



# THE INDIAN SOUTH AFRICAN

PAPERS PRESENTED AT A CONFERENCE  
HELD UNDER THE AUSPICES OF THE  
SOUTH AFRICAN INSTITUTE OF RACE  
RELATIONS (NATAL REGION) IN DURBAN  
ON 14th OCTOBER, 1966.

South African Institute of Race Relations

1967

60 cents

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# THE RÔLE OF THE INDIAN IN NATAL'S ECONOMY

by Mr. L.P. McCrystal and Mr. G.G. Maasdorp.

## FOREWORD

The South African Institute of Race Relations expresses very sincere thanks and appreciation to the four speakers at the Conference whose papers appear in this publication for the time and work that they so generously devoted to preparing and presenting their addresses.

Any opinions expressed or statements made in the papers that follow are, of course, those of the individual authors and not necessarily those of the Institute.

It is the hope of the Natal Regional Committee of the Institute, as well as of the speakers and others who planned and participated in the Conference, that this publication will not only add to available material concerning the Indian people of South Africa, but will also stimulate thought and help to highlight fields for further research, fact-finding and discussion.

We have taken as the basis for our thoughts the fundamental proposition that a primary policy for South Africa is to achieve as high a rate of economic growth as our resources can sustain, not only for reasons internal to the country, but for external reasons as well. This implies using our resources to the full extent of their potential.

Indentured Indian labour was first imported by sugar planters in the second half of the nineteenth century. On the expiration of their indentures, many Indians turned to market gardening and trading, or were attracted to the coal mines of northern Natal. Their success prompted the entry into the Colony of a second category of immigrants known as "free passenger Indians", who were mainly traders and artisans.

Durban and Pietermaritzburg, the two largest towns, offered the best conditions for trading, but many ventured into the rural areas, mainly along the coast, where they played an important part in opening up the country, or spread to towns along the main line in search of business opportunities. Much of the trade in these centres is still today in the hands of descendants of these early Indian immigrants.

Indians in the coastal belt were for many decades predominantly employed in agriculture, either as labourers on the sugar estates or as market gardeners, or fruit or cane farmers. It did not take long for Indians to become the chief suppliers of fresh produce in Natal. By 1882, they almost monopolised the maize, tobacco and garden produce in the coastal belt. In fact the Magistrate of Inanda noted in 1878 that if it had not been for the Indian farmers, the inhabitants of the area would have been virtually without vegetables. They often converted waste and unproductive land into well-kept vegetable gardens. The Indian Immigrants' Commission Report of 1885 - 87 had this to say : "From an early hour in the morning Indian hawkers, male and female, adults and children, go busily with heavy baskets on their heads from house to house and the citizens can daily, at their own doors, and at low rates, purchase wholesome vegetables and fruit which, not many years ago, they could not, with certainty, procure even in public markets and at exorbitant prices". (1)

## POPULATION

Natal is the only province in which Indians outnumber Whites. According to the 1960 census, the population of Natal was comprised as follows :

	<u>No.</u>	<u>%</u>	
Whites	340,235	11.4	
Coloureds	45,253	1.5	
Indians	394,854	13.3	
Africans	<u>2,199,578</u>	<u>73.8</u>	
	<u>2,979,920</u>	<u>100.0</u>	(Source: 1960 Population Census).

(1) From Prof. R. Burrows, Indian Life and Labour in Natal, S.A. Institute of Race Relations, 1952, p. 14

The age and sex structure of the population are important indices of both the present and future working potential of a community. Two features of the Indian community of Natal are its high degree of juvenility and sex parity, both of which favour a high rate of population growth.

The age structure of the three major race groups in Natal is shown in Table 2.

Age Group (years)	Whites (%)	Indian (%)	Africans (%)
0 - 14	30.0	45.0	42.5
15 - 44	40.9	44.5	42.3
45 - 64	20.5	8.9	11.4
65 +	8.5	1.5	3.7
Unspecified	0.1	0.1	0.1
	100.0	100.0	100.0

(Source: 1960 Population Census, Sample Tabulation Nos. 1 and 2).

