

# The Myth of the 'Asiatic Menace' in Post War Natal (1918-1924)

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'Natal is not going to quietly allow the Garden Province to become the heritage of the Arab trader' (J. Hunter, Secretary of the South African League in Indian Views, 10<sup>th</sup> December 1920).

## Introduction

At the end of the First World War Natal emerged relatively prosperous. Durban held a prominent position as a seaport, commercial and industrial centre. The population of Natal was cosmopolitan. It was made up of Indians, Africans, Coloureds and Whites. Indians were highly stratified along religious, region, caste and class lines. The three main social groupings were indentured workers, entrepreneurs from Gujarat on the west coast of India and educated Natal-born offspring of indentured workers. The mass of indentured and ex-indentured Indians were poor, uneducated and unskilled and eking out a living as unskilled workers. They were employed in agricultural work as market gardeners who sold their produce at the Indian market, did hawking, or held unskilled positions with the Durban Municipality<sup>1</sup>.

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<sup>1</sup> This article is largely based on the author's unpublished DPhil dissertation, titled *Indian Family businesses in the Natal Economy 1890-1950*. Indian traders were often referred to by colonial administrators and officials as 'Arab' traders, due to their religious affiliation and mode of dress. The vast majority were predominantly Gujarati speaking Muslims. They were also described as 'Asiatic'- Bombay'- or 'Banyan' traders. They were also generally loosely referred to as 'merchants' or traders, regardless of the size of their business. Natal Archives (hereafter cited NA), Greyville, Durban Corporation, Durban Mayor's Minute, 1915.

The trading class on the other hand had expanded quite considerably. It was at this class that anti-Indianism was to a very large extent directed. The trading class consisted of Gujarati speaking Hindus and Muslims from Gujarat, an area renowned for its commercial importance. They emigrated to Natal from the 1870s and gradually settled in Durban, Pietermaritzburg, and the coal mining areas of Dundee, Newcastle and Ladysmith. They were mainly petty traders dealing in African and Indian trade, while a few engaged in the wholesale business and/ or the importing and exporting of goods. During the war there were recurring references in the magisterial reports for the Natal districts of the ever-unceasing presence of the 'ubiquitous Arab' and their monopolisation of trade. In Durban, Pietermaritzburg and the up-country districts of the Natal Chambers of Commerce, farmers, resident magistrates and White small-scale traders appealed to government to amend existing licensing laws. This was aimed at the protection of their own commercial interests<sup>2</sup>.

### Status of Indians in Post-War Natal

When the First World War broke out, merchants and colonial-born Indians eagerly supported the war effort. The educated colonial-borns and -merchants were committed to the strategy of appeasing the white power structure in the hope that British imperial goodwill would prevail with regard to Indian constraints. For South African Indians, the main grievances were related to trading rights, the ownership of land and the franchise. A show of loyalty would undoubtedly prove to the whites, that Indians were committed British subjects who were entitled to better and fair treatment.

At the end of the War, the status of Indians in South Africa came under the spotlight at the Imperial War Conference of 1917-1918. India's role in the war gave her practical recognition as a participant in the War Conference. This afforded her an opportunity to present a memorandum outlining the political and economic disabilities of Indians in the British Dominions, and her intention to press for fair treatment. During the war the Natal Municipal Association (hereafter NMA) made repeated attempts to deprive resident Indians of the municipal franchise<sup>3</sup>. A draft bill, the

<sup>2</sup> Union of South Africa (hereafter cited as USA), Annual Reports of the Department of Justice, 1914-1918; Hiralal (2000:1-10).

<sup>3</sup> *Indian Opinion*, 8 August 1915, 18 August 1915, 14 January 1919; Pachai (1971:75).

