



SOUTH-WEST AFRICA

The Factual Background

by

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Price 3s. 6d. Net

THE SOUTH AFRICAN INSTITUTE OF INTERNATIONAL AFFAIRS

THE SOUTH AFRICAN INSTITUTE OF INTERNATIONAL AFFAIRS

Cape Town

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Johannesburg

Port Elizabeth

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First Published 1946

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Johannesburg.

Foreword

THE Editorial Committee of the *South Africa and the World* series of pamphlets is grateful to the Honourable Sir Charles Dundas for having written this report on behalf of a study-group of the Cape Town Branch of the South African Institute of International Affairs. It was originally designed as a basis for a more complete work but the Committee finds it expedient to publish Sir Charles' own report at the present time.

The writer, a former Governor of Uganda, at present residing at the Cape, has derived his information mainly from official reports, but has also drawn on a few published works together with press reports. He has refrained from expressing opinions of his own, save where such seemed a necessary complement to the discussion of particular points relevant to a main subject.

This report was completed before the first session of the General Assembly of the United Nations' Organization.

S. HERBERT FRANKEL,
Chairman, Editorial Committee.

Johannesburg,
29th June, 1946.

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ERRATA

- Page 3, line 13: *for* Orahereros, *read* Ovahereros.
Page 3, line 17: *for* 250,000 *read* 280,000.
Page 31, line 22: *delete* is.
Page 40, line 3: *for* self-supporting, is to-day, *read* self-supporting and is to-day.
Index: *for* Threlfall, *read* Threfall.

Historical

OF the early history of man in the vast region known as South-West Africa little can be conjectured save that primitive Bushmen must have lived there since remote ages. Later comers were Hottentots, a people of obscure origin and race, who are believed to have been settled mainly on the coast of South Africa. The remnant of this tribe still existing in South-West Africa, known as the Nama, are said to be nearer to Hottentot than any in Southern Africa. They appear to have migrated into the country in two waves; the first comprising five clans, the second of seven clans, known as the Orlam who came as late as between 1825 and 1850. About the turn of the 18th century to the 19th century there came from some region in the north, as yet unidentified, the Orahereros, commonly called Hereros, a Bantu people, part of the great Bantu migration which flooded all Central and Southern Africa. Closely related to them are the Ovambo, the largest tribe of the territory, numbering 105,000 out of a total population of slightly over 250,000 natives. Living in the most northern part of the country they were practically unknown to Europeans until the late fifties of last century and were the last to be subdued, if in fact they ever were brought to submission by the Germans.

A curious offshoot of the Bantu migration is the Damara or Bergdamara tribe, of whom it is said that they are Bantu by blood, Hottentot by language, and Bushman by habit. It is thought that they were left isolated in Damaraland and then enslaved by the Hottentots until they took refuge in the mountains where the only possible mode of life was that of the Bushman.

Last before the European occupation but first among immigrants of not entirely primitive race came the curious community known as the Bastards or Basters. Ever since the earliest days of European Cape settlement there came into existence a community of mixed blood, European Native and Malay, which, having no allotted place in the settled areas, migrated by slow stages northwards until at the end of the 18th century they were

found located along the Orange River. They had, of course, no right or title to the land they occupied and when in 1865 by enactment of the Land Beacons Act all occupiers were required to prove title these people were compelled to quit. They therefore trekked northwards once more until they reached the region of Rehoboth where they found rich pasture lands.

Here, in 1870, they negotiated with the Hottentot Chief Swaartbooï for a tract of land which was put at their disposal for the annual payment of one horse and for so long as the Hottentots themselves did not require it. Thus the Basters came to be settled in South-West Africa as a miniature independent republic with their own laws and government administered by a so-called "Captain" as head and a Parliament or Raad which still survives with the addition of a European Magistrate presiding. In 1885 they actually concluded a formal treaty—for what it was worth—as between "His Majesty the German Emperor, King of Prussia, Wilhelm I on the one part, and the independent Chief Captain Hermanus Wyk for himself and his heirs and successors on the other part."

The 900 miles of South-West Africa's coast, inhospitable, barren and waterless, so far from affording facilities for further exploration by sea must have constituted a formidable barrier to early European voyagers who could not keep to the sea without frequent replenishment from the land. Yet South-West Africa saw the first European as early as 1486 when Diego Cam made a landing at Cape Cross, some 60 miles north of Swakopmund and there, on a rocky promontory, set up a cross. Two years later Bartholomew Dias landed at a place which he named Angra Pequena, now known as Luderitzbucht. But for nearly 300 years thereafter the coast of South-West Africa remained an unknown region until, in the early part of the 19th century, use was made of Walvis Bay by whaling vessels, largely for the purchase of fresh meat from the Hottentots.

Meanwhile, however, exploration by land was commencing. In 1760 Jacobus Coetzee, farmer and elephant hunter, crossed the Orange River accompanied by a number of Hottentots and penetrated as far as the locality of Warmbad. Returning with strange accounts of what he had heard concerning the country further northwards he excited the curiosity of one Hendrik Hop, Captain of the Burgher Militia, who in 1761 set out with a caravan of 15 wagons and a numerous company of Europeans. The expedition was forced to turn back at the border of Damaraland owing to lack of water and loss of cattle, but the results were useful, notably in making it possible to place on the map the river then known as the Baragul, afterwards explored by boat in an expedition undertaken by Colonel Gadin and Lieutenant Pietersen who renamed it Orange River in honour of the Prince of Orange.

Le Vaillant, an adventurous but somewhat unreliable traveller, claimed, probably with justice, to have visited these regions between the years 1783 and 1785 but without fruitful result. Of more consequence was an exploration led by William van Reenen in 1791 with the object of discovering gold. The party penetrated into Damaraland, and one of their number, Peter Brand, continuing alone, was the first European to come into contact with the Damara tribe. They returned with quantities of what they believed to be gold ore but which proved to be copper. But the belief that gold was to be found in these northern lands took hold, and in 1793 another party under Chevalier Duminy and including Peter Brand, set out by sea and reached Walvis Bay where they erected a stone beacon engraved with the arms of the States of Holland together with the monogram of the Dutch East India Company. From Walvis Bay Peter Brand travelled inland traversing part of the Damara country, where the wealth of tree growth and rich pasturage astonished him. Of gold, however, no trace was discovered.

In 1796, Captain Alexander, commanding H.M.S. sloop *Star*, landed at Angra Pequena and, hoisting the flag with a salute of guns, took possession in the King's name. The British Government, however, disclaimed any right and disassociated itself from Captain Alexander's unauthorised action.

The 19th century saw a succession of travellers, traders and hunters coming into the country and with them came the first missionaries. As early as 1802 the London Missionary Society was represented on the Orange River and in the year 1807 a mission station was established by them at Warmbad, where among others the noted missionary Robert Moffat assumed charge in 1818. In 1821 the London Missionary Society was replaced by Wesleyans, one of whom, William Threfall, was the first missionary to be killed in South-West Africa, being murdered in the year 1825. In 1836-1837 Sir James Alexander travelled over 4,000 miles from and back to Cape Town making the first scientific study of the country.

During the next decade exploration proceeded with increasing frequency. In 1850 Francis Galton travelled from Walvis Bay into Ovamboland and as far as to within seven days' journey from Lake Ngami. Charles Andersson, a Swede who had accompanied Galton, afterwards traversed the whole region to Lake Ngami and was the first to discover the Okavango River. Others followed: James Chapman, Thomas Baines, Frederick Green were among the most notable of these explorers.

From the foregoing it is clear that until then all discovery, knowledge and contact with the indigenous population of South-West Africa had been due to the enterprise of British and Cape Dutch explorers and travellers and there can be little doubt that not only on this account but because of geographical

contiguity the British Government, reluctant though it was at that time to enlarge its overseas commitments, sooner or later would be obliged to take over the country. But there now came a new intrusion that was to divert the progress of events from the normal course of colonial evolution.

During the 1840's the Wesleyans in South-West Africa had been replaced by the German Rhenish Mission Society. In the sixties the land became an arena of savage warfare between the Hottentots and Hereros, the latter tribe fighting for, and eventually successfully gaining, their independence. Caught up and left defenceless in this turmoil, which was to persist and throw the whole country into chaos throughout a decade, the Rhenish missionaries at length in 1868 appealed to the British Government for protection and urged that Hereroland be taken over as a British Protectorate. This proposal was supported by Bismarck himself but rejected by the British Government, which contented itself with the sending of a special Commissioner from the Cape to restore peace between the warring tribes.

Subsequently the Cape Parliament, reviving the question of British intervention, passed a resolution in favour of extension of the Cape Colony territory so as to include Walvis Bay with such inland area as might be deemed expedient. And in order to ascertain the attitude of the native chiefs in Namaqua and Damara a Commissioner, W. C. Palgrave, was sent to these regions. Palgrave actually concluded treaties with the chiefs who readily agreed to place themselves under British protection and to receive a British representative to reside in the land. These measures were entirely acceptable not only to the missionaries but also to the German and certain Swedish traders in the land, while Sir Bartle Frere, the Cape Governor, strongly urged outright annexation. The Government in London was, however, not to be persuaded to more than the acquisition of Walvis Bay with a surrounding area of some 400 miles. Formal possession was taken of this territory in 1878, the Guano Islands off the same coast having been annexed in 1867.

Subsequently Sir Bartle Frere renewed his representations, but the British Government remained opposed to any further extension of territory. Then in 1880 when war broke out again between the Namaquas and Damaras, the German government itself approached Britain with request "for the protection of life and property of its subjects," but was informed that "His Majesty's Government could not be responsible for what might take place outside British territory, which included only Walvis Bay and a very small portion of country immediately surrounding it."

The British Government had thus openly and emphatically disavowed all intention and desire to extend their small footing in South-West Africa and moreover, had disclaimed responsi-

bility for what might happen in the hinterland. It was therefore not surprising that Germans, who at this period were becoming colonial minded, were led to cast covetous eyes on this "no-man's land." In 1878 a plan had been mooted in Berlin for the establishment of a German Colony in South Africa, and four years later the German Ambassador enquired whether British protection would be extended to a factory about to be set up by a Bremen firm at Angra Pequena, failing which Germany herself would give such protection as was customary in remote places. The significance of this intimation roused the interest of Lord Derby, then Colonial Secretary, to the extent that he asked the Cape administration whether they could undertake control of Angra Pequena in the event that the place were taken over.

Lord Derby's enquiry implied a change of attitude in London, but unfortunately the Cape administration was over tardy in replying thereto and in the interval one Vogelsang, as agent for the Bremen merchant F.A.S. Luderitz, arrived at Angra Pequena and through a German missionary at Bethany, acting as intermediary obtained a treaty whereby he acquired some 200 miles around the Bay. It was entirely in accordance with usual practice for missionaries to be the advisers of African chiefs in such matters, but the fact remains that it was to the change over from British to German Missions that this creation of a sphere of German influence is to be attributed.

A somewhat half-hearted attempt on the part of the British Government to retrieve the situation followed. In reply to an enquiry from the German Ambassador it was stated that while Britain laid claim only to certain specified areas, any claim by another Power would infringe her rights to the territory north of the Orange River which had been regarded as a kind of commercial dependency of the Cape Colony. In point of fact that Luderitz acquisition violated a previous concession made in 1843 by the Chief of the Bondelswarts to a British company. The Cape administration, now at last roused to action, telegraphed to the Home Government that the Ministers had decided to recommend to their Parliament the assumption of control of the whole coast from the Orange River to Walvis Bay. Lord Derby announced in June 1884 that protection under the British flag would be given to any persons, English and German, who had acquired concessions on the coast. In July the Cape Parliament urged annexation of the entire coast from the Orange River to the Portuguese border.

