeer aan arbeid per jaar waarvan nog die aarbeiders nog die boer voordeel trek. Dit is 'n absolute monopolie tussen die mynbase en die winkeliers.' (66)

The Congress of the National Party condemned the token system, as did the Joint Councils of Europeans and Natives in the Vryheid and Dundee districts, and the Natal Indian Congress. The Transkei Bunga delegation to the collieries in July 1931 urged the aboliton of the token system. So did the Native Economic Commission of 1930-1932. Organisations ranging from the South African Institute of Race Relations through to the Pietermaritzburg Society for the Welfare of Natives pleaded for

action against the token system. [67] A leading article in the Natal Witness argued that

> 'However honest the motive or disinterested the intention, the principle is base and falls far short of any standards of labour conditions the European worker would accept for himself.' (68)

Amidst this crescendo of opposition, government officials, coal owners and storekeepers squared up for a long and laborious fight over tokens and beer halls. In the aftermath of the Rex v Barmana case in 1932 which saw an Umzimkulu trader being convicted for trading in metal discs under the British Coinage Act of 1870 as applied to the Union of South Africa [69], the Native Affairs Department extracted a promise from the Natal Coal Owners' Society to persuade storekeepers to do away with the token system by 1 April 1932. Storekeepers, however, interpreted this promise as merely one to discard metal discs, which they replaced with embossed paper tokens. [70] Licencees were then warned in 1933 that the sale of beer on credit was an infraction of the Liquor Act of 1928. [71] This was ignored. Government officials then cast about for appropriate legislative action. Eventually a decision was made, pending legislative action, to frame regulations under the Native Administration Act of 1927, sections of which empowered the governor general to deal with matters affecting the welfare of blacks. [72] By Government Notice 1087, published on 3 August 1934, to become effective on 1 September, the use of tokens was prohibited, as was the presence of storekeepers or their representatives in mine pay offices. [73] This generated howls of protest from mine managers and storekeepers. Robert Shapiro asked for action to be suspended pending an interview with the minister of native affairs on 14 September. The director of native labour declined to do this. While some mines observed the new regulations, many did not. Ben Gildenhuys, for instance, reported on his visit to the pay office at Hlobane:

'in my teenwoordigheid het [Glutz] die hardverdiende loon van die arme skepsels ingepalm. In die meeste gevalle het die arbeiders die Mynkantoor sonder 'n pennie verlaat.' (75)

At Northfield Colliery, Robert Shapiro deliberately courted arrest with a view to a test case so that the shopkeepers' contention that the regulations were ultra vires could be considered. On 24 September 1934 A.S. Dunlop, the Dundee magistrate, ruled that the regulations were indeed ultra vires, arguing that

'I do not consider that the legislature ever intended to grant power to the Governor-General to make regulations to control a few isolated European traders from carrying on their lawful business in a non-native area.' (76)

Witnesses for the defence in the case included several mine managers and compound managers. 77 Dunlop tended to sympathise with the coal owners. A year after his ruling he explained to the secretary for native affairs, D.L. Smit, why the token system was necessary in Natal when it did not exist on the Reef. He argued that

'... the Natal Coal Mines is (sic) a struggling industry. ... the Natal mines are unable to finance a proper recruiting system, and thus have difficulty in obtaining sufficient labour. With the aid of the present system, Mr. Campbell holds that they have worked up a fair supply of permanent labour, who look upon the mines as their homes.' (78)

Although the attorney general of Natal thought that the wording

of the regulations was 'far from satisfactory', the case was taken on appeal to the Supreme Court which ruled that the regulations were 'bad for uncertainty' and left the question of the actual powers of the governor general unsettled. [79]