Municipal Consolidating Ordinance, aimed at empowering the municipalities to legislate against any particular class or section of burgesses in relation to segregation, trading rights, tramways and other issues<sup>4</sup> was tabled. The Union government's delegates at the Imperial Conference admitted that there were grievances in this connection but argued that Indian complaints were exaggerated, and promised to give the memorandum their 'most sympathetic consideration'<sup>5</sup>. However, within weeks of this assurance new constrictions were imposed on the Transvaal Indian merchant class—the first restrictions since the passage of the Indian Relief Bill of 1914<sup>6</sup>. The Asiatic (Land and Trading) Amendment Act (Transvaal), 37/1919, was passed. It laid down that no new trading licences were to be issued to Indians in the Transvaal, except in the case of an already licensed business changing hands from one Indian to another. Further, it was made impossible for Indians to evade the law by prohibiting them from forming a limited company or of becoming the mortgagee of a nominal White owner. This Act stimulated a storm of protest nationally among Indians who saw it as a resurgence of anti-Indian policies designed to uphold White supremacy in South Africa<sup>7</sup>.

While there was no legal restriction on Indian rights of ownership or residence in Natal, municipalities, which were empowered to issue trade licences, were often guilty of showing bias in the exercise of their powers. However, in February 1919, the British Indian Council in the Cape, together with a few prominent merchants in Natal decided to convene a conference to highlight the various Indian restrictions. They saw it as an opportune time to hold such a meeting and to submit their grievances to the Peace Conference in Europe, as the European delegates would be discussing self-determination and the rights of minorities. Moreover, the mood of the country was vehemently anti-Indian. Existing political parties offered Indians no hope for the future<sup>8</sup>. The three main parties in the country aspiring for power were the South

<sup>4</sup> Pachai (1971:75); *Indian Opinion*, 25 May 1917; *Indian Views*, 2 May 1919.

<sup>5</sup> *Indian Views*, 2 May 1919; *Indian Opinion*, 2 May 1919.

<sup>6</sup> F. Ginwala (1974:346f); Pachai (1971:80). Indians in Natal and the Transvaal, participated in a passive resistance campaign (*satyagraha*) that lasted seven years. It culminated in the Indian Relief Act of 1914 whereby the Union Government yielded on issues pertaining to marriage, immigration and the £3 tax.

<sup>7</sup> Gordon (1976:99); Calpin (1949:40).

<sup>8</sup> Gordon (1976:99, fn.3).

African Party (SAP), the Unionists and the Nationalists. General Louis Botha, leader of the SAP, was anti-Indian, but the Unionists had no definite policy or principle towards Indians in the Union, and the Nationalists, under Barry Hertzog, were avowedly anti-Indian and anti-British.<sup>9</sup> The first Indian Conference was held at Cape Town, followed by a second conference in the Transvaal in August 1919. Attempts to establish a national political body failed because of any definite mandate from the different provinces and internal dissension. It was only in 1923, that a national body was formed, called the South African Indian Congress.

### **The South African League**

Anti-Indianism was based on racial prejudice and trade jealousy. While Whites in the Transvaal and Natal shared common grievances over Indian trade, it was in the Transvaal that the first concerted effort at anti-Indian organisation began. In September 1919 a congress was convened in the Town Hall at Pretoria, which was attended by delegates from Parliament and Provincial Councils, 26 Municipalities, 30 Chambers of Commerce, Churches, legal professions and organised workers. After intense discussions lasting two days, a series of weighty resolutions were adopted calling upon the Government to act promptly at securing and protecting White supremacy and the South African League was founded<sup>10</sup>. Its objectives were instrumental in promoting racial prejudice. Those objectives may be summed up in a sentence: 'The upholding of White standards of civilization and safe-guarding of South Africa from the social, economic and national menace of Asiatics'<sup>11</sup>. Among the founder members of the League were Sir Abe Bailey, M.L.A., who sought to foster the movement for the preservation of White standards and ideals in South Africa. Speaking in the House of Assembly in 1919, in reply to those whose commercial interest compelled them to talk and vote pro-Indian, he said in a dramatic outburst, 'You may build up fortunes in Coloured and Indian labour, but I shall fight to the death for a White South Africa'<sup>12</sup>.

<sup>9</sup> *Indian Views*, 31 May 1918, 20 November 1918; Davenport (1987:255).

<sup>10</sup> *Indian Views*, 21 February 1919, 28 February 1919, 25 July 1919, 1 August 1919, 22 August 1919; Pachai (1971:85).

<sup>11</sup> *Indian Opinion*, 22 August 1919; *Indian Views*, 15 October 1920; 18 February 1921.