All this, however, came too late. A German man-of-war sailed into Angra Pequena, the German flag was hoisted and a German Protectorate was proclaimed. There was nothing to be done but to accept the situation though even so, effort might have been made to set limits to German acquisition. Possibly the Government in London were deluded, taking at its face

value Bismarck's pronouncement that his policy was "not to found provinces, but mercantile settlements." However that may have been, very soon it became evident that Germany regarded Angra Pequena, now renamed Luderitzbucht, as but a base for much larger extensions of territory for herself. In a last minute effort to protect British interests Palgrave was dispatched once more to the north. He was requested by Kamaherero, the Chief, to visit him at Okahandja and immediately on arrival was presented with a Deed of Cession of the whole of Damaraland dated December 29th, 1884. Rejected by the British Government Kamaherero appealed through the Aborigines Protection Society alleging that he had already ceded his country to Britain in 1876, and expressing the fear that the Germans would seize and destroy his country (as indeed they did).

His appeal went unheard. The British Government declared that it had no objection to an extension of the German Protectorate "inland as far as the 20 degree east longitude" and accordingly in the following year Germany occupied the country. In the same year a trader, W. W. Jordan, purchased land from a chief of the Ovambo tribe intending to set up there a Republic which he named Uppingtonia, but in the following year he was murdered by natives and the incident may have afforded an excuse for German annexation of Ovamboland.

German subjects took no part in the exploration and opening up of South-West Africa, Germany admitted the validity of British interests there and both the Germans in the country and Bismarck himself at one time urged the extension of British protection. In spite of all this and in disregard for the earnest wishes of the indigenous natives, Germany, who had contributed nothing which could possibly justify any claims, acquired South-West Africa—a territory covering no less than 322,000 square miles.

In the first years of German occupation, Dr. Goering, father of the Nazi Field-marshal, held the post of Imperial Commissioner and had his headquarters at Otjimbingue. He was succeeded by K. van Francois who proceeded to seize the country around Windhoek and transfer the capital to that place. Here also came the first German settlers in 1892.

Francois considering it necessary to subjugate the native population, started the process by storming the stronghold of Hendrik Witbooi, the Hottentot leader, and so launched the country into protracted and costly wars. Witbooi was, of course, defeated, but other tribes rose in harassing guerilla war. In 1902 *the Bondelswarts, a section of the Hottentots, rose, and in the following year the Hereros revolted and were not quelled until 1907.* This last named war was conducted with the utmost savagery on both sides; German settlers, men and women, were brutally murdered but it was significant that the leader of the

Hereros, Samuel Maherero, issued orders: "for all my people that they shall not lay hands on the following, namely, Englishmen, Boers, Bastards, Bergdamaras, Namas." Even the German Governor stated afterwards: "It seems to have been the definite intention of the Herero leaders to protect all women and children."

On the other hand none were exempted from slaughter by the Germans. General von Trotha, commanding the German forces, decided on a policy of extermination. Despite the fact that the Hereros were already thoroughly defeated, that thousands had been killed in battle, and that only a remnant of the tribe remained fugitive in the desert, von Trotha issued his proclamation that: "every Herero with or without rifle, with or without cattle, will be shot." A German soldier serving in the campaign, Peter Moor, has described one incident in the carrying out of that policy: soldiers, he relates, stealthily surrounded a part of the enemy: "We led the men away to one side and shot them. The women and children, who looked pitiably starved, we hunted into the bush," where inevitably they would die.

Trotha's brutal proclamation was rescinded by order from Berlin where the scandal of the Herero war raised a storm in the Reichstag, and a conciliatory policy was adopted by von Trotha's successor von Lindequist, who proclaimed a general amnesty. But by that time the Herero tribe had been reduced to 15,000 starving fugitives and 40,000 had perished, that is to say about 25% more than the whole tribe numbers even at the present day. There was nothing left for the remnant of the Herero tribe but to scatter and seek their living by working for Europeans on farms and in the towns.

Meanwhile the Hottentots also had revolted and continued the struggle into the year 1907, while of the Ovambo it was said by Germans themselves that they never were brought to submission. Submission and decimation of tribes was, however, not enough for the Germans, for immediately after these wars they prohibited all natives of South-West Africa from owning cattle, so disrupting the whole structure of native life; this in a territory which according to an estimate by Dr. Rohrbach, Imperial Emigration Commissioner, comprised grazing land equal in area to that of the German Empire in Europe.

The Germans on their side gained nothing but costly wars that retarded progress, the number of troops engaged rose as high as 19,000, expenditure amounted to £30,000,000 and several thousands died, both soldiers and civilians.

To enquire into the causes of these disasters is superfluous. The truth was succinctly stated early in 1914 by Professor Bonn of Munich University in an address to the Royal Colonial Institute, on German Colonial Policy.

"We wanted," the Professor said, "to concentrate on Africa the emigrants we were losing at the beginning of the Colonial enterprise. We wanted to build up on African soil a new Germany and create daughter states as you have done in Australia and in Canada. We carried this idea to its bitter end. We tried it in South-West Africa and produced a huge native rising causing the loss of much treasure and many lives. We tried to assume to ourselves the functions of Providence and we tried to exterminate a native race whom our lack of wisdom had goaded into rebellion. We succeeded in breaking up native tribes, but we have not yet succeeded in creating a new Germany."

And writing in 1906 Leutwein remarked:

"At a cost of several hundred millions of marks and several thousand German soldiers, we have, of the three commercial assets of the Protectorate—mining, farming and native labour—destroyed the second entirely and two-thirds of the last. What is, however, more blameworthy is the fact that with all our sacrifices we have up to this day not been able to restore peace fully."

In West Africa, as in East Africa, German rule obtained during the first 30 years, and on both sides of the continent fully two-thirds of that period was occupied with campaigning and subjugation of the African inhabitants. After 1908 the regime was in some measure reformed and there was peace in the land.

If it was true, as Professor Bonn told, that the German aim was to build up a new Germany on African soil, to create something akin to the colonisation of Australia and Canada, the choice of South-West Africa for such a grandiose scheme was scarcely promising. In the 30 years from 1884 to 1914 the white population had risen to no more than 13,000 persons, including nearly 2,000 of the military force and a host of civil officials; under Union administration it has since increased to 32,000, but nobody would consider this figure as warranting hopes of a future population comparable to that of one British dominion. An article on the economic aspects of the territory contained in the 1945 South-West Africa Annual expresses the view that: "very few areas could carry any substantial concentration of population." South-West Africa could then never become a new Germany or even a Dominion thereof.

What then was the real motive behind this shortlived German adventure? About the year 1875 Bismarck was urged by Germans in South Africa "to send a steady stream of Germans through Delagoa Bay to secure future domination over the Transvaal and so pave the way for a great German Empire in Africa." There

were not a few other similar utterances, so many that Sir Bartle Frere thought it timely to warn the Boers that "the little finger of Germany might be heavier than the loins of the British Government." An important Berlin political publication, *Die Grenzboten*, wrote in July, 1895:

"For us the Boer States, with the coasts that are their due, signify a great possibility. Their absorption in the British Empire would mean blocking our last road towards an independent agricultural colony in a temperate climate."

And a few years later the same paper wrote:

"The possession of South Africa offers greater advantage in every respect than the possession of Brazil. If we look at the map our German colonies appear as very good starting points for attack."

More outspoken even was Herr Lattman when, speaking in the Reichstag on the subject of the railway line from Luderitzbucht to Keetmanshoop, he declared:

"The line is not of very great importance for the transport of war material or for commercial purposes, but it gives us the solution of a much more important problem, namely, the position of the Colony if war should break out between us and Great Britain. In this case the line would facilitate considerably our attack on Cape Colony."

There perhaps is to be seen the whole purpose of the German occupation of South-West Africa.

German hopes such as these were badly shattered when at length the war which Herr Lattman had anticipated materialised. Immediately on the outbreak of war in 1914 the Union Government assured the United Kingdom Government of its support and undertook to relieve the Imperial troops then stationed in South Africa by itself making all provision for internal security and almost immediately after accepted the further proposal that Union forces should seize Swakopmund and Luderitzbucht; largely for the sake of the wireless stations there, which were seriously interfering with British stations, and, moreover, were in direct communication with Berlin.

On August 18th, 1914 the raising of a Light Horse Regiment in Natal was started and two days later the Defence Force of the Union was called up. At the same time a German force crossed the border at Nakob and entrenched themselves on the Union side of the boundary; an enemy patrol also made an attack at Schuit Drift. Neither of these incidents was of practical military advantage to the Germans, but they had the effect of stimulating the Union to action and in a special session of the Legislature

convened in the middle of September, provision was made for expenditure to launch hostile operations against the German Protectorate. Within five days of the termination of that session Luderitzbucht was occupied (September 19th, 1914) but further operations had to be suspended in order to cope with rebellion in the Union and it was not until the following January that Swakopmund was seized. In the interval the only activity was from the east when Rhodesian forces had occupied Schuckmannsburg, the centre of the Caprivi Strip.

Very shortly after the outbreak of war the Union Government started construction of a railway from De Aar via Upington to Nakob from which point it was ultimately linked with the German railway terminus at Kalkfontein. On Christmas Day, 1914, Walvis Bay was re-occupied and on January 14th Swakopmund was taken. The Prime Minister, General Botha now himself assumed command and on March 7th ordered a general advance. By that time he was in personal command of an army in the north. Sir Duncan Mackenzie, who commanded in Luderitzbucht, was pushing eastward along the railway line from that part. In the south General van Deventer had penetrated the enemy's defensive line along the Orange River, and Berrange was preparing his march across the southern Kalahari Desert, the objective of all three columns being to converge on a point on the railway line in the vicinity of Keetmanshoop and drive the enemy northwards on to General Botha's force. These three columns were now placed under the general command of General Smuts. The strategy of the enemy quite obviously aimed at blocking a junction of the Union northern and southern forces by themselves retiring to Windhoek, there to join with another body of troops, but they were outwitted by Mackenzie's brilliant dash across country, 120 miles through waterless wastes to Gibeon on the railway line where on May 2nd he inflicted decisive defeat on the enemy.

Meanwhile General Botha, advancing in March from Swakopmund on Windhoek, after a stiff encounter at Riet and a lull of a month thereafter, occupied Otjimbingue on May 2nd. Therewith the formidable barrier of the western desert region had been surmounted and the speed of further advance was accelerated. On May 13th Windhoek was occupied, wherewith not only a valuable base for further operations was gained but the high-powered wireless station of the capital was captured and, moreover, the largest part of the developed region of the territory was wrested from the enemy. Recording these operations, General Botha stated that they had involved a test of endurance that reflected the highest credit on the Union forces. Marches had been made under conditions of heat, thirst, hunger and discomfort that called for the highest qualities of grit and resolution; in five days' marching the least distance covered by any of the troops had been 190 miles!

After a month's rest at Windhoek the advance was resumed, and on July 1st Otavi was reached, which left to the German forces only two short stretches of railway line. Between these and Swakopmund they had prepared a defensive position at Kalkfeld on the railway line but it was quickly outflanked and they were forced to abandon it and take to the open country without any railway communication. A strong column under General Brits advanced on the left through thick bush lands to Namutoni where 150 Germans surrendered, while on the right flank General Myburgh was detached to strike northwards to Tsumeb where he captured 500 of the enemy. The remnant of German forces was therewith practically surrounded, further resistance by them was hopeless and on July 9th, 1915, the entire German army surrendered to General Botha.

Thus was brought to an end German possession and rule in South-West Africa, the country from which they had hoped to seize the rich prize of all Southern Africa, and the frustration of these, their fond hopes, was brought about by generals and troops of a Nation they had counted on for revolt and the downfall of the British Commonwealth in Africa.

Political

FOLLOWING his rapid conquest of German South-West Africa, General Botha granted the Germans lenient terms, permitting the civilians to remain undisturbed in their homes. Equally generous in post-war years was the attitude of the Union Government, and be it said, also of Union citizens. For, although the Treaty of Versailles (Article 122) entitled the Union Government to make such provision as it thought fit with reference to the repatriation of German nationals, only the military and civil officials, together with a certain number of undesirables, were repatriated, a total of 6,000 persons, equivalent to about half the German population. Nor were Germans debarred from coming into the country, neither were they subjected to any disabilities, political or otherwise. In 1920 a Commission, known as the de Wet Commission, appointed to enquire into the future form of government of the Territory, recommended the institution of an Advisory Council of six members, and this proposal being adopted in the following year, three Germans were appointed to the new Council, notwithstanding that already by that time the British population was 10,673, while Germans numbered only 7,855.