While conceeding that legislation would indeed be necessary, the secretary for native affairs decided first to call a meeting with the storekeepers to ascertain their views. [80] After a process of hard bargaining, punctuated by pleas for extensions and concessions by storekeepers and mine managers, it was finally decided that storekeepers could issue tokens for up to 50% of a collier's wage, and against the remaining portion tokens to the value of 7/6 could be granted for the purchase of beer. [81] As the collier's wages tended to range between two and three pounds for a working ticket, this represented an enormous concession to the storekeepers. Notwithstanding this, by March 1937 it was clear that these arrangements were 'practically a dead letter' [82], a situation assisted by the appointment of W.N. Engelbrecht, 'a very weak reed', in succession to Cope as inspector for native labour in the Dundee district. [83] The failure of the compromise, together with pointed questions asked by Arthur Marwick in parliament, prompted the decision to send the chief native commissioner, H.C. Lugg, personally to investigate and report on the token system in April 1937. [84] Lugg's recommendations were unequivocal. The token system should be abolished. Beer licences should be removed from concession storekeepers, and mine owners empowered to make and sell beer at cost. Beer sales on Sundays should be prohibited. [85] As it was too late in the session to enact legislation to give effect to Lugg's recommendations, and a proclamation could not be contemplated given the uncertainty of the powers conferred by the Native Administration Act, the Native Affairs Commission was instructed to visit the coal mines during the recess in order to furnish recommendations as to what to do. [86] After further delays occasioned by occupation with land purchases under the

Native Trust and Land Act of 1936, the N.A.C. finally visited Natal in January 1938 to undertake a simultaneous enquiry into the token system and the land question. 87 The Commission delivered its report on 1 June 1938.

An interesting feature of the report was the finding that a system which had initially been devised as a means of acquiring and retaining labour, had in due course generated such widespread aversion throughout the reserves of Zululand and Natal, that chiefs and heads of families were dissuading their people from going to the coal mines. The report claimed that

> 'only those natives recruited at a distance who have no knowledge of the conditions they will have to contend with can be obtained.' (88)

Finding the charges levelled against the token system to be substantially true, the Commission recommended that it be declared illegal, that storekeepers be banned from mine pay offices, and mine employees prohibited from assisting in debt collection. The sale of beer for profit should be banned and effective control over sales be instituted. 89 Effect was given to these recommendations by the Native Administration (Amendment) Act of 1939, but at the eleventh hour, O.R. Nel, M.P. for Newcastle succeeded in drawing some of the teeth of the proposals by having the clauses concerning beer held over pending further negotiations with licencees. A committee headed by C.G. Thackwray, the magistrate of Bloemfontein, was duly appointed to investigate the question of the supply of beer on the Natal coal mines. The report of the committee agreed with the opinions expressed in the Lugg report and that of the Native Affairs Commission. It argued firmly that the existing system of beer halls should be abolished and made short shrift of any potential argument concerning 'pecuniary loss to licencees in their vested interests.' The public good was the guiding principle of the

Liquor Act which recognised no proprietary rights in a licence. Mine managements should be licensed to provide beer at cost and under strict conditions including the exclusion of women from the beer halls, and the confining of sales of beer to bona fide mine employees. 90

Although the Native Affairs Department strongly supported the committee's recommendations, the minister of justice decided to give the concession beer halls 'a final probationary test.' Some of the committee's recommendations were incorporated into the conditions governing the licences such as the exclusion of women, hours of sale, and the fixing of prices by the director of native labour. 91 The inevitable appeals and deputations by the licencees followed. After much haggling during which concessions were granted in again extending slightly the hours of sale and increasing prices, a weary secretary for native affairs, D.L. Smit, wrote to O.R. Nel:

> 'I have had so much bother over the beer licences that I am anxious to reach finality, and I do not want any further representations after we have come to a conclusion.' (92)

In 1941, Lugg wrote fruitlessly to Smit:

> 'So long as the right is enjoyed by Concession Stores, so long will the evils continue. They are a disgrace to the community and a reflection on our administration.' (93)

Eight years later after a series of accidents related to excessive drinking in mine beer halls had occurred, the manager

of D.N.C. No. 3 said:

> 'As long as we have privately controlled "Beer Halls" with the profit motive behind it, we will never stop drunkenness.' (94)

And, although the token system had been made illegal in 1939, beer halls continued to blot up the earnings of some workers at least. A witness giving evidence to an accident enquiry in April 1943 admitted that after eight years of working at D.N.C. No. 2 he had nothing because he spent all his money in the beer hall. 95

That the abolition of the token system did have an effect on labour supplies is suggested by the decision of Natal coal owners finally to set up a central recruiting organisation in 1943, the Natal Coal Owners Native Labour Association 96, although perhaps an even more important stimulus was the labour requirement needed to meet the massive war-related demand for coal. The idea of centralised recruiting had been mooted as early as 1914, side by side with the evolution of the token system. But as the token system gradually had the desired effect of creating a core of permanent labour, so the feasibility of centralised recruiting receded, because the schemes proposed involved the payment of capitation fees for those already resident in the vicinity of the collieries.