<sup>12</sup> *Indian Views* 18 February 1921.

Another personality from the Transvaal was Ccaptain L. Blackwell, M.L.A. He functioned as counsel for the South African League before the Government Asiatic Inquiry Commission. In his final address, he presented for the first time concrete proposals for the segregation of Indians. L.V. Phillips, chairman, came out to South Africa during the South African War as an officer in the army, and was for many years a magistrate at Krugersdorp. To his leadership, the position of the League in the Transvaal was largely due. Phillips, together with other members of the League, went on a campaign, addressing various constituencies, mobilizing support and establishing branches all over the Transvaal<sup>13</sup>. The League also attempted to acquire the support of the African community. The editor of the African newspaper Abantu-Batho, declined the invitation to attend the Pretoria meeting, with a dignified protest:

I regret to say we are unable to accept the invitation, for the simple reason that, while ostensibly, this agitation is against Asiatics, we cannot help entertaining the fear that it is a movement against colour and nothing else. In the interest of the Bantu people generally, we are unable to encourage morally or otherwise any movement based on colour lines. In the experience of the recent Native Land Legislation, (1913 Land Act), we are forcibly impressed that the white people of this country are, as a whole openly developing a keen sense of colour prejudice prompted by the fear of competition with Natives and others in land, trade and other occupations, and that, in spite of all the fortifications they possess in their defence such as the Franchise Capital and Civilisation, they will yet resort to artificial means of endeavouring to deny equal opportunities to everyone of dark colour. This sort of bolstering up superiority by the white man, is not only difficult to understand but in our humble opinion extremely reprehensible<sup>14</sup>.

The League under the tutelage of J. Hunter, it's secretary, also sought to mobilize support in Natal. Provisional committees were formed in Durban and

<sup>13</sup> *Indian Opinion*, 5 September 1919, 12 December 1919, 26 December 1919, 13 February 1920, 5 March 1920.

<sup>14</sup> *Indian Opinion*, 5 March 1920; 26 September 1919.

Pietermaritzburg. In Durban, the position of the League was difficult because they did not initially receive encouragement from large commercial houses, many of whom were creditors to a number of Indian traders<sup>15</sup>. The League in Natal went on a protracted agitation against Indians. Hunter managed to secure the co-operation and support of the Labour party, Chambers of Commerce, Agricultural Associations and the Natal Manufacturers' Association. Anti-Indian protagonists, mainly White petty traders and representatives of organized workers, gathered in large numbers at meetings in Durban, Dundee and Utrecht. Resolutions called for united action and showed clearly that agitation was not only directed at Indian traders, but also at the large number of unskilled Indians competing for employment with White artisans<sup>16</sup>. At an anti-Indian congress in Pietermaritzburg on 18 November 1921, speeches and resolutions reflected a chronic anti-Indian hostility. Indian traders were seen as the 'root of all evil', a 'menace' to society. Fiery speeches were made by several of the League's members and aimed at instilling fear into White South Africans. It was a propaganda tactic adopted by the League to justify its existence and to mobilize support. White wholesale merchants and the Durban municipality were severely criticised for providing easy credit and for employing Indians as traffic officers, clerks, drivers and storemen<sup>17</sup>. Resolutions called upon the government to initiate legislation that would lead to the compulsory repatriation of all Indians not born and domiciled in the Union; the payment of wages or salaries in accordance with desirable 'white standards' in all trades, industries and occupations; the prohibition of the further sale of land to Indians; and compulsory expropriation, subject to fair compensation and within a period to be defined by the Act—i.e. of all land, buildings, trade or financial interests acquired by Indians in past years, whether as individuals, partners or shareholders; segregation of Indian trade in reserved areas or 'bazaars'; prohibition of new licences or the transfer of existing licences except in reserved areas<sup>18</sup>.

<sup>15</sup> *Indian Views*, 15 October 1920, 12 November 1920.

<sup>16</sup> NA, Ladysmith Town Council Minutes, 4 January 1921, 3/LDS, 1/1/1/6, 1920-21; Durban Town Clerk's Office, Position of Asiatics in Natal, South African League, 12 November 1920, 3/DBN 4/1/2/1150, 1920; *Indian Views*, 10 December 1920, 15 October 1920, 12 November 1920, 26 November 1920.