The same Commission further recommended that there should be South-West African representation in the Union Parliament and a representative Provincial Council; in other words that the position of the Mandated Territory should be

analogous to that of a Province of the Union. They drew attention, however, to the difficulty inherent in any such representative system by reason of the fact that parliamentary membership must entail the indispensable qualification of Union citizenship and to meet this requirement they advocated that legislation be framed, "which in its mode of operation will place the least difficulty in the way of the late enemy subjects who have made the country their home and who wish to participate in its political government."

In the newly appointed Advisory Council the two nationalities at this time worked together amicably and that there was no desire on the part of the Union members to exclude German subjects from full participation is evident from the terms of a unanimous resolution passed in December, 1922, urging that the inhabitants should be given a share in the government of the country. It was expressly recognised therein that it would be undesirable "to exclude any considerable section of the European population" and it was recommended that the Union Parliament enact legislation for automatic naturalisation of Germans excepting in the case of those of them who might object. In the light of subsequent events it is worth noting here that the resolution, which was unanimous, expressed the view that "it will not be in the best interests of the Territory that it should in the near future be attached to or governed as a Fifth Province of the Union."

On the basis of this resolution, and in agreement between the Union and German Council Members, the Prime Minister, General Smuts conducted negotiations with representatives of the German Government in London with a view to securing their consent to the naturalisation of their subjects in South-West Africa. Not only was Germany's consent obtained but her Government declared themselves prepared to use their influence to induce the German settlers to accept Union citizenship.

The upshot of these agreements was the enactment of the South-West Africa Naturalisation of Aliens Act 1924, whereunder all German adult males domiciled in South-West Africa on January 1st, 1924, were automatically naturalised unless they lodged specific objection thereto. No more than 250 Germans rejected naturalisation, and some 1,700 became British subjects. In passing, it is to be noted that at the same time the Government undertook to pay subsidies to German schools for five years, although subsidies to Roman Catholic and Church of England schools had been withdrawn some years previously on account of financial stringency; and incidentally the subsidy was continued beyond the period stipulated.

The way to further constitutional advance being thus smoothed, the Union Parliament proceeded to enact the South-West African Constitution Act 1925 which provided for the

creation of a Legislative Assembly of 18 members, 12 being elected and six nominated. The Assembly has power to legislate in all matters save the following (unless the Governor-General decides otherwise):

- (a) Native Affairs;
- (b) Mines and Minerals;
- (c) Railways and Harbours;
- (d) Public Service;
- (e) Constitution, jurisdiction and court procedure;
- (f) Posts, telegraphs, telephones;
- (g) Military organisation;
- (h) Movements and operations of the Defence Force of South Africa;
- (i) Immigration;
- (j) Customs and excise
- (k) Currency and banking.

Other affairs, namely police; civil aviation; education; land and agricultural bank and Government lands are similarly reserved, but in respect of these the Assembly may be given extended powers upon its own recommendation made by a two-thirds majority.

In the first general election of 1926 the Germans gained a majority, seven out of twelve elective seats, and though this was equalised by appointment of four Union members to the nominated seats (six) the circumstance that the Chairman was elected from among the Union members gave the Germans still a majority of one in the conduct of business.

As early as 1920 the Germans had formed an association, the Deutscher Verein, afterwards (1924) the Deutscher Bund, to represent their interests and preserve their culture. It was perhaps in conformity with these objectives and at the instance of the Bund that in the first session of the Assembly the German majority passed a resolution demanding that German be recognised as a third official language. They also protested strongly against the requirement of five years' residence as a qualification for naturalisation, and complained that they were being swamped by immigration from the Union.

At the time of the negotiations leading up to the creation of the Assembly the German Consul, Mr. de Haas, in a letter to General Smuts had written *inter alia*:

“Recognising that the future of South-West Africa is now bound up with the Union of South Africa and that it would be wise policy for the German Nationals in that territory to throw in their lot with South Africans, the German Government is prepared to use their influence with these Nationals to induce them to accept Union citizenship.”

And in an address to a deputation the German Consul General in Cape Town said:

“The German Government is convinced that those Germans who decide to acquire a second nationality will in all loyalty to the Mandate Administration devote their best efforts to the development of what to them has become a second Homeland.”

Unquestionably loyalty to the Mandate Government was the basic assumption on which the Union had agreed to and legislated for both German naturalisation and representation through the Assembly. Yet already propaganda was being made for the return of South-West Africa to Germany and when in April 1927 South African members moved a resolution in the Assembly for stopping its distribution the German members walked out and refused to take part in the deliberations. Feeling on both sides was inflamed. It became obvious that divergent ambitions and prejudices must make political co-operation difficult and that a political atmosphere evoked by the new constitution, engendered national animosity between the two races.

The ensuing year brought a temporary truce. World wide depression coupled with the effects of severe drought brought great hardships and financial stringency; public opinion inclined to attribute the unfavourable conditions prevailing to shortcomings on the part of the Administration and, as a panacea for the Territory's economic ills, sought to obtain the extended powers which under the constitution might be granted on resolution by a two-thirds majority. To secure this it became necessary to enlist the support of the German members in the Assembly and that could be gained only in return for acquiescence in their demands, namely (a) acceptance of German as an official language (b) immediate automatic naturalisation of all Germans in the Territory on December 1st, 1933; and (c) future naturalisation after two years' residence.

These terms were agreed upon in January 1932 and embodied in a resolution with the following preamble:

“Whereas the European inhabitants have declared their desire henceforth to be regarded as one people without distinction of race or origin, participating equally in the government of the Territory and sharing equally the rights, privileges and obligations appertaining thereto.”

The Prime Minister, welcoming this manifestation of concord, promised to facilitate its aims, but before the necessary steps for their implementation could be completed a new rift made itself felt and drove the erstwhile confederates again wide apart. On the German side it was contended that the Union section had violated the agreement by advocating incorporation

of the Territory in the Union. On the other side there was resentment because German leaders declined to co-operate in countering an agitation against the administration which had largely been supported by Germans. Coincident with these causes of dissension was the establishment in the Territory of the Nazi organisation under a territorial leader with headquarters at Windhoek, the activities of which, besides propagating the doctrine of National Socialism, embraced agitation for the return of South-West Africa to Germany.

In these circumstances the Union leaders wrote to the Deutscher Bund enquiring whether they proposed to proceed with the 1932 Agreement and, if so, on what lines future co-operation was to be conducted. It transpired afterwards that the German leaders had sought the guidance of the German Consul General on this enquiry, wherewith it was patent that they acted not as persons loyal to the Mandatory Government but as directed by German authority. Consequent upon these renewed manifestations of German national ambitions the South African section asked the Union Government not to give effect to the Cape Town Agreement of 1932.

Soon afterwards a local German returned from a visit to Germany, where in the interval the Nazi party had come into power, "armed with powers and funds for the Nazification of all German institutions in the country. All organisations—social, cultural, political and educational—of whom the human material was mainly naturalised Union subjects, were dragooned into this Nazi complex. The schools, became nurseries for the cultivation of Nazi recruits. Provocative processions were organised, the Union flag was hauled down from the Government buildings and the German flag substituted. Literature was widely disseminated among the population, making propaganda for the return of South-West Africa to Germany." (Report of the South-West Africa Commission, U.G. No. 26/1936 paragraph 264).

By Article 278 of the Peace Treaty Germany undertook "to recognise any new nationality which has been or may be acquired by her nationals under the laws of the Allied and Associated Powers and in accordance with the decision of the competent authorities of these powers pursuant to naturalisation laws under treaty stipulations and to regard such persons as having in consequence of the acquisition of such new nationality in all respects severed their allegiance to their country of origin." Although the naturalisation of the Germans in South-West Africa was purely voluntary and the legislation providing therefor was enacted with Germany's consent, the claim was advanced by Germans that the type of naturalisation they had accepted in 1925 permitted of dual allegiance, and it was in fact

expressly enjoined upon them by the German Consul through the Bund Leader that German nationality had not been lost, wherefore they were liable for military service and also for Youth Labour Service.

All these manifestations of German disloyalty, instigated by officially recognised Nazi leaders, led to enactment of the Criminal Law Amendment Ordinance of 1933 whereunder Nazi and similar propaganda and the continuance of the National Sozialistische Deutsche Auslandspartei were banned. Its passage was, of course, hotly opposed by German members in the Assembly, who, when outvoted, left the Assembly Hall and resigned from the Legislature as well as from the Executive and Advisory Councils.

It will serve no purpose to dwell now on the conduct, practices and utterances of the Nazis in South-West Africa which were notorious and have been documented and, moreover, were of a character such as was inseparable from Nazi doctrine. Not all Germans were in league with them. There were, indeed, associations, viz. the Deutsche Afrikanische Partei and the Volksdeutsche Gruppe, professing loyalty to the Mandatory and to the spirit of the London Agreement, but numerically they were not very important and in the words of the Commission appointed by the Union Government in 1935:

“There has been continual interference from the Auslands Organisation in the affairs of the Territory, and, as a result that, freedom of speech, of political association and even of personal conduct has ceased to exist in the Territory for a large number of Germans who are Union subjects . . . The smooth functioning of the Mandate system becomes practically impossible if such interferences continue.”

In fact the German community was divided and dragooned from Berlin through the Nazi party leaders in South-West Africa.

The split between British and Germans in the Territory was complete and unbridgeable. The next general election was fought on the Fifth Province issue and with the nomination of four South Africans and two Germans the United National South-West Party gained a two-thirds majority in the Assembly. Early in 1935 a deputation of the Union party waited on the Prime Minister to present their resolution asking the Union Government to administer the Territory “as a Fifth Province of the Union or otherwise as an integral portion of the Union, subject to the provisions of the Mandate for South-West Africa.” On this the Union Government appointed the Commission, commonly referred to as the van Zyl Commission.

The United National South-West Party comprises the majority of the Union element in the Territory. There is, however, another comparatively new Party, the National Party of South-West Africa which has connections with the Union and whose main policy, apart from the cessation of hostilities, has been the acquisition of South-West Africa by friendly negotiation with Germany and its incorporation in the Union.

The problems reviewed in the foregoing, namely those arising from the presence of a large German community and the position of the Territory in relation to the Union have dominated all political issues in South-West Africa, but the racial or national situation has not been the only cause of popular dissatisfaction. The terms of reference to the 1935 Commission commence as follows:

“In view of the dissatisfaction in the Mandated Territory of South-West Africa with the existing form of government as evidenced by the Resolution of the Legislative Assembly of the Territory, dated 29th of November, 1934 and other symptoms: (1) to enquire into, and to report on, the effectiveness of the existing form of Government of the Territory, the reasons for the existing dissatisfaction therewith and the apparent failure thereof.”

Constitutional

THE foundation of South-West Africa's Constitution is the Mandate conferred on the Government of the Union of South Africa. Under an Act of Parliament the Governor General then delegated his legislative authority to an Administrator of the Territory, acting by and with the advice of an Executive Council of nine members representing the farming, commercial, mining, wage earning and, lastly, the native interests. It has already been told how a Legislative Assembly came into being and it remains only to be added that in respect of matters on which the Assembly is competent to enact Ordinances, the Administrator is assisted by an Executive Committee consisting of four members elected by the Assembly.

Among the several matters reserved, and therefore outside the province of the Assembly, is Native Affairs. These fall solely to the Administrator, advised by the Advisory Council, as agent of the Union Government to whom alone he is responsible. Such funds as are required for the administration of Native Affairs are, however, provided in the budget which is submitted to the Assembly, though if rejected by that body it may be authorised by proclamation of the Governor General. Under the Administrator the Secretary for the Administration is also the Chief Native Commissioner and the Magistrates are Native Commis-

sioners (excepting in Windhoek) and in that capacity are assisted by Superintendents of Native Reserves and Locations.

There is thus in a sense separate constitutional machinery for European and Native administration and a review of constitutional questions would be incomplete if it did not embrace the African aspect of the subject.