This table reveals that in 1960 almost 90% of the Indian population was under 45 years of age, and that almost 45% fell into the 15 - 44 years age group. Although a high birth rate has been accompanied in the past by a high death rate, the Indian population has grown at the extremely high rate of 3.0 per cent per annum since 1951. Certain students of demography consider a 3.5 per cent growth rate to be the biological maximum. Viewed against this, it can be seen how rapid is the growth of the Indian population. This is, moreover, an extremely important aspect to bear in mind when considering the Indian's economic position.

Looking only at the working age population, i.e. between 15 - 64 years of age, it can be seen that 53.4% of Indians, 53.7% of Africans and 61.4% of Whites fell into this group. There was, therefore, a smaller proportion of Indians and Africans of working age than was the case with Whites.

The Indian Community displayed a greater degree of sex parity than did Whites and Africans, the number of males per 100 females for each of the 3 groups being: Indians 101.8, Whites 97.4, Africans 92.3. However, the odd thing about the Indians is that, whereas in the case of the other racial groups, females outnumber males, with the Indians it is the other way about. It is thought that the reason for this is that male immigrants from India outnumbered females and, further immigration having been stopped, it is not possible for this imbalance to be redressed other than in the course of time by natural factors.

The Indian population has become increasingly urbanised over the years. In 1960 the comparative urbanisation figures for the various racial groups in the province were: Whites 89.0%, Coloureds 86.1%, Indians 80.8% and Africans 19.2%. 60% of the total Indian population, and 73.3% of the urban Indian population, of Natal, was concentrated in the Durban - Pinetown region. The majority (60.5%) of the rural population was located in the districts of Inanda and Lower Tugela.

#### EMPLOYMENT

Only a little over one-quarter of all Indians are economically active, in the sense of being actually working or prepared to work. This compares

with nearly 40% in the case of Natal's Whites and some 32% in the case of Natal's Africans, and is reflected in the fact that, although there are fewer Whites in Natal than there are Indians, the latter form a smaller proportion of Natal's labour force than do the former. This difference is largely due to the small number of Indian females who enter the labour market. Only 5% of Indian females were classified as economically active, compared with over 28% in the case of White, and 12% in the case of African, women.

The degree of unemployment amongst Indians has been the subject of considerable debate in recent years. According to the 1960 census, 22.7% of the economically active Indian population in Natal were unemployed - a very high rate and the highest of all racial groups. However, a certain degree of slackness had developed in the economy at the time. Since then the position has improved considerably. By 1963, according to a study conducted by the University of Natal's Department of Economics in Durban, the proportion of unemployed in relation to economically active had dropped to 16 per cent, and by 1965, another of our studies revealed a further drop to 7.1 per cent which, in round figures, meant that 4,700 persons in Durban who were willing to work, did in fact not have employment. Of these, 2,750 were registered with the Department of Labour, the balance of 1,960 being unregistered. Although the position has improved, 7.1 per cent is still a relatively high unemployment rate when compared to the accepted 3 - 4 per cent which is considered to be a full employment level. Moreover, it could be even worse if Indian women were willing to work to the same extent as are, say, African women.

The weak employment position of the Indians derives largely from the interaction of two forces - dissatisfaction and, indeed, prejudice on the part of many employers (reinforced by custom) towards employment of Indians, on the one hand, and the attitude of Indian workers themselves, on the other hand. Employers often complain of the high rate of absenteeism and labour turnover amongst their Indian staff, whilst we have found that the Indian workers themselves are sometimes distinctly more selective about jobs than the position on the labour market and the economic position of their families would appear to allow. Many give up their jobs for no good reason and without having arranged alternative employment. Furthermore, Indians do not generally favour heavy manual work which has now become almost the exclusive preserve of the more robust Africans. These attitudes are often reinforced by the cohesiveness of the Indian family unit, and particularly by the joint family system, the unemployed being secure in the knowledge that they will receive protection from their kinsmen.