<sup>17</sup> *Indian Views* 26 November 1920; Position of Asiatics in Natal, 12 November 1920; *Indian Views* 25 February 1921, 4 March 1921.

<sup>18</sup> *Indian Views* 4 March 1921.

Anti-Indian agitation had a detrimental influence on Indian trade. Indian businessmen were unduly pressed by their creditors and very few facilities were afforded to them by banks while White traders were not subject to similar treatment<sup>19</sup>. Moreover, the Durban Chamber of Commerce issued a circular drawing attention to an agreement entered into in November 1919, which read:

We ... the merchants of Durban hereby agree that from the dates of our respective signatures hitherto we will not pay brokerage or commission of any kind to Indian or Arab brokers, and that any dealings we may have with such brokers will be on the understanding that they will arrange with the parties who employ them for their remuneration<sup>20</sup>.

In addition to the League, the media—particularly the *Natal Mercury*—several leading Natal politicians, and the Chambers of Commerce were fomenting an anti-Indian campaign with the object of forcing the authorities to adopt segregationist policies towards Indians. At the annual meeting of the Ladysmith Chamber of Commerce in 1919, the President, Gordon Clarence, was critical of the licensing law, particularly with regard to what was considered as the indiscriminate issuing of new licences to Indians. He called for drastic measures to eliminate the 'ever-encroaching competition of the Asiatic'<sup>21</sup>. The Ladysmith Chamber of Commerce sought clarity from the government regarding the licensing act. It called upon the White community to act in unison, to eliminate this 'unfair competition'. In 1920 the Durban Corporation passed the Corporation Extended Powers Ordinance and the Durban Tramways Consolidated laws. The latter empowered the municipality to segregate passengers on racial grounds, while the former granted additional powers to the Licensing Officer, virtually making him an autocrat. He could restrict Indians to trade in a particular locality or in particular commodities, impose conditions or restrictions on a licence, and withhold the licence if the applicant refused to agree to such conditions or restrictions<sup>22</sup>. In addition, the Durban Town Council (DTC) also obtained powers to impose licence

<sup>19</sup> *Indian Views* 4 March 1921; 10 December 1920.

<sup>20</sup> *Indian Opinion*, 30 May 1919.

<sup>21</sup> *Indian Opinion*, 30 May 1919; *Indian Views*, 28 February 1919.

<sup>22</sup> *Indian Views* 24 December 1920.

requirements on traders in the Indian Market. This had serious implications for the traders, as a considerable portion of their earnings were paid to the DTC in the form of high rents and (later) licence fees. The threatened imposition was seen as unjust and seriously affected Indian women, many of whom engaged in trade on a small-scale<sup>23</sup>. The new Ordinance indirectly sanctioned class legislation. It cannot be argued that licences were imposed to regulate or check businesses, or to raise revenue. The municipality regulated businesses by the imposition of varying charges, according to the nature of the business conducted. The charges were generally high, and they show that the Indian Market was undoubtedly one of the most profitable municipal undertakings<sup>24</sup>.

### **The Asiatic Inquiry Commission**

In the midst of the anti-Indian agitation the government decided to appoint a Judicial Commission to inquire into the Indian question. The terms of reference were limited, focusing mainly on trading licences and land<sup>25</sup>. The investigation was not supported by Indians who regarded it as 'one-sided' and 'Anti-Asiatic'. No South African Indian was represented. The general feeling among Indians was that the Committee represented the most inveterate antagonists of Indians. The chairman was Sir John Lange, a Judge of the Supreme Court of the Cape Province, General J.S. Wylie, H.J. Hofmeyer and Duncan Baxter. The Government of India was represented by Sir Benjamin Robertson. The Commission travelled extensively throughout the country and obtained evidence from deputations representing fifty-six public bodies, including municipalities, chambers of commerce, farmers' associations, agricultural unions, shop assistants and trade unions, branches of the South African League (the view of the White community, though it was not confined to that body, was vigorously advanced by the League), and representatives of twenty-six Indian and two Chinese associations as well as private individuals<sup>26</sup>.