For convenience the Territory may be considered as divided into the police and unpoliced zones, the latter comprising *Ovamboland*, *Okavango*, the *Caprivi Zipfel* and (since 1939) *Kaokoveld*.

The Ovambo are split into six tribes, three of which are under chiefs, the other three under Councils of headmen. In the time of German rule no officials were stationed in *Ovamboland*, the tribe being virtually left to its own devices, and although under Union rule there is a Native Commissioner with two assistants, their role is limited to maintenance of justice and harmony between the tribal sections and to the promotion of native welfare; otherwise the Ovambo are virtually left to govern themselves. The 1935 Commission were most favourably impressed both with the attitude and manifest content of the tribesmen and, subject to certain suggestions for improvement, the Commissioners were agreed in recommending that this interesting example of indirect rule be retained and developed.

The same system is applied to the *Okavango* tribe and in the *Caprivi Zipfel** and the same observations were made regarding these areas by the Commissioners. It is evident from their remarks that, however peacefully these tribes live and however much better may be the care they receive now than that given to them in the German time, conditions among them are still unduly backward. The principle of *Indirect Rule* can be carried too far and become one of *laissez faire*. It is to be borne in mind that these three areas comprise more than three-fifths of the Native population of South-West Africa, so that by the standard attained in such spheres as education, health and general welfare the competence of the Mandatory will be judged; and to this extent conditions outside this police zone may be of no small consequence if ever the continuance of the Mandate comes under international review.

Provision is made for natives in the police zone by the establishment of reserves varying considerably in area, and scattered over the Territory. In these reserves tribal councils have been set up largely for the purpose of advising on the administration of the so-called miscellaneous Native Tribal Trust Funds which are devoted to the welfare of the tribes concerned and are derived almost entirely from grazing fees paid by native

* The Eastern portion of which has been brought under the Union Department of Native Affairs since 1940.

livestock owners in the reserves. It is the declared policy of the administration that the development services in the reserves should as far as possible be met from Trust Funds, but it is officially denied that funds from general revenue will in no circumstances be provided for such development, Indeed it is stated that the administration has consistently spent more than has been contributed by the Natives. (£68,872 in 1939-40).

The policy of looking to the natives to provide for their own betterment may be sound in theory, but is open to challenge especially when it is considered that the total income of the Trust Funds amounts to no more than £15,000. The 1935 Commission found that, in view of the need for increased expenditure for their development, there was room for an increase in native taxation. It is evident that there is need for more money to be spent on native development, and it is probably better in the long run that, so far as possible, it should be contributed by the natives in the form of taxation on a reasonable scale. This argument carries a good deal of weight but neglect of native development, whatever the cause, would be a neglect of the duties laid upon the mandatory according to the high principles of the League. If any fundamental change in the mandate system is desired, policy as well as principle demand that the broad view be taken in the matter of native development.

That precisely this change is desired by the leading European elements in South-West Africa was made manifest, not for the first time, in the proceedings of the largest congress of the United Party yet held, in July, 1945, when the following resolution was unanimously adopted:

“This congress agrees that the policy of the United Party remain as laid down in the constitution, namely, to strive for the abolition of the mandatory system and to achieve closer association with the Union; and that, after the termination of the war, the mandate over South-West Africa be abolished and that the territory be annexed to the Union on the express understanding that (a) annexation shall take place on such terms as may mutually be agreed upon between the Government of the Union and the representatives of the inhabitants of the territory, (b) that in view of the special conditions prevailing in the territory the policy of the party towards accomplishing the abovementioned objects must be towards obtaining for the territory the greatest possible measure of control, on a democratic basis, of its own internal affairs and finances, and (c) that party representatives will not, without the sanction of the congress of the party previously obtained, commit the party or the territory to any final agreement on the question of either the future form of government for the territory or the measure to be adopted in exercising control of their own affairs by the inhabitants of the territory.”

The cancellation of the Mandate and annexation of South-West Africa cannot, of course, be effected by unilateral action, and at best it is a matter of stating a case thereon.

On a Resolution of the Legislative Assembly of November 29th, 1934, expressing dissatisfaction in the Mandated Territory, a Commission was, as previously noted, appointed by the Governor General under chairmanship of Mr. Justice H. S. van Zyl with Mr. Justice van den Heever and Dr. J. E. Holloway as members. Among their terms of reference was (2) "to consider, from constitutional as well as State financial point of view, how the government of the Territory could best be regulated so as to secure a more efficient administration and a greater measure of content amongst the inhabitants, due regard being had to the character of the Territory as a Mandated Territory and the rules of international law governing the Mandate and to the constitutional law of the Union."

This Commission reported sundry causes of dissatisfaction, the most important of which was the uncertainty as to the political future of the country which retarded development, made investors of capital shy and had an unsettling effect on the inhabitants. The commissioners remarked that a mandate is from its very nature temporary and that this, together with the widespread feeling that international changes were imminent, made the contending parties work for the mandate to be changed in the direction they desired—the Union element for closer association with South Africa, the Germans for the return of the territory to their nation. The commissioners considered that uncertainty and anxiety as to the future of South-West Africa was exaggerated *in the minds of the inhabitants and of potential investors from the outside*. This uncertainty was based on the inherent instability of mandates and it is an established fact that it did deter capital.

There was, however, another aspect of the question to which the Commissioners made reference. In their opinion it was clear that the framers of the Covenant, under which the Mandate was issued, intended "that the indigenous people should be placed under tutelage, and that safeguards in their interest should be maintained so long as they were not yet able to stand by themselves under the strenuous conditions of the modern world." They considered, however, that it was not reasonable to anticipate any substantial alteration of the existing "demographic position, viz. a white minority leavening the mass of the indigenous population," and "as the Mandate was conceived in the interests of these people, it was clearly intended that their future should not be mortgaged by any definite disposition of the Territory,

while the mass of the population still labours under the very incapacity which justified the institution of the Mandate. If then one considers the backwardness of the indigenous population, it becomes clear that there is no reasonable expectation of their acquiring these mental, moral and civic qualities which would justify their being seriously taken into consultation before a time so remote as hardly to merit present consideration."

Now, however right the Commissioners were in their conclusions as to the remoteness of the practical issue, the fact remains that in their minds it was the Native population that the League of Nations were considering when they framed the Mandate and recent pronouncements outside Africa do not suggest that opinion has changed among those who would necessarily have determining voice in any international deliberation on the continuance or change of the Mandatory system. Therefore, whatever prospect for change there may be, it is likely that the same stipulation as to the indigenous population will be made as was the basis of the League Mandate. It follows that the Native question is of greatest importance, a fact that may too easily be overlooked in Africa. On the other hand those who would retain the Mandate intact and for the end foreseen, should bear in mind that the future rests with the Mandatory power and on the extent to which it will contribute to the development of the Territory, wherefore her security or interest therein is also a consideration to be taken into account.

South-West Africa has only very recently become financially self supporting or at least solvent, and as the van Zyl Commission reported, "financial history shows that deficits have been the normal condition in the past." Disregarding the huge expenditure incurred by Germany in the years of her wars in the Territory, the German Imperial exchequer contributed during the last five years before British occupation £3,396,000 or an average of £679,000 per annum; and this in a period when the prosperity of the mining industry produced considerable revenue for the government. It is not necessary at this stage to go into the financial position in detail, suffice it to say that the Territory is in debt to the Union Government to the extent of £2,570,000, and to the South African Railways and Harbours to the amount of £63,758; added to which S.A. Railways appear to have lost about £6,000,000 on the South-West Africa system.

It has been laid down at Geneva that in the event of transfer of any Mandated Territory the State taking over will also assume liability for its financial commitments, but it may be questioned whether such a ruling is really good guarantee to existing Mandatories. In any case the important point is how far the Union will be encouraged to go on extending assistance, financial and otherwise, to a Territory held under a possibly uncertain tenure.

For if there is hesitancy on account of future uncertainty the Mandate itself will prove a hindrance to development of the country, including that section of its population whose advance the Mandate was designed to secure. Moreover, unless the compact is to be wholly one-sided and the attitude of the Mandatory is expected to be purely altruistic, there arises also the question as to what *quid pro quo* it may claim for benefits accorded to the Mandated country and also to what extent it may commit it for the future?

The 1936 Commission found that it was well established that it was a policy of the Union Government to settle its own nationals in South-West Africa, and that there was a great deal of criticism on the score of the type of person so settled. German and Union nationals alike complained that a considerable proportion did not possess the means to farm successfully, and that in consequence many of them had, and more would, become a burden on the Territory. In fact it was the deliberate policy of the administration to attract settlers of small means, to which end the Union Lands Settlement Act of 1912 was applied in 1919, whereby persons of small means were enabled to acquire farming land. Over and above settlement from the Union there was the migration in 1931 of 300 Boer families comprising some 1,900 persons from Angola, which was effected by the Union Government against the wishes of the majority of the Legislative Assembly, though with the approval of the Union section of the population. The scheme was financed by the Union Government at a cost of £524,000. Altogether the Union Government investment in Land Settlement in South-West Africa up to 1941 amounted to £1,184,186 on which the Territory pays neither redemption nor interest charges. It was however complained that other expenses fall on the local treasury which it would not have to bear were a large number of these settlers not extremely poor. More serious in the view of the Commissioners was, however, the certain need for further assistance in order to enable them to rehabilitate themselves, though of some 4,090 it was doubted that they ever could do so, and it was feared that a relatively large element of "poor whites" was developing which would be a real burden to the Territory. As regards financial aid or rehabilitation the Commissioners disagreed as to liability therefor.

The second paragraph of Article 2 of the Mandate reads: "The Mandatory shall promote to the utmost the material and moral wellbeing and the social progress of the inhabitants of the Territory, subject to the present Mandate," and this has been interpreted by the Permanent Mandates' Commission as meaning that the Union Government is under actual obligation to make grants, as distinct from loans, to the Territory. The local view was also expressed to the van Zyl Commission that as the Union Government had settled in the Territory many of its poorer people who were then in financial straits it should pay

for the social services rendered to these people. With this view, but on grounds different from those of local opinion, the Chairman agreed, holding that the Union was under moral obligation to care for its own people and concerned to ensure that they were given a fair chance, and he also cited in support of his view the Mandate Article quoted above.

His colleagues, however, altogether dissented, holding that the Mandatory undertook no more than to use the resources of the Territory for the progress of the inhabitants. They argued that persons who move out of the Union cannot claim any right to expenditure of Union public moneys in their behalf. They recognised that the administration of the Territory could not be carried on satisfactorily for some time to come without outside assistance, that this could come only from the Mandatory, yet that continuance of interest bearing loans must lead to bankruptcy. In the opinion of these two Commissioners there should be a Mandated Territory Account to which all monies advanced by the Union should be paid and all receipts in respect to interest and redemption paid by settlers credited.

Whether one agrees with one or the other or with neither of these views, the discussion does reveal that there is a problem not as yet resolved—that of the financial relations between Mandatory and Mandated Territory.

The van Zyl Commission of 1936 was by its terms of reference obliged to judge the issues with due regard to the Mandate and rules of international law governing the Mandate, and any recommendation they could make as to constitutional reform must therefore be confined to proposals respecting the South-West Africa Constitution Act of 1925. Their joint finding was that:

- “(a) The present form of government of the Territory is a failure and should be abolished; and
- (b) there is no legal obstacle to the government of the Mandated Territory as a province of the Union, subject to the Mandate.”

Here it will be useful to recall that the South-West Africa Mandate is of the class called “C Mandate,” of which this Territory was specifically cited as a prototype in the following words of the framers of the League of Nations Covenant:

“There are territories such as South-West Africa which owing to the sparseness of their population or remoteness from the centres of civilisation or the geographical contiguity of the Mandatory and other circumstances, can best be administered under the laws of the Mandatory as integral portions of its territory, subject to the safeguards above mentioned in the interests of the indigenous population.”

And Article 2 of the Mandate itself reads:

"The Mandatory shall have full power of administration and legislation over the Territory, subject to the present Mandate, as an integral portion of the Union of South Africa, and may apply the laws of the Union of South Africa to the Territory, subject to such local modifications as circumstances may require."