The aspirations of Indian youths are generally realistic in the sense that they do not aspire to jobs which circumstances would not allow them to undertake. Nevertheless, many encounter difficulty in fulfilling their aspirations on the labour market. The rate of labour turnover is consequently high during the early employment career, many youths regarding their jobs as temporary expedients prior to finding jobs which satisfy, or accord more closely with, their aspirations.

#### OCCUPATIONS

The main feature of Indian employment in Natal during the last few decades has been the increased dependence on commerce and industry for a livelihood, and the relative decline in importance of agriculture.

**Table 3** Industry Divisions of Indian Population  
(expressed as % of gainfully employed)

	1936	1960
Agriculture	34.5	12.0
Mining	1.9	0.6
Manufacturing	23.1	37.7
Commerce	15.4	18.1
Transport	4.0	4.7
Services	19.2	24.2
Other	1.9	2.7
	100.0	100.0

(Sources: 1960 Population Census, Sample Tabulation No. 2, and Prof. R. Burrows, Indian Life and Labour in Natal).

The most important of the Indian's activities in 1960 were manufacturing, services and commerce. In the case of manufacturing, Indians formed 24.4 per cent of total manufacturing employment in Natal, whilst in the cases of services and commerce they formed 10 per cent and 21.5 per cent respectively of the total for Natal. Agriculture has obviously declined considerably in importance in the course of time as an activity for Indians, whilst manufacturing industry has increased in importance. Overall, Indians formed nearly 11 per cent of Natal's labour force or economically active population.

Another way of looking at this is to consider the proportion of Indians in each occupational group in Natal. This is done in Table 4.

**Table 4** Occupational Distribution of Indians and Whites - Natal 1960

Occupational Group	Indians as % of Economically Active (by area)			% of Indians Econ. Active	% of Whites Econ. Active
	Natal	Durban Pinetown	Inanda-Lower Tugela		
	(1)	(2)	(3)		
Professional, technical	12.3	15.9	49.3	4.2	13.5
Administrative, executive	15.6	14.7	36.3	1.7	6.0
Clerical Worker	13.7	13.0	48.6	6.0	27.0
Sales Worker	39.0	38.2	71.3	10.6	9.3
Farmer, fisherman	2.7	29.1	15.6	9.7	5.1
Miner	3.8	17.3	-	0.1	0.5
Transport worker	24.2	26.2	46.2	6.6	7.5
Artisan, production worker	15.7	22.6	27.9	33.5	24.7
Service worker	8.2	12.2	18.4	11.7	4.8
No occupation stated	21.4	38.7	39.6	15.9	1.6
	10.7	21.3	25.2	100.0	100.0

(Source: 1960 Population Census, Sample Tabulation No. 3)

Column 1 of this table illustrates that Indians were proportionately most important in the sales and transport fields. The sales category includes working proprietors in the wholesale and retail trade, and would therefore incorporate the many Indian traders of whom there were, in Durban alone, 3,191 in 1963. Indians also play an important role in transport in the major urban areas, e.g. in Durban in 1964 50 per cent of the motor transport drivers were Indians.

The Indian population is not uniformly distributed throughout the province, and its economic role is, therefore, greater in some areas than in others. It has been noted that 60 per cent of the Indian population of Natal lives in the Durban - Pinetown region. A further 17.5 per cent is concentrated in the Inanda - Lower Tugela districts, with 8.4 per cent in the Pietermaritzburg region, 5.8 per cent in the South Coast districts, 3.5 per cent in the Drakensberg - Midlands area, 2.9 per cent in northern Natal and 1.8 per cent scattered over the remainder of the province.

Column 2 and 3 of Table 4 show the Indians as a percentage of each occupational group in the Durban - Pinetown and Inanda - Lower Tugela areas. It can be seen that their relative importance in most occupational groups in these two areas (particularly the North Coast districts) was considerably greater than their share in Natal as a whole. Approximately 60% of Natal's economic growth is generated in the Durban - Pinetown region, i.e. the area where the majority of Indians are located. The Indian contribution was especially important in the sales, farming, transport and artisan sections in this region, and in the professional, administrative, clerical, sales, transport, and artisan spheres in Inanda and Lower Tugela.