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<sup>23</sup> *Indian Views* 24 December 1920.

<sup>24</sup> *Indian Views* 14 January 1921.

<sup>25</sup> *Indian Views* 26 March 1920.

<sup>26</sup> Report of the Asiatic Inquiry Commission, 1921, UG Series nos. 4-21, p. 46; *Indian Opinion*, 13 February 1920; *Indian Views*, 1 April 1921.



## **Findings of the Commission**

### **Indian Trading In Natal**

Indian trading received careful examination. In Natal, the Licensing Officer had absolute discretion to issue or refuse a licence, and his decision was not liable to review, reversal or alteration by any Court of law. There was, however, a court of appeal—to the Town Council or Town Board—if the licence was sought for a borough or township; otherwise, the appeal lay in the hands of a special board of three, appointed by the administrator of Natal. No licence was granted to persons unable to fulfil the conditions of book keeping as regards the Insolvency Law and no licence was issued in respect of premises unfit for the intended trade or lacking proper sanitary arrangements or suitable accommodation for clerks and servants. Licences were also refused on the grounds that there were already sufficient licences of the kind in the area. The number of Indian traders in Natal was far greater than in the Transvaal owing chiefly to the much larger Indian population and length of time they had settled in the Province.

The Commission received scarcely any objections or grievances with regard to Indian trading from the leading White merchants of Natal; the Durban and Pietermaritzburg Chambers of Commerce, for instance, made no representations on the subject. Complaints came chiefly from Chambers of Commerce in smaller towns and from individual traders and members of the public, who felt the effects of Indian competition in trade. In places like Verulam, Tongaat, Durban and others along the coast—which were visited by the Commission—Indians monopolised the retail and wholesale trade<sup>27</sup>. This was no doubt due to the large Indian population employed on the sugar estates. As early as 1911 the magistrate of Umlazi painted a very dismal picture of the future of White storekeepers:

[E]very village in that district has its European storekeeper struggling hard against Asiatic competition. The Asiatic stores are numerous, and the whole of the native trade is in their hands. The competition is now extending to blacksmith shops, butchers, carters and carriers. It is only a matter of time ... when there will be no commerce for Europeans, the reason being that it costs the

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<sup>27</sup> *Indian Views*, 1 April 1921, 26 September 1919, 13 February 1920, 21 May 1920; *Indian Opinion*, 13 February 1920; Calpin (1949:42).

Asiatic practically nothing to live; they have the benefit of cheap Asiatic labour .... they are encouraged by some well-to-do merchants, who give them long credits which they refuse to Europeans, and notwithstanding the fact that the Asiatic is constantly going insolvent<sup>28</sup>.

There were complaints of similar encroachments by Indian traders in up-country districts, where many White farmers tried to engage in small scale trade to supplement their income until their crops matured. The plethora of Indian stores scattered on farms and mission stations sparked strong anti-Indian sentiment. White farmers found it difficult to compete. In Ladysmith, Newcastle and Dundee, the majority of Town Councillors were traders who came directly into competition with Indians.

Licences were often denied to Indians on the basis of trade rivalry and racial prejudice. At Dundee no new Indian retail licences were issued after 1915 and statistics for 1920 indicate that Indians were gradually marginalized.<sup>29</sup> In Durban and Pietermaritzburg, hostility to the granting of new licences led to both Town Councils adopting a policy designed to segregate trade. This was reflected clearly in the Minutes of Proceedings of the DTC between 1914 and 1918, when applications by Indians for new licences were largely unsuccessful. They were refused with a remark by the Licensing Officer, 'It is not my desire to increase the Asiatic licences'. On appeal, the DTC, in most instances, supported the decision of the Licensing Officer<sup>30</sup>. In trades where they came into competition, Indians held 515 licences in 1915 as against 1,357 by Whites; in 1919 they held 628 as against 1,684 by Whites. The Licensing Officer, G. Molyneux, explained the position of Indian licences during the war as follows:

The growth in Durban of the Asiatic licences has been small. I think on the whole very few licences have been granted, and it is

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<sup>28</sup> USA, Annual Reports of the Department of Justice, 1911, nos. 27-28, p. 71.