In the 1920s and 1930s, the Natal coal industry was swimming against the tide of official policies, which aimed to promote migrant labour and saw no permanent place for black workers in urban or industrial centres. It is ironic that in the decade of the 1940s when the van Eck, Smit and Fagan reports were recognising that migrant labour was inefficient, and that black workers should be stabilised in their areas of work 97, that the

Natal coal industry should seek to place the recruitment of migrant labour on a more efficient basis.

Although the proportion of permanent labourers on the Natal collieries had declined from 60% in the 1930s to 28% in 1956 [98], they constituted a vitally important element in the labour force. The blow, presaged by the victory of the National Party in 1948 and the rejection of the Fagan Report, fell in 1955-56. The coal industry was informed by government that black colliers should not be housed on land adjoining the collieries, that accommodation in approved single and married quarters should be provided, and that the proportion of workers housed in married quarters should not exceed 3% of the total black labour complement, or 100 labourers, whichever was the lower. The intention was, as Dr. Verwoerd's secretary explained, 'to avoid the formation of black spots at Mines and Works.' 99

The timing of the move was determined by the closure of Burnside colliery in March 1955, after forty-eight years of working. It was during the early years of Burnside that many of the features of the token system were developed, associated with men such as Ben Sokehill, Willie Shum and Hugh Williamson. Closure made the implications fully apparent. Coal owners were informed that:

> 'The Native Affairs Department was anxious to avoid the establishing of settlements of Natives and their families where such settlements had to be completley abandoned and broken up when the Colliery became worked out, as all Collieries must eventually become.' (100)

The Natal Coal Owners' Society made strong representations against the new regulations. They pointed to the vital role the

industry played in the national economy, its importance to the South African Railways, ESCOM, and above all, the Iron and Steel industry. As the only source of true coking coal, which was a vital ingredient in the manufacturing of steel, Natal was crucially important to South Africa's industrialisation. These arguments had worked in the 1920s and the 1930s, but not in the 1950s.

While the advent of an ideologically rigid government was undoubtedly an important factor, the changing circumstances of the Natal coal trade have also to be taken into account. Prior to 1950 the Natal coal industry was heavily dependent for profitability, and indeed viability, on the shipment trade. The small coal or 'natural arisings' from the production of round coal was either dumped, or sold at very low prices, in the early days of the industry because there was no market for it. With the advent of ESCOM (1922) and ISCOR (1928), a market developed for small coal, but the price differential between round and small coal which had arisen when small coal was held at a discount, remained and was intensified when government froze inland prices in 1942. Natal collieries sold coal to the inland markets at a loss, but made up for this by the better prices obtained for shipment coal. Although the shipment trade was precarious, without it the major Natal collieries would have gone under, not least the Durban Navigation collieries, which were such an important source of coking coal. Government interference in labour questions, which constituted a critically important element in cost structures, would have intensified the instability of an already precarious industry, and threatened the crucially important ingredient of coking coal in South Africa's industrial development. This probably explains why the government tolerated the Natal coal industry's own solution to its labour problems even though this conflicted with official policy. This probably also explains why, when opposition to the token system forced some response, the action taken was so tardy

and not always effective. This was particularly the case when alternative solutions would have impinged on the interests of gold mining and farming with their own insatiable demands for cheap labour.

By 1955, however, the situation was different. The breakdown of the South African Railways in 1950-51, and the ensuing transport crisis, had resulted in a total embargo being placed on export coal so that local needs could be met. The Natal coal export trade was smashed and recovery of this dimension would only come in the 1970s when the 'oil shock' renewed interest in coal as a source of energy. The Natal coal industry had to adjust to a new pattern based on domestic consumption which promised a steadier demand base. This process was assisted by ISCOR's acquisition of the Durban Navigation collieries in 1954 in order to secure coking coal supplies, and ISCOR and ESCOM contracts with the major collieries such as Hlobane, Northfield and Kilbarchan in the Natal Navigation group.[10] A casualty of this process was the Dundee Coal Company, which had pioneered the coal industry in Natal and had retained its significance as a leading shipment colliery until it ceased all coal-getting with the closure of Burnside in March 1955, a move which precipitated goverment action against stabilised labour on the Natal collieries. With the industry achieving a more domestic orientation based on steadier demand, not least with the assistance of its own instruments of ISCOR and ESCOM, the government felt free to intervene in labour matters in order to achieve its ideological purposes.

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