Perhaps the most marked feature of these figures relates to the farming sector. Whereas Indians constituted only 2.7 per cent of all persons engaged in farming in Natal, they comprised 29.1 per cent of farmers and fishermen in the Durban - Pinetown area (due to the presence of small scale market gardeners, fruit farmers, and fishermen) and 15.6 per cent in the North Coast districts (where a considerable number were engaged in the sugar industry, as independent cane growers, sirdars and field workers).

Columns 4 and 5 of Table 4 compare the distribution of the economically active Indian and White populations of Natal. The preponderance of Indians in the lesser skilled jobs, as compared with the make-up of the White labour force, is clearly apparent. Indians have, of course, for a long time been important in the service sector, especially in the catering and laundry and dry cleaning fields, whilst many are engaged in trading, which accounts for the importance of sales workers. An increasing number are entering the clerical sphere, and this trend is also true of the professions. Entry into the professional field is, however, limited, because of the absence of training facilities for architects, engineers and accountants. Consequently Indians in the professional category are, today, virtually all teachers, doctors or lawyers. Only a small proportion are found in the administrative category. Until recently few have been absorbed into central, provincial or local government service, but new opportunities are now being created in this field with the establishment of the Department of Indian Affairs and various local government bodies for Indians, e.g. the first Indian town clerk in Natal was recently appointed in Verulam.

The small number of Indian females who enter employment results in the Indians forming a smaller proportion of the economically active population of Natal than would be the case if the Indian women were as prepared to enter employment as are African women. It is quite possible however, that the available figures might be an understatement of the number of economically active Indian women. Many women who undertake seasonal work on the sugar estates, or part-time or temporary work as domestic servants or on family smallholdings or family shops, might well classify themselves as housewives when completing census returns. The fact remains, however, that the proportion of females entering paid full-time employment is still low, and is hampered by age-old conservative attitudes within Indian society towards the employment of women. But these attitudes are breaking down, especially in the urban areas, and the proportion of females seeking employment can be expected to grow.

An increasing number of Indian women are entering the professions (as teachers and nurses), commerce (as clerks and typists), and industry (as operatives especially in the clothing industry).

The Indian labour force is already a rapidly growing one. With increasing participation of women, the rate of growth will be increased further. This is going to make it more difficult than it has been in the past to accommodate all those who are willing to work, in gainful employment. We know full well that in an economy with a population growth in the region of 3 per cent per annum, economic growth must be upwards of 7 per cent per annum in money terms, allowing for the effects of inflation, if a rising standard of living of the population is to be achieved. This is a high rate to aim at, by any standards. Our position in Natal is made more difficult by virtue of the fact that the projected rapid growth in the Indian labour force will have to be accommodated within Natal because of restrictions on the movement of Indians. Thus we can only hope that all the forecasts of rapid economic growth in Natal will in fact materialise.

Against this we do have a brighter side to look at. We want to put to you the proposition that, despite all the emphasis placed on Natal's natural resources, this Province's greatest growth potential lies in its labour force. And in this regard, we have in mind particularly the Indians. The Indians have, in our view, shown themselves to be an enterprising and adaptable people - the two elements which are most essential in the process of economic growth. A Pietermaritzburg manufacturer was recently reported as saying that Natal's Indians have proved to be the greatest single asset to the shoe industry in the Province. "Shoe-making requires a certain amount of skill, and Indians, who are very dexterous, are particularly suited to this kind of work". (2) What we have to do to achieve a growth rate in Natal of the order of magnitude which we have suggested, is to use the enterprise and inherent skills of the Indians to the full. This does not simply mean finding any old job for them. It means training those who seek employment to the limit of their inherent capacities. And it means giving to those who want to be entrepreneurs full scope and facilities to exercise their particular abilities. In this regard, the proposal to give the Indians greater financial assistance, both for farming and secondary industry, is to be warmly welcomed, even if it has to be by way of a separate Indian Development Corporation.