<sup>29</sup> Report of the Asiatic Inquiry Commission, 1921; *Indian Views*, 19 July 1918.

<sup>30</sup> Durban Mayor's Minutes, Proceedings of the Durban Town Council, 5 January 1915, 2 March 1915, 27 November 1914; *Indian Opinion*, 21 April 1915, 17 September 1915.

only because we restrict the number that there are not a lot more .... We do what we can to restrict further Indian licences .... A European licence is granted always as a matter of course, whereas the Indian licence is refused as a matter of course, it is a new one<sup>31</sup>.

In Pietermaritzburg in 1914, 312 White and 68 Indian licences were issued compared to 317 White and 119 Indian in 1919. Restrictions were also placed on hawker's licences. In Pietermaritzburg, several Natal-born Indian women engaged in hawking as a means of livelihood. Their applications were very often unsuccessful, due to the restrictive policy of the Town Council which aimed at limiting the number of Indians hawking in White areas. In Durban, Indian hawkers were confined to a section in Gardiner Street, between West and Pine street, and on Saturdays were allowed to take up a stand alongside the cemetery in West Street. They also paid a licence fee of five pounds per annum. Indians who sought to diversify their trade during and after the war faced opposition. Several applications for the manufacture of jewellery, fruit boxes, Indian sweetmeats and sweets were rejected<sup>32</sup>.

Manufacturers' licences came under Section 23 of Ordinance 11, 1911 and gave the Town Council power to issue these licences. The Town Council and Licensing Officer sought to curtail this type of licence, and it became the policy of the Department to issue Indian licences only after careful consideration. However, Indian licences increased from 490 in 1909, to 652 in 1915, and 953 in 1919. This increase was due to a number of factors. In 1913 Ordinance No. 5 was passed, amending an exemption which permitted unlicensed trading in colonial produce, and which increased the number of applications for new licences. During the war many Whites enlisted in the army, and sold their businesses to wealthy Indians at a profit, which also accounted for the increase in the number of Indian licences during this period. A return of transfers made by the Licensing Officer for Natal for the period 1909 to 1919 reflects that 99 licences were transferred from Whites to Indians,

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<sup>31</sup> Report of the Asiatic Inquiry Commission, 1921, p. 46.

<sup>32</sup> Report of the Asiatic Inquiry Commission, 1921, p. 46. NA, Durban, Town Clerk's Office, Borough Police to Town Clerk, 8 February 1917, A. Harris to Town Clerk, 9 February, 1917, 3/DBN 4/1/2/99, Licensing Officer's Departmental, Volume 2, 1916-1922.

and that 104 such application were refused; since Indians transferred their licences to Whites<sup>33</sup>.

### Property Acquisition by Indians

Closely allied to the subject of Indian trade licences, was the equally burning question of their 'encroachment' in boroughs and townships through the acquisition of fixed property for business and residential purposes in White areas<sup>34</sup>. Here, the Asiatic Inquiry Commission remarked on the difficulty of arriving at a conclusion:

There can be little doubt that as a rule it has that effect (encroachment); though probably more in the residential than in the trading areas, owing to the strong prejudice prevailing amongst Europeans in this country against living in the immediate vicinity of any Coloured races<sup>35</sup>.

There were, the report continued, a few wealthy Indians occupying houses on the Berea in Durban, but 'the general tendency is for Indians of the same social standing to live in the same quarter'<sup>36</sup>. The only detailed evidence obtained by the Commission regarding the ownership of town properties by Indians related to the municipalities of Durban and Pietermaritzburg. In 1914 the total valuation of all properties in the Durban municipality was £10,404,500; in October 1919, it was £13,516,030, an increase of 30 percent in five years. Between January 1918 and March 1920, 137 Durban properties were transferred to Indians by Whites at a total purchase price of £281,465. Of these, 63 were situated in what was described as White residential districts. The higher individual values ranged from £5,000 to £10,000 and in three cases they were £18,000, £26,000 and £27,000 respectively. In comparing the above figures it must not be forgotten that the value of property had increased enormously since 1888, owing to the great development and advance of the

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<sup>33</sup> Report of the Asiatic Inquiry Commission, 1921, pp. 47-48.