It may be questioned whether, in strict sense, the intention of the Mandate has been justified in one respect, namely in regard to making South-West Africa an integral part of the Union, but however that may be, there is certainly no bar against still closer integration, always provided the terms of the Mandate are otherwise observed and the situation is such that the Mandatory is able to submit separate reports on the region under its jurisdiction.

There appears to be no dispute as to the desirability of closer integration and if now German influence and menace has been eliminated the conversion should be facilitated. As to the precise form it should take there has, however, been considerable divergence of opinion. The Commissioners of the 1935 enquiry were unable to agree on this subject and submitted separate reports thereon, but to what extent their views were influenced by the situation as they found it, particularly as affected by the German problem, it is hard to judge. All three allude to the German problem rather as though it were a basic consideration, but it is evident that the economic problem was at least of primary consequence. The Chairman, Mr. Justice Van Zyl held that the Territory could not function properly without financial help from the Union and, therefore, that the Union Government and Parliament should be in direct control of the revenue and expenditure of the Territory which had "suffered a great deal in the past from the Union's ignorance on these matters." South-West Africa would be in very much better position if it were administered as an integral portion of the Union and therewith the same attention given to the needs and requirements of the Mandated Territory as is paid to those of the Union. In particular the natives would benefit when their affairs were directed by the Department of Native Affairs of the Union with its abundance of experience and expert staff. So, likewise, the well organised departments of Agriculture, Mining and Veterinary would be at the service of the Territory.

Mr. Justice Van Zyl recognised that all this might entail additional expenditure, but that he considered unavoidable, and he was of the opinion that, if the revenue of South-West Africa could not be made to meet expenses, the Union must, in order to carry out its obligations as the Mandatory, supplement the funds required for work which he regarded as both necessary

and important. So far as additional expenditure for the benefit of Europeans was involved, he recalled that Union policy had brought about increased population, more than 12,000 families of Union nationals and 300 families of Angola Boers had been settled in the land, and these looked for assistance comparable to that afforded to their kith and kin in the Union. In short, Mr. Justice van Zyl recommended that South-West Africa should be a fifth province of the Union.

Mr. Justice van der Heever emphatically disagreed with these views of the Chairman and as a resident of long standing in South-West Africa his views must command respect.

He opined that establishment of the Territory as a Province of the Union would in no wise affect its status as a Mandated region, wherefore it would not affect the uncertainty inherent in a Mandate. Nor in his view would the financial benefits be commensurate with expectations, since they must be proportionate to the territory's resources, otherwise either the Union tax payer would be unduly mulcted or the South-West Africa account too heavily charged. He was not impressed with the argument that obligations devolved on the Union because of settlement of Union subjects, for that had been in the interests of the Territory and the Union had no cause to procure or subsidise emigration. He considered that uniformity in policy and practice with the Union would prove a hindrance to South-West Africa rather than an advantage, and association in the parliamentary sphere would bind the Union in unequal partnership "from which the Union might expect to suffer the disadvantages of Mandatory as well as of Sovereign." Mr. Justice van der Heever, pointing out that his colleagues advocated transfer of functions to Union Departments on the ground that the Union Government should take control, objected that, dissipated in a number of departments conceived to regulate the very differently situated Union's domestic affairs, this direct control might become an illusion; "a mere rearrangement of the conduit pipes of authority is not going to remedy the evil."

In these circumstances Mr. Justice van der Heever would have recourse to the system of administration for which provision is made by the South Africa Act of 1909,* a system he regarded as devised precisely for application to such a new and undeveloped country as South-West Africa which did not warrant any elaborate form of administration. The Act in question empowers the Governor General to legislate for any territory the Government of which has been transferred and "belonging to or under the protection of His Majesty." Administration of such a territory devolves on the Prime Minister advised by a Commission appointed by the Governor General. In view of the onerous duties of the Prime Minister, Mr. Justice van der Heever

* See Schedule thereto.

would, however, have another Minister charged with the administration of South-West Africa; but would retain the Minister for External Affairs as representative of the Union *vis-a-vis* the League of Nations.

It is to be noted that, by the provisions of the aforementioned Act, all customs duties are payable into the Treasury of the Union and that from the Treasury there is to be paid to the territory in question a sum "which shall bear to the total customs revenue of the Union . . . the same proportion as the average amount of the customs revenue of the customs of such territory for three completed financial years" and no differential duties or imposts on the produce of the territories shall be levied. Any deficit on the territory's budget shall be advanced by the Union Government.

Mr. Justice van der Heever was aware that this scheme would meet with objection as reactionary, and that the Union section would feel aggrieved if they were deprived of a share in the government of the Territory, and of constitutional privileges long granted and enjoyed, but he held that they had not been happy in the discharge of their trust; were whimsical and mercurial in their political aims, lacking in fixity of purpose, public spirit or aptitude for government and had certainly not exerted themselves to further the moral and material welfare of the Natives. He recalled that the Territory could not make ends meet and loans were obtained from the Union on such a scale that interest and redemption threatened to consume revenue in the near future. A position was reached in which the ward's substance, supplemented by the guardian, was being consumed by the guardian's representatives (*i.e.* the Union settlers in South-West Africa) and yet these resented interference by their principal. He considered that the grant of a measure of self government had been premature; the responsibility for good government of the Mandated Territory lay with the Union alone and was the concern of the whole nation, not only of that portion of the Nation which happened to be resident in the Territory.

The third Commissioner, Dr. J. E. Holloway, disagreeing with Mr. Justice van der Heever, agreed with Mr. van Zyl that there should be closer administrative integration with the Union, but was not prepared to delegate to a local Assembly in entirety the subject matters which in the Union are delegated to the Provinces. In his view the Mandate visualised the political development of the people of the Territory, wherefore there should be representative institutions, but did not contemplate responsible government under which political power might be vested in a white minority, and the obligations of the Mandatory, as trustee of the indigenous peoples, were not likely to be properly discharged, if vested in a local legislature. Further he

considered that, since the electorate was not financially independent, land settlement should be controlled by the Mandatory and likewise there should be budget control exercised by the Union Department of Finance. He regarded Native Affairs, Mining, Justice and Police, as subjects unsuitable for the local legislature and, but for the circumstances that there is no Union Department dealing with Education other than higher education, he would not have this subject within the competence of a local legislature, where "it is so likely to become a political football."

The remaining public services, Agriculture, Postal, Public Works, Hospitals, Roads, Game Preservation and other local Government activities Dr. Holloway would entrust to the local legislature. It is to be noted that in his apportioning of subjects to the Union and local Legislatures respectively, Dr. Holloway took largely into account and distinguished those that are not prone to excite racial passions and those calculated to lead to contention between South Africans and Germans, and he expressly so stated, wherefore one does not know to what extent he would at the present day adhere to the recommendations he made in 1936.

While the Commissioners were wide apart in their ideas as to the form of government best suited to South-West Africa, they were in complete agreement that the South-West Africa Constitution Act should be repealed, and that in one form or another the Territory should be incorporated in the Union of South Africa.

In coming to this conclusion they took into account the financial situation, which they found feeble on three grounds: (a) that South-West Africa could not subsist on its own resources; (b) that outside assistance could come only from the Union; (c) that, because of the Mandate, the Union had no permanent security for loans to the Territory.

There has been radical change since the report of the commission was written. The German problem has been solved inasmuch as those of Nazi leanings are to be sent back to Germany and presumably such Germans as remain will identify themselves with the Union element. The finances of the Territory have so improved that today it is not only solvent but has actually been able to make a substantial contribution to the Union towards war expenses. But satisfactory as are these changes in the situation as it was found to be in 1935, there remains the problem of South-West Africa's future, and it is to be remembered that the aforementioned Commission was appointed primarily for enquiry into causes of alleged dissatisfaction other than those hitherto discussed. Complaints were made concerning the general attitude in the Union towards South-West Africa; that the people in the Union knew little or nothing about the Territory; that visits by Union Ministers were few and hasty; that the

Union Parliament legislated for the Territory without it being represented; and that Union farmers looked upon South-West Africa as an unwelcome competitor in their own home markets.

The Commissioners admitted that there was much ignorance of the Territory's circumstances and needs, and recognised it as a drawback that laws governing the country should be made by a body inadequately conversant therewith and unrepresentative of its inhabitants. They conceded also some ground for complaint respecting the public service, but they pointed out that South-West Africa did not offer the amenities of life nor the opportunities afforded in the Union, and were therefore not surprised if service there failed to attract the type of men who enjoy prospects of advancement in the Union public service.

The major cause of complaint was, however, concerning the Constitutional position. The Legislature, though partly representative, has no jurisdiction in a number of affairs that are essentially domestic. The Mandatory Power is represented by the Administrator whose powers are very wide and who is responsible neither to the local legislature nor to the Parliament of the Union. Mr. Justice van der Heever, who, as he remarked in his minority report, has lived in the Territory under four Administrators, strongly criticised the Office—not the person. This Officer, he said, occupies a peculiar triple position; he exercises by delegation the Legislative powers specially reserved to the Governor General and is at the same time the representative of the Union Government and Head of the Executive Government within the ambit of the representative institution. The system is, in the opinion of this Commissioner, involved and confusing, and tends to obscure the Union's direct responsibility for the administration of the Territory.

Defects such as these would seemingly be eliminated by complete integration of the Territory in the Union of South Africa as is permissible under the terms of the Mandate, but the question is how far this is practicable and desirable in the interests of both sides. The issue is one that has figured largely in recent times because of a feeling of uncertainty among the white inhabitants of South-West Africa as to the outcome of international conferences whereat the whole mandates' system came under review. Thus the dominant political body in the Territory, the United Party, at its congress held at Windhoek in July 1945, formulated a demand for complete annexation by the Union. It was, however, not clear what form of government the party envisaged, for while closer association with the Union was advocated, it was stipulated 'that in view of the special conditions prevailing in the Territory the policy . . . must be towards obtaining for the Territory the greatest possible measure of control, on a democratic basis, of its own internal affairs and

finances." The wording is ambiguous, but does not convey the impression that the status contemplated was that of a Province nor that of a Dependency in the ordinary sense of the word.

That being so, it follows that, whatever form integration of the Territory in the Union may take, South-West Africa must still be administered in conformity with the terms of the Mandate. In other words absolute Sovereignty, in the sense that the Union would be answerable to no International Authority for the good administration of the Territory, cannot be claimed, and whether in these circumstances integration is really practicable may be questioned. The country is rather too huge and too distinct to be included in any one of the existing provinces and it is difficult to see how it could be incorporated in the Union excepting as a Fifth Province. The question is whether South-West Africa has any of the features and qualifications for provincial status, as this exists in the Union. It is a region more than three quarters the size of the entire Union with a European population equivalent to that of one of the smaller towns of the Union, distributed over a vast area. Dr. Conradie, a former administrator of South-West Africa, in a recent address pointed out that on the basis of representation as it is operated in the Union its population would entitle the Territory to have two members in the Assembly, but as a Province she should have eight Senators, and he doubted that there would be agreement on this point.

If, however, despite such incongruities South-West Africa could still be incorporated in the Union as a Province it is doubtful if this would content the ruling political party. It has a measure of control of its local administration somewhere between local and state government and, notoriously, people who have enjoyed any degree of self-government, are unwilling to relinquish it in exchange for participation in central government on even the largest scale. It has been cited as a prime cause of dissatisfaction that the affairs of South-West Africa are subject to authority remote and not conversant with local conditions and the demand has been made for wider powers to the territorial administration. It is not then likely that the political leaders in South-West Africa will be content with purely provincial autonomy, and their most recent pronouncement in party congress testifies to this fact. On the other hand, it is equally questionable whether it would be advantageous to the Government and Parliament of the Union to be indistinguishably associated with a territory the affairs of which could not always be treated on lines identical with those of the rest of the Union.