<sup>34</sup> Report of the Asiatic Inquiry Commission, 1921, pp. 47-48. *Indian Views*, 1 April 1921.

<sup>35</sup> *Indian Views* 1 April 1921; Calpin (1949:46).

<sup>36</sup> Calpin (1949:46).

port and town of Durban. In the absence of exact figures, the Commission stated that it seemed highly unlikely that the value of property owned by Indians in relation to that held by Whites had increased substantially, compared with the situation a quarter of a century previously. The acquisition of properties by Indians between January 1918 and March 1920 can be explained as follows: Wealthy merchants aimed at securing fixed property in anticipation of their rights being whittled away by the Natal Legislature. Moreover, the boom conditions created by the war afforded Indians the opportunity to invest their profits in property<sup>37</sup>. The position in Pietermaritzburg in 1921 was submitted by the Town Clerk. The total rateable value of immovable property in Pietermaritzburg was £3,472,730; Whites owned £2,922,397, or 84.15 percent; Indians, £98,548, or 2.84 percent. Between 1917-1921, the value of property purchased by Whites from Indians was £1,408; and of property purchased by Indians from Whites, £32,236<sup>38</sup>.

While most Whites resented the presence of the Indian in their midst, the African community, on the other hand, apparently viewed the Indian as a positive influence. *Ilanga Lase Natal* stated in 1920: .

Looking at the subject from a Native standpoint the Indian is desirable in this country for the reason that the European storekeeper is, as a class, out of touch with the Native. His social position above the Native makes his dealings with the Native to be of an unsympathetic sort. Frequently you find that all a European seller cared for in a Native is his money; there is no goodwill nor mutual understanding in striking a bargain. The Indian not being of a class of the European is somewhat nearer the Native standard and is a baggage'? Justice forbids it<sup>39</sup>.

### **Recommendations of the Asiatic Enquiry Commission**

The Commission completed its work in March 1921. The findings of the Commission and their subsequent recommendations were contradictory. After

<sup>37</sup> Calpin (1949:46); Report of the Asiatic Enquiry Commission, 1921, p.44; *Indian Views*, 26 September 1919, 25 February 1921; *Indian Opinion*, 3 March 1926.

<sup>38</sup> *Indian Opinion*, 3 March 1926.

<sup>39</sup> Quoted in *Indian Views*, 7 May 1920.

an exhaustive enquiry it declared in emphatic terms that there was no evidence of a so-called 'Asiatic menace'; low standards of living were a matter of class not race; Indian traders, though they did undersell White traders, benefited the consumer<sup>40</sup>. Despite these findings, the Commission recommended that restrictive measures in existence in the Transvaal be retained; there be no compulsory but voluntary repatriation; likewise, there be no compulsory segregation but a system of voluntary segregation. The Commission also put forward a strong plea for uniformity in the licensing laws and regulations, and called for a comprehensive Act of Parliament to consolidate the powers of municipal authorities with regard to the issue of trading licences<sup>41</sup>.

The report of the Commission was condemned by all. The Government of India protested against its recommendations and sought Imperial intervention to prevent action being taken until the status of Indians in the Empire was discussed at the Imperial Conference in 1921<sup>42</sup>. In Natal, local Indians held a meeting under the revived Natal Indian Congress on 3<sup>rd</sup> April 1921 to protest against the Report and the proposed Townships Franchise Amendment Ordinance, which aimed at depriving Indians of their right to votes in Townships. Indians rejected the report and recommendations which further limited existing rights, instead of solving the Indian 'problem' on an equitable and just basis. The meeting questioned the Union government's commitment to the 1914 Smuts-Gandhi agreement, which had assured Indians to lawfully settle in the country, of fair treatment and that their existing rights would be safeguarded. It also asked whether these assurances and undertakings were to be treated as 'more scrap paper'<sup>43</sup>. Indians totally opposed segregation. Whilst recognizing their strong and pronounced feelings on this subject, the Commission nevertheless recommended gradual,

<sup>40</sup> *Indian Opinion*, 8 April 1921; Ginwala (1974:355).

<sup>41</sup> Ginwala (1974:355); Calpin (1949:46-50); Pachai (1971:92).

<sup>42</sup> Pachai (1971:92); Ginwala (1974:356).

<sup>43</sup> *Indian Views*, 8 April 1921. A meeting was held on the 6 March 1921, at the Victoria Bio, Victoria Street, Durban, where the Natal Indian Congress was resuscitated, and sought to be all inclusive of the community. The aim of the meeting was to elect office bearers. The following were elected as officials of the Congress: President Ismail Gora, (former Vice-President), Vice-Presidents: Messrs E.M. Paruk, B. Gabriel, R.B. Chetty, Charlie Nulliah, Bawani Dayal, A.A. Gandhi; Joint Secretaries: Messrs A. Christopher and M.M. Gandhi. *Indian Views*, 11 March 1921.

voluntary, but not compulsory, segregation, i.e. to attract Indians to select areas. Indians in Natal refused to submit to this 'humiliation and degradation'. The words 'voluntary segregation' were considered to be an illusion, denying Indians their freedom to trade and reside in any locality. In White political circles in Natal the Report was vehemently criticised. Its recommendations were the antithesis of the demands which various Natal representatives had brought forward at the South African League Congress in Pietermaritzburg in February<sup>44</sup>. Between 1921 and 1923 there were repeated demands by Natal politicians to commit the Provincial Legislature and Government to some clear and definite line of legislation which would incorporate the principle of segregation and deny Indians the municipal franchise. In this respect, they found themselves supported by both the Nationalist and Labour opposition groups<sup>45</sup>. This was a critical period for the Smuts government which was plagued by economic problems and a steadily waning parliamentary majority. It could not allow the Indian question to result in a vote of no-confidence.

As the 1922 parliamentary session approached, the prospects of the Indian community, in particular the trading classes, were dim. In March 1922, the Natal Provincial Council passed three Ordinances: the Rural Dealers' Licensing Ordinance, the Townships Franchise Ordinance and the Durban Land Alienation Ordinance. The first of the Ordinances removed the right of appeal in all cases from the decision of a licensing board to an appeal board and limited, instead, the right of appeal only on the grounds of the fitness of the applicant. The second Ordinance deprived Indians of the municipal franchise they had enjoyed since 1872. The third Ordinance gave the Durban Town Council the power of restricting the ownership or occupation of land—or both—to any particular race group, by inserting restrictive clauses in the title deeds or leases of such property<sup>46</sup>. After protests by the NIC, the government vetoed the first two Ordinances, but sanctioned the Durban Land Alienation Ordinance No. 14 of 1922<sup>47</sup>. Natal politicians were dissatisfied that the two Ordinances, moved by G.H. Hulett, were rejected by the Union Government. By 1922/23 the growing unpopularity of the SAP was reflected in several by-election defeats. After months of temporising, Smuts announced the decision to introduce a measure of segregation for Indians at the 1923 SAP

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<sup>44</sup> Gordon (1976:107).

<sup>45</sup> *Indian Views*, 13 May 1921; *Hindi*, 19 January 1923

<sup>46</sup> Gordon (1976:113,141).

<sup>47</sup> Gordon (1976:124); Pachai (1971:95f).

Congress in Pietermaritzburg. The Class Areas Bill, introduced by Patrick Duncan, Minister of the Interior, in January 1924, provided for the compulsory trading and residential segregation of Indians along the lines envisaged by the Asiatic Inquiry Commission of 1921, although the latter did not advocate compulsory segregation<sup>48</sup>.

However, before the legislation came into force, Smuts was defeated in the 1924 general election by an alliance of the Nationalist and Labour parties, who had formed a Pact in April 1923<sup>49</sup>. The position of Indians, in particular traders, deteriorated further under the Pact government. The latter, unlike Smuts, were steadfastly anti-Indian and had clear and definite policies with regard to the 'Indian question'. They immediately sought to isolate and segregate Indians, both for trading and residential purposes, and to reduce South Africa's Indian population by statutory legislation.

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<sup>48</sup> Pachai (1971:141f).

<sup>49</sup> Pachai (1971:135).



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