On the whole it would seem that some form of territorial government, restricted yet not purely provincial in character, is best designed to serve the interests of both the Mandatory Power and the Mandated Territory. But whether the Mandate

system is altogether appropriate, whether indeed it was ever designed or intended for a country situated as is South-West Africa, is debatable. Certainly the position is unique among mandated territories. Other mandated countries are more or less remote from their Mandatory States, and their concerns are not intimately associated with nor vital to the domestic affairs of the latter. But South-West Africa, adjoining, the Union as it does and linked thereto by road and rail, and so closely connected that both railway and customs administration must come under common management, and predominantly settled by citizens of the Union, is physically, nationally and economically a component of the Union; nor is it conceivable that it could ever be divorced therefrom. It is, in fact, scarcely reasonable that any other Power or group of Powers should be concerned with a Territory to the needs of which the Union alone can make effective contribution. Moreover, for strategic purposes South-West Africa is indispensable to the Union. If it be the ultimate purpose of the Mandates System that such countries may eventually be constituted as independent units, it is scarcely imaginable that an autonomous South-West Africa would elect to become anything but a corporate part of the Union of South Africa, for any other course would be suicidal. The prime condition for and purpose of mandated status thus appear to be lacking in this case, and for this reason it is difficult to feel convinced that it will be perpetuated.

Thus neither integration nor separation, nor yet continuance of the existing relationship between the two countries seem entirely practicable and the future disposition of South-West Africa has yet to be determined. It cannot be done unilaterally and for the present the problem can be solved only within the restrictions of the Mandate, but it is permissible to consider briefly an alternative that has been suggested from more than one quarter, namely that South-West Africa should become a Colony of the Union.

Colonial status, however, ordinarily involves annexation, a step which the Union Government is not at liberty to take so long as the Mandate obtains. Mr. Justice van der Heever proposed that the Territory should be brought under the provision of the South Africa Act of 1909, though he recognised that such would be unwelcome to the settlers. Between these two extremes a third alternative suggests itself, namely the establishment of South-West Africa as a Union Protectorate. Though not permissible under the Mandate, this might be a more acceptable conversion of status for, if in the eyes of International Authority the main consideration is safeguarding the indigenous population against political or national absorption, that is inherent in the Protectorate system.

The very designation "Protectorate" signifies that the Sovereign Power is responsible for but not owner of the country; its inhabitants are not subjects in the sense of nationals of that

Power, nor can they be given over to independent government by its own subjects living in the land, since ultimate responsibility rests with the protecting government. Yet this fact does not preclude settlers from participating in the government; indeed in British Protectorates it is the invariable rule that a legislature is established not unlike that of South-West Africa but with wider powers than those vested in the Legislative Assembly of that Territory, though in all cases subject to control of the Secretary of State, who in turn is responsible to Parliament. Britain's permanency of tenure in her many protectorates has never been questioned, nor has it been suggested that their status deters the investment of capital, while the Imperial Government makes loans and grants to colonies and protectorates impartially. Thus the requirements of the situation in South-West Africa would seem to be met by the establishment of a protectorate regime. This would allow for local participation in administration combined with ultimate control by the sovereign state and provide the degree of security needed for the latter to discharge its responsibilities and at the same time safeguard its own interests, and those of its subjects in the territory.

Financial

IN their assessment of the general situation of South-West Africa the van Zyl Commission took largely into account the financial position of the Territory, and especially the financial relationship between it and the Union of South Africa. They found that so far the Territory had never been capable of existing "on an autonomous financial basis."

The German Government is believed to have expended on their South-West African Protectorate upwards of £26,500,000, and while it is true that the greater part of this huge outlay was due to costly native wars, the country remained to the last a financial burden on the Reich. Thus during the last five years of German rule, that is to say 1910-1915, the Reich Exchequer contributed to the Territory no less than £3,396,000. Germany may have been lavish, as she could well afford to be in her small colonial empire, but it is to be noted that during the five years of occupation by the Union, 1915-1920, a period in which little development could be undertaken and the administrative machinery of the country was necessarily on restricted scale, a deficit of £635,000 was incurred in the civil administration budgets, notwithstanding expenditure on Police, Supplies and the salaries of Union civil servants was borne on the Union Budget.

The Union could have reimbursed itself in full for all such outlays by drawing on accumulated receipts from diamond taxation but, on the contrary, when the period of occupation terminated, the new civil Administration was started not only with a clean balance sheet but also with a credit balance of £984,933. The aforementioned Commissioners were disturbed to find that after 14 years of civil administration the Territory was in debt to the Union to the extent of £3,671,900, equivalent to £116 4s. per head of white population. Nor could the Commissioners perceive any prospect of improvement in this situation. They held that only increase of mining revenue could remedy matters, for mining had theretofore always furnished the chief source of revenue, and other sources of income were not visible. But this source had been fluctuating and they deemed it a wasting asset; revenue therefrom had fallen from £290,000 in the nineteen twenties to £43,000 in the early nineteen thirties and had declined as low as £10,000. The total revenue for the year 1933-34 was £474,000, and the Commission estimated that even on a restricted scale expenditure must amount to £730,000 per annum.

It may be conceded that, regarded from the financial and economic stand point, the Commission's enquiry was unfortunately timed. For not only was South-West Africa just emerging from a lean period due in part to world-wide depression and in part to disastrous regional drought, but the Administration had in previous years embarked on developments that necessitated heavy borrowing and had not as yet borne full fruit. Nor could the Commission then foresee that South-West Africa was approaching a stage of unprecedented prosperity.

To the Administration there appeared no way of progressing beyond the conditions obtaining when the Union accepted the Mandate on South-West Africa other than by maximum European settlement, and this policy was adopted early in the post-war period, with the result that the white population, which was 13,000 in the German time, has since increased to 32,000. Implicit in this policy was, of course, adequate provision for improvements and amenities, both to attract new settlers and to help them to success. Among such facilities were water supplies, communications, and above all financial aid through the medium of a Land Bank, established in April 1922 with a capital of close on £1,200,000. In addition there was undertaken the transfer and settlement of Boer families from Angola, which was entirely financed by the Union Government. The Union also undertook harbour development at Walvis Bay and the construction of the railway extension to Gobabis with guarantee by South-West Africa against loss. On the two enterprises the Territory had paid up to the year 1936-37 £269,602 and £132,269 respectively. The Commission found that on these two commitments alone the Territory was then paying over 30% of its total revenue.

The total capital provision has amounted to £3,978,100. the principal items being:

Land and Agricultural Bank	.....	.....	£1,196,000
Water Boring, Irrigation and Water Supplies	.....	.....	543,652
Advances to Settlers	.....	.....	676,013
Public Works	.....	.....	400,645
Loans to Local Authorities	.....	.....	279,779
Railways and Harbours	.....	.....	162,234
Telegraphs and Telephones	.....	.....	204,949
Distress and Drought Relief	.....	.....	134,629
Purchase of Land	.....	.....	93,330
Loan Redemption	.....	.....	140,000

Funds for all the above have been found from loans by the Union which are shown on the Territory's statement of liabilities at £2,570,268. Average interest on these loans is 4.4288% and up to March 1937 interest payments had totalled £652,558, with £750,000 still due at that date. But by agreement with the Union Government both interest and redemption payments were thence-forward suspended. It is to be noted, however, that there was no remission but only suspension of these dues. Wherefore they progressively accumulated and according to recent official statement it has now been decided that payments are to be resumed as from April 1945, and expenditure in this account will be about £150,000 per annum.

On the assets side the 1944 statement shows excess over liabilities to the amount of £2,792,881, but, as is the case with every Government, not all so-called assets are realisable in the sense that they afford freedom from indebtedness; for example equipment, buildings, telegraph and telephone lines are hardly marketable values. Of potentially realisable assets the principal are:

Land Bank Loans	.....	.....	£191,000
Land Bank Contingent Liability Capital	.....	.....	835,614
Land Settlement (advances, purchase price of land, boring and survey and interest)	.....	.....	783,462
Loans to Local Authorities	.....	.....	171,942
Cash Balances	.....	.....	129,008
General Investment Fund*	.....	.....	1,941,064
Experimental Farms	.....	.....	125,516

Thus the Territory's assets now furnish ample cover to its loan indebtedness, for its liabilities other than on account of Union loans are relatively trifling.

* This Fund derives income from the cumulative revenue in excess over expenditure.

Meanwhile, however, the South-West African Administration has evolved new schemes for post-war development to be financed from a Development and Reserve Fund for which substantial sums have been appropriated (largely from the General Investment Fund) for the following purposes:

Discharged Soldiers	.....	.....	.....	£500,000
Land Settlement and Development	.....	.....	.....	600,000
Government Buildings	.....	.....	.....	900,000
Roads and Bridges	.....	.....	.....	250,000
Telecommunications	.....	.....	.....	125,000
Loans to Local Authorities	.....	.....	.....	275,000
General Reserve	.....	.....	.....	350,000
				<hr/>
General Social Security	.....	.....	.....	<u>£3,000,000</u>

If these schemes are carried into effect, they must presumably consume the General Investment Fund, unless from now on revenues exceed other expenditure to the extent that these new outlays can be found from annual budget surpluses.

Both the solvency and ability of the Territory to provide for development depend, of course, on annual budgets, and in this respect South-West Africa's fortunes have been very fluctuating. In the 20 years between 1920 and 1940 ten budgets gave surpluses varying from £31,000 to £671,830 while eleven produced deficits ranging from £10,000 to £284,000. The nett result has been that up to the financial year 1941-42 aggregate surplus of ordinary revenue over ordinary expenditure came to £230,155. In the same period of years the Territory had extraordinary revenue of £1,397,139 and expended capital sums totalling £3,978,100. It will be seen that the difference between the two figures corresponds closely to South-West Africa's indebtedness to the Union, namely £2,570,268 (as on March 31st, 1941).

The last five or six years have, however, brought remarkable change, for the war years have been the most prosperous in South-West Africa's history. Revenue, which in 20 previous years had averaged about £646,000, and save for the first year had never touched the £900,000 mark, which in 1934-35 had fallen to £440,000, is estimated at just under £2,000,000 for the year 1945-46.

The van Zyl Commission had recommended increased taxation, notably the introduction of income tax, and this has since been adopted. For convenience and comparison the principal items of revenue as for the years 1940-41 and 1945-46 are shown in the following table:

	1940-41	1945-46
Income Tax	—	£400,000
Customs and Excise	£182,276	310,000
Mining Tax and Royalties	69,511	203,050
Posts and Telegraphs	90,980	110,000
Trading and other Licences	83,012	124,000
Interest	56,121	100,100
Departmental Receipts	41,127	71,000
Karakul Export Duty	38,243	60,000
	<u>£561,270</u>	<u>£1,378,050</u>

Income tax, which is very moderate (1s. 6d. for single, 1s. 3d. for married persons, 3s. 6d. for companies) and is not payable on incomes of less than £1,000 for married and £750 for single persons, was imposed during the war and seemingly has been regarded in some quarters as purely a war measure, wherefore demand for its cancellation has already been voiced. Customs duties have likewise been raised during the war by the Union Government which administers joint customs legislation and service for the Mandated Territory and the Union, allotment being made to the former on agreed basis. The Territory will, therefore, follow the Union in this regard, so that continuance of the present rates may be uncertain. Of the revenue from mining the largest part derives from Diamond Export Tax (£200,000 as estimated for 1945-46) but the Union has a lien as offset to its credits, to the extent of all receipts in excess of £100,000, plus one half of the yield on diamond profits tax. These three heads of revenue furnish almost three quarters of the total as estimated for 1944-45 and any uncertainty as to their yield seriously affects the future financial stability of the Territory.

That stability, even on the present basis, has been questioned. Capt. J. D. Lardner Burke, speaking in the Legislative Assembly in July last, described the financial structure as "lopsided and unscientific, because, although South-West Africa owed nearly £4,000,000 to the Union, it had accumulated surpluses and placed them on the Development Fund to the amount of more than £3,000,000," and in his view the Territory was "nearly solvent if one overlooked the trifling sum of £6,000,000 which the South African Railway Administration claim to have lost on the operation of the South-West African systems." The van Zyl Commission drew attention to these losses, but held that against them must be set certain drawbacks which the Territory suffers as a result of the protective customs tariffs of the Union, which in effect raise the cost of commodities at the expense of the local consumer. The Commissioners regarded this latter point of such consequence as to justify a measure of financial assistance such as would not entail annual appropriations for the service of debts, which they found to be at that time the largest item of

expenditure—£164,000 in 1933-34. In other words, the recommendation was seemingly that since adopted, at least as a temporary expedient, namely the suspension or remission of loan interest and redemption charges. Such a position must, however, have its bearing on the political relationship between the lending and borrowing countries and bring into issue the question of the Mandate from the point of view of permanency of the Union's interest and security for her investment in South-West Africa.

One other feature of the Territory's financial structure was touched upon in the Commission report, namely the situation in regard to Native contribution and benefit.

To what extent Native consumption of imports contributes to Customs revenue has not been ascertainable, but assuming their purchases to be chiefly textiles, maize, meal and sugar, which commodities formed little more than a third of the total import value in 1939, receipts from this source cannot but be small, and though imports have since doubled in value, it must be doubted that native purchasing power has increased proportionately. The only other items of revenue derived direct from natives that can be traced are Native Pass Fees and Native Reserve Fund income, shown in the 1940-41 Revenue Account as £3,800 and £12,000 respectively. The first-named accrues from Natives contracting for employment in urban areas, the second almost wholly from grazing fees, and both alike are credited to funds from which allocations are made for native benefits such as water supplies and stud stock.

The van Zyl Commission considered that there was room for increased Native Taxation, but coupled this with the recommendation that more should be done for Native Development. For benevolently intended as may be the virtual exemption of Natives from taxation, it entails serious consequences to the indigenous population. The Commission found that there had always been disinclination to spend on native services on the principle that it would be inequitable to tax Europeans further for services entirely in the interest of the Natives who hardly contribute to the revenue at all. In the 1939 report to the Council of the League of Nations it is expressly stated that the Administration has consistently spent more money than has been contributed by the Natives for their development, but that it is a fundamental feature of policy to inculcate a spirit of self-reliance and independence and it was primarily to this end that trust funds for development of Native reserves were established in the early years of the Administration. The Commission, however, advocated more active steps for the promotion of non-Europeans from their backward condition, and, indeed, regarded such as obligatory in conformity with Article 22 of the Covenant of the League of Nations, and, moreover, recommended that the Union Government should exercise more direct control of the allocation of funds to European and Native services respectively.

The largest votes in the ordinary budget have been in round figures:

	Estimated for 1945-46	In 1940-41
Education	£277,290	£165,000
Police	114,000	114,000
Works	115,600	113,000
Administration of Justice	49,960	37,000
Native Affairs	45,000	37,500
Agriculture	45,790	30,000
Public Health	53,370	28,000
Administration	52,420	31,500
Posts and Telegraphs	96,610	91,000

(the last-named service is more than self supporting.)

Expenditure on Natives, as detailed in the 1939 Report to the League of Nations (No. 234), was in that year £68,772, made up as follows:

Education	£19,725
Native Affairs	33,425
Public Health	15,722

Native affairs expenditure includes costs of telegraphs and telephones in native areas, payment to a recruiting agency and cost of removals from tribal areas, together with the aforementioned allocations from Reserve and Pass Fee funds, amounting to £15,800, that is to say money contributed by the natives. The actual sum spent from general revenue was thus about £53,000 that is to say less than 30% of customs revenue (£182,000 in 1940-41) of which percentage a substantial portion must have been derived from native consumption. The actual contribution by the Administration towards expenditure for the native population is thus almost negligible.

To say this is not to dispute the contention that Europeans should not be taxed for native benefit. But so long as this principle obtains the alternatives are only subsidisation by the Union for Native Development, which seems equally unfair on the Union tax-payer, or increased taxation of Natives, the practicability whereof depends on the Natives' earning power, which in turn depends on his material progress.

However that may be, it is plain that, over and above indebtedness to the Union and expenditure on post-war developments at present envisioned, there is need for substantially more provision for native development, and the financing of all three of these requirements from existing resources of South-West Africa, even with continuance of the new prosperity of the Territory is, to say the least, questionably within its competence.

The salient features of South-West Africa's financial structure may be summarised as follows: The Territory has, until now, never been self-supporting, is to-day heavily in debt to the Union. During the war there have been marked favourable changes, and the Territory could be solvent, but has yet to meet substantial new outlays which, unless there is to be remission of or continued default on indebtedness, cannot be provided without fresh borrowing. For all assistance South-West Africa can look only to the Union, but should not expect to exist as a continuous liability on the Mandatory.

Economic

THE area of South-West Africa is approximately three quarters that of the Union, being about 322,000 square miles. The country may be said to consist of a sandy desert coast belt extending 60 to 100 miles inland, a high interior plateau, and a gently falling eastern strip of sandy country that merges into the Kalahari. In the whole of the western belt rain seldom falls and excepting for the coastal towns the country is here uninhabited and in fact uninhabitable. In the extreme North the climate is almost semi-tropical and, enjoys relatively speaking, fair rainfall, about 24 to 30 inches in the year. This area is Native Reserve. Otherwise the inhabited portion of the Territory, lying between two deserts and consisting of grass steppe lands, has but a low rainfall and is subject to periodic and severe droughts. The farmers in this area have to depend for water supply mainly on boreholes and soil cultivation is scarcely possible.

Due to these conditions South-West Africa's economic resources are limited almost entirely to Mining and Ranching.

So far there are no secondary industries, neither does it seem probable that there will be development in manufacture, for there is no natural fuel supply and the greater part of the country is by reason of its arid character incapable of carrying a population sufficiently large to warrant manufacture for internal consumption, while external markets are too remote to be remunerative. Few areas could indeed sustain any concentrated population, and, lastly, the supply of industrial labour in such a thinly populated land would be most difficult.

On this account it is to be assumed that South-West Africa will always be an importer of manufactures. Imports have come almost wholly from the Union, whether originating there or in transit from elsewhere, and the balance of trade between the two countries has been heavily in favour of the Union (£528,149 in 1943). The Union, therefore, has a good customer in South-West Africa, whose development she may well regard as a sound investment that gives good return on her loans. On the other

hand, South-West African exports to the Union consisting as they do of slaughter stock and dairy produce, may in normal times be in the nature of "carrying coals to Newcastle" and do tend to encroach on the Union's farmers' market. In 1943 these exports were valued at £2,726,233, roughly 25% of South-West Africa's total outward trade, so that the continuance of this exportation is vitally important to the Territory, but its reconciliation with the Union farmers' interests may present a problem of some difficulty.

Other exports are Diamonds and Karakul Pelts. The total value of visible exports in 1944 was £6,969,186 against which imports in the same year were to the value of £4,002,040, of which only £1,197,142 worth came from overseas. The balance of trade in favour of South-West Africa was thus £2,967,146, which it must be admitted indicates a very prosperous position.

For many years, more especially in the German time, the most important production was that of Diamonds. The first discovery was made in 1908 near Luderitzbucht, the discoverer being a native railway worker who had been on the Kimberley mines. The diamondiferous region is a strip of country close to the coast, some 12 miles in its widest extent, but narrowing to two miles, and extending intermittently over 250 miles from south of Swakopmund to north of the Orange River. Stones are mostly small, six or eight to the carat, but 85% are said to be fit for cutting and occasionally much larger stones are found.

All rights in this large area were held by the German Colonial Company, which gave out concessions to six other companies: the latter employed some 5,000 natives at wages ranging from 30s. to 60s. per month. The German Government imposed in lieu of royalties a 66% tax on output value, less 70% allowance for working costs, and the diamonds were allowed to be sold only through an official organisation in Berlin in which the Government held half the shares.

The output of Diamonds was then very considerable and South-West Africa seemed in a fair way to compete with the Union mines; for example, the value, which in 1911 was but slightly over £1,000,000, had by 1913 risen to over £2,000,000 (as compared with over £11,000,000 in the Union). The revenue from this source may have been close on £1,250,000; even during the military occupation in 1915 to 1920 receipts were on the scale of £248,000 per annum, and this average was maintained up to the year 1926. From thence onward, however, there was steep decline; between 1927 and 1930 average receipts fell to £86,000, and in the ensuing two years to £43,000, until in 1936 the low record of 36,410 carats was produced, valued at £176,818. Since then there has been marked recovery, the export value in 1943 being £750,000 and in 1944 £918,969.

Substantial as this improvement in recent years may be, the Diamond Industry no longer holds first place in South-West Africa's production, nor does it seem to inspire confidence as a mainstay to the territory's economy, while as a revenue contributing factor it has largely lost its value inasmuch as it is, so to speak, mortgaged to the Union as a security for South-West Africa's debts.

A variety of metals and ores have been mined in South-West Africa, notably copper and vanadium, most of which went to Germany before the recent war. Export value for all ores and metals in 1939 was £557,712, whereof £269,335 represented copper and £164,926 vanadium. Copper output has, however, since fallen owing to closing down of the Tsumeb mines.

Progressively since South-West Africa became a mandated territory mining has been superseded by farming as the country's chief interest. So long as it was a German Protectorate there was, of course, no outlet for ordinary farm produce, but with direct connection by road and rail to the Union and removal of the Customs barrier potential access to markets was gained and the fact that settlement by Union Nationals was encouraged by their Government established in some degree their moral right to a share in those markets. There were in the German time only 1,138 farms, whereas the number is now 4,000.

Chiefly progress has been made in pastoral industry, to which the country as a whole is best suited. The following table reveals the advance made since the German time:

			1913	1944
Sheep	.....	.....	550,000	3,500,000
Karakul Sheep	.....	.....	11,290	3,180,000
Cattle	.....	.....	206,000	1,370,000

Expansion on such a scale necessarily required liberal support by the Administration. Boreholes had to be drilled, deficiencies in the natural pasturage had to be compensated, and by experiment, the capacity of the land for sustaining animals had to be ascertained; pure bred stud stock from Europe was imported for improvement of the local strain and legislation was enacted for control of breed stock. For experimentation three Government Farms were established, maintenance of which entails expenditure of £11,300 for the current year. In order to make practicable the export of meat to Europe, abattoirs were erected at Walvis Bay as long ago as 1926 by the Imperial Cold Storage Co. and so far about one hundred thousand carcasses have been shipped. In addition a factory was operated by Liebig's Extract of Meat Co. until 1940. In export to the Union it has been the practice to rail livestock for slaughter but the animals deteriorate on the long journey, and it is planned to resort to the substitute of chilled meat.

Export of slaughter stock to the Union has increased so greatly that a measure of control has been deemed necessary for protection of Union farmers. Despite this restriction there were exported to the Union in 1943 151,000 head of slaughter cattle and 188,000 sheep. In 1944 the value of livestock and meat export was £2,280,500.

During the first half of last year some 18,000 head of cattle were slaughtered at Walvis Bay, of which 6,000 carcasses were sent to the Union in refrigerated trucks and a further 5,000 carcasses were shipped to Great Britain; the balance was held in cold storage, and it has since been reported that 1,000 tons of meat have been sent to England.

Substantial progress has also been made in Dairy Industry, which is strictly controlled under direction by a Board through which all butter and cheese is marketed. In 1939 8,400,000 lbs. of butter were exported, of which quantity 5,400,000 were sent to London on behalf of Union suppliers. In 1943 10,500,000 lbs. were exported to the Union. The value of butter export in 1944 was £758,951.

Cheese production has made less progress, owing to high cost of daily milk delivery from widely scattered farms and also because milk supply is seasonal and therefore inconvenient for factory working. Nevertheless, an annual output of at least 250,000 lbs. is maintained, and in 1939 as much as 430,000 lbs. was sent to the Union and 219,000 lbs. to the United Kingdom.

The most important and promising line of farming in South-West Africa is Persian Lamb or Karakul, as it is called, for the production of lamb skin. In a small way this industry was started in the German time and from the remnants of a few flocks dispersed during the war of 1914-1918 a stud nucleus was established from which the country could be stocked with this valuable breed. The special advantage of Karakul lies in the fact that South-West Africa is one of the few countries in which this species of sheep thrives well, and, moreover, while ordinary sheep farming is hazardous on account of frequent droughts that cause enormous losses of lambs, these scarcely affect the Karakul because the lambs are killed shortly after birth. Karakul has the further advantage that if prices for pelts should at any time fall to unremunerative figures the animals can be used as slaughter stock, being excellent mutton sheep. That contingency is, however, unlikely to arise, for the reason that wild animal furs are scarce and likely to continue so, and in consequence there is constant and ever growing demand for Persian Lamb Skin.

Prices have fluctuated, ranging in recent times from 25s. to 35s. a pelt. The latest sales gave 30s. 8d., as compared with 35s. previously obtained, but it is estimated that at the half of that figure the producer can make fair profit.

Before the recent war Leipzig was the centre of the Persian Lamb Skin trade, but already it had been moving to London. During the war it moved to New York, but there are great possibilities of revival of marketing in England where Karakul hair may be used in the manufacture of blankets and carpets, and already it is anticipated that Britain will absorb the entire output of South-West Africa.

The number of Karakul sheep is over 3,000,000, and the pelt shipments now rank first among South-West Africa's exports. In 1944 the value was £3,245,619, nearly four times that of diamonds, formerly the premier commodity of the Territory.

South-West Africa was comparatively well equipped with means of communication before the First World War. The Germans are said to have spent some £6,000,000 on railways. Swakopmund was their principal port from which their railways were carried into the interior. One line ran from here to the copper mining areas of Otavi and Tsumeb, a distance of 419 miles, with a branch to Grootfontein. A second line was laid from Swakopmund to Karibib and thence to Windhoek, and finally was extended to Keetmanshoop and Kalkfontein. A third line was built from Luderitzbucht to Keetmanshoop, so joining with the Swakopmund system.

Swakopmund is, however, not the best natural port of entry for the Territory. It is Walvis Bay that holds first place, but that port was British and not available to the Germans. It has now been linked by rail with Swakopmund and the line has been extended to Gobabis, the object of this terminus being to give an outlet to Eastern Bechuanaland, principally for cattle trade.

The vital link formerly lacking to give access to the Union markets was from Kalkfontein southwards, and this was constructed during the 1914-1918 war, from Upington in Cape Province. The rail mileage from De Aar to Windhoek is 876 miles, and from Luderitzbucht to Johannesburg 1,191 miles. In all the Territory has 1,768 miles of railway line.

The rail route from the Union could be shortened by at least 300 miles if the line were carried from the terminus at Bitterfontein in the North West Cape to Karasburg, but it is understood that this project, desirable as it may be inasmuch as it would also serve a large area of the Cape Province, has been rejected for the time being by the Union Government on the grounds of the high cost of construction.

The South-West African railway system is operated by the Union Railway Administration. According to the 1939 Report to the League of Nations (No. 1280) the operation resulted in deficits amounting to £1,886,463 from 1930-1939

and to £221,597 in 1941. The total loss for the years 1922 (when operation was taken over by the South African Railway Administration) to 1941 was £4,609,251. This figure does not include deficits on the Gobabis section nor on the Walvis Harbour works which up to 1941 were assessed at £149,724. The loss on operation of railways constitutes one of South-West Africa's major financial problems.

The Territory is said to have 20,000 miles of main roads, for the ordinary maintenance of which a fund has been established, the income of which is derived from receipts of Wheel Tax (7s. 6d. per Wheel on all vehicles), Petrol Tax (3d. per gallon) and Motor Licences (£4 to £12 according to weight), amounting in all to about £67,000. Provision has, however, been made for expenditure of £200,000 on general improvements, but owing to war conditions this vote could as yet not be expended.

Motor Road Services have been instituted and are used extensively and with profit. The receipts in 1939 for instance were £21,886 against expenditure of £15,941.

Banking business in South-West Africa is mainly in the hands of the Standard Bank of South Africa and Barclays Bank. Both of these banks are permitted to issue their own currency notes, a concession for which they pay to the Administration a Note Tax of £1 10s. per annum per £100 of the average value of notes in circulation; in addition they are required to deposit security equivalent to their note issues. According to recent reports the total note issue by these Banks was £864,242.

Another Bank having a branch in South-West Africa is the Sasbank; and there is also a small private bank in Windhoek, the Olthaven and List Trust Co.

Finally, there is the Government-owned Land Bank, the assets of which are shown at £1,193,044. The largest part of this capital asset is represented by loans, £488,712, and mortgages, £347,524, as revealed in official statement for the year 1940-41. Since then the Bank's debtors have, however, liquidated their indebtedness in very large measure, and as a result the Land Bank is now reported to hold cash to the extent of roughly five-eighths of its total capital. Such has been the effect of war-time prosperity, in further evidence of which it may be noted that, while in 1931 the ratio of advances by Commercial Banks to deposits held by them was about 160%, it is to-day only 13.8% of deposits and note circulation, that is to say about £829,000. Furthermore, the Post Office Savings Bank now holds about £1,250,000 (*i.e.* at end of 1944) in Savings Accounts and Savings Certificates.

From the foregoing it is evident that a real measure of prosperity prevails at the present time, and as has been said, the war years have been a period of unprecedented prosperity for the White Settler Community in South-West Africa.

Among the Natives living in their Reserves efforts have been made towards economic improvement. A limited number of grade bulls have been acquired for improvement of cattle breeds, and in four Reserves creameries have been set up to which Native stock owners sell their milk. In Ovamboland experiments have been made with the cultivation of rice and soya bean, as also with peanuts, European vegetables and pawpaw fruit.

But of the total Native population of 283,000 about 109,000 live within the Police Zone, and of these it is said that they are not agriculturalists. Moreover, climatic conditions there are unfavourable and only when weather is specially fortunate are the Natives in these areas induced to plant such crops as maize and tobacco for sale. Furthermore, all but an infinitesimally small number of the Natives in the Police Zone live on European farms as labourers. Squatting is prohibited, and though Natives may keep stock on European farms, they may not be charged grazing fees. Of Natives living on farms there were in 1939 65,000, while in Urban Areas there were 19,000, so that the Native population of the Reserves in the Police Zone may be about 25,000.*

Of the 174,500 Natives living outside the Police Zone, 129,545 are in Ovamboland, 20,537 in Okavanga, 18,640 in the Caprivi Strip, and 5,822 in Kaokoveld.

Thus 38½ % of the Native population is within the Police Zone and is economically unproductive save as labour.

For all alike the sole form of economic wealth is livestock, but even this is most meagre. In 1939 there were said to be 86,000 head of cattle and 523,000 small stock owned by Natives on European farms, while outside the Police Zone Native livestock numbered 160,500 cattle and 166,140 small stock.

The effectual Native contribution to economic production is unskilled labour supply. In 1939 there were 27,604 male Natives employed on farms at wages ranging from eight to fifteen shillings a month. Working on the mines there were in the same year 4,464, a considerable drop from the previous year's figure of 6,027. All the adult males, and incidentally also many of the females, in urban areas are employees. According to official figures for 1939 the total number of wage earners was then 35,461, that is to say about 12½ % of the entire Native population of the Territory, and though there may be scant opportunity for Africans to acquire cash in any other way than by wage earning, it may be questioned whether, without considerable

* 1934 figures.

disruption of tribal and family life it is possible to raise very appreciably this labour strength within the Territory; and this is a factor that may vitally affect future economic expansion.

It is obvious that in such conditions Native contribution to the economic wealth of the country is extremely small, just as Native contribution to revenue is entirely negligible. Such a state of affairs cannot be wholesome in any sense, and it seems no exaggeration to say that an outstanding problem for South-West Africa will be to find ways and means to develop the economic potential of the Native population.

Summary

THE region now known as South-West Africa was practically unknown to Europeans until late in the 18th century, from which time onwards and until late in the following century all exploration there was due to the enterprise of a succession of travellers and adventurers from the British and Dutch colonists in the countries to the south. The land was in fact essentially a new field for enterprise in the steady drift from south to north wherewith white settlement was established throughout Southern Africa, and but for fortuitous circumstances it could not have failed to become in due course a part of the Union of South Africa. Instead, it became, by default on Britain's part, a unit of the short-lived German Colonial Empire. The Union was later compelled to wrest from Germany by force of arms this territory to which the latter had no sort of established right. Even when this had been accomplished, the Union was obliged to hold South-West Africa, not as belonging to her but, so to speak, by allotment and in encumbered tenure.

The situation to-day, with all its complications, is a direct consequence of that historical background. In the first place magnanimous treatment of Germans allowed to remain in the Territory was rewarded with intrigue sponsored from Berlin and agitation for return of the country to Germany, calculated to retard development inasmuch as it monopolised public attention and enhanced the feeling of insecurity evoked by the status of any country held under Mandate. In the second place the Mandate, while it permits integration of South-West Africa in the Union of South Africa, undoubtedly constitutes an obstacle to fusion such as is practicable and natural. It is doubtful whether this artificial situation should last. There is no immediate prospect of change in this respect, and attention must be focussed on such amelioration, as is possible within the stipulations of the Mandate. Meanwhile, so long as there is separate administration for South-West Africa it is likely that there will be a demand for extension of its scope in respect of domestic affairs. There is long standing dissatisfaction on this score, and there is

provision under the existing constitution to meet it, but, on the other hand, the more strongly local administration is established, the more difficult it may eventually be to fit South-West Africa into the framework of the Union system. For this reason integration, as allowed by the Mandate, seems advisable, but so far there has been no agreement respecting the method of achieving this.

The potentialities of South-West Africa are probably as yet not fully known, but a country of which so large a part is barren or desert land can hardly be highly productive or even capable of sustaining a population proportionate to its size and commensurate to its needs. For Germany South-West Africa was a continuous liability, and throughout its existence as a Mandated Territory the country has been able to maintain itself only by the generosity of the Union. The situation has very greatly improved during the late war years, to the extent that South-West Africa may now be considered to be solvent, but there is urgent need for further development, and it would be unwise to assume that the prosperous condition of recent years will continue uninterruptedly. The resources of the Territory, as they are to-day, are too few to insure it against effects of adverse conditions of climate and world trade, and the chances for industrial development are negligible in the extreme. On the whole it must be recognised that the Territory is poorly endowed and has meagre attraction. The White population is still small and its chief occupation, that is to say ranching, requires very extensive individual holdings. The extent to which this population may increase will depend in large measure on the ability of the Administration to provide for development and to furnish amenities, but it can scarcely look to the Union indefinitely for provision of the requisite financial means to meet these needs.

On the other hand South-West Africa has in her native population a source of great increase in production and revenue. So far the native inhabitants have contributed little in either of these ways with the exception of their labour in the mines, on the farms and in the towns of the police zone, but, given the opportunity they should be an effective factor in the economy of the country. Natives in the so-called Police Zone have little opportunity for agricultural production and are mainly mine, farm and urban labourers. Outside this zone the tribes administered under the system of Indirect Rule have the most fertile lands in the Territory; and since it is the policy to teach them to be self-sufficient, it follows that they must also be educated to attain economic prosperity. This is seemingly recognised, and efforts to increase their productivity have been made, but it would seem that there is need for a more organised approach to this task, as, for instance, expert staff, experimental farms, and intensive supervision.

However much South-West Africa has had to lean on the Union, it would be grossly mistaken to think of the Territory as parasitic on the Mandatory Government. Strategically it is of the greatest importance to the Union, and economically it is of considerable value as affording an outlet for enterprise and settlement, as also a market for Union manufactures. So regarded South-West Africa is of more value to the Union than it could be to any other State and by consequence association with the Union has for South-West Africa this most signal advantage that it will always be to the interest of the Union to further the Territory's development and prosperity. On her side the Union will seek some guarantee that her interests in the Territory are permanently secured. Debate on that aspect of the situation, which has occupied so much time and attention, is perhaps wholly academic, for the two countries are indispensable to each other, and it is unthinkable that they could ever again be separated. It is, therefore, unfortunate if reiteration of apprehensions on this score keep alive a feeling of insecurity which in fact does not exist, the while there is every need for confidence and enterprise.

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