(2) Daily News, Pietermaritzburg Supplement, 11 October, 1966.

## INCOME AND PURCHASING POWER

Indian household incomes are relatively low, and a substantial amount of poverty exists amongst the community. In Table 5 the income-earners are shown in various income groups.

Table 5 Percentage Distribution of Income-Earners by Income Groups - Natal 1960

<u>Income Groups (R per annum)</u>	<u>Whites</u>	<u>Coloureds</u>	<u>Indians</u>
Under 200	3.6	23.9	22.8
200 - 399	8.1	22.4	30.2
400 - 599	6.1	17.9	19.2
600 - 799	10.2	10.1	10.5
800 - 999	7.8	5.4	4.6
1,000 - 1,199	6.7	4.4	3.4
1,200 - 1,599	12.0	6.2	2.5
1,600 - 1,999	14.4	3.3	1.4
2,000 - 2,999	18.1	1.1	0.8
3,000 +	10.4	0.1	0.7
Unspecified	2.6	5.2	3.9
	100.0	100.0	100.0

(Source: 1960 Population Census, Sample Tabulation No. 4).

Although this information is 6 years old, the general relative pattern as between the various racial groups is unlikely to have changed to any significant extent. The figures do demonstrate the low incomes, and therefore purchasing power, of the Indians relative to the Whites. Estimated mean per capita incomes in Natal in 1960 were: Whites R803, Coloureds R157, Indians R110, and Africans R59.

A recent survey by the Department of Economics of Natal University showed the median income per Indian household to be within the range R60 - R70 per month.

The relatively low income structure of the Indian community is illustrated further by information obtained from a study undertaken in Durban by the Department of Economics in 1963, in which it was found that 63.7 per cent of the sample were living below the poverty datum line level of R73 per month (i.e. the calculated minimum income required by an average family to live under humanly decent conditions). A further 28.3 per cent were barely above the poverty datum line, 6.6 per cent were living moderately comfortably, and only 1.4 per cent could be termed comfortably off.

Within the Indian community are a small number of wealthy merchants, entrepreneurs, farmers and professional men. However, there are clear indications that there is over-trading amongst Indian merchants, so that few make a really good living out of their businesses. Furthermore, most Indian farms are too small for even a modest living to be made, let alone, in the case of sugar farming, to derive such economies of scale as can be enjoyed on larger units.

Overall we estimate that the total purchasing power of all persons in Natal in 1965 was in the region of R710 million or a little over 12½ per cent of the total for South Africa. Of the Natal total Indians accounted for approximately 9 per cent which, in round figures, amounts to about R65 million. Probably about R40 million of this is accounted for by Indians in the Durban-Pinetown region. Thus although the figure does not seem very great when compared with the provincial total, its concentration in particular areas gives it substantial significance for those areas.

So much then for the Indian's importance to the economy of Natal on the side of demand. On the production or supply side, some indication has already been given as to the major activities of Indians and it remains to consider one or two of these in greater detail.

#### AGRICULTURE

Independent Indian farm holdings number about 2,900 (or 2.7 per cent of the total number of holdings in Natal). Over 90 per cent are located in the coastal belt, the largest concentrations being in the districts of Lower Tugela, Inanda, Pinetown, Umzinto, Port Shepstone and Durban, in that order, and in most of these districts the majority of farmers are Indians. The largest inland concentration is at Cliffdale in the Camperdown district.

In the Durban and Pinetown districts Indian agriculturists are mainly market gardeners and fruit farmers. Their numbers are declining, however, due to the spread of urbanisation, rising costs, insufficient capital and inadequacy of their land. In the other coastal areas the majority of Indian farmers are engaged in cane growing. Latest figures indicate that there are some 1,850 registered growers farming approximately 90,000 acres, of which slightly more than 60,000 acres are registered quota land. This figure is, however, expected to increase to some 71,000 acres by the end of this month (October 1966).

Although Indian growers hold 9.5 per cent of all registered quota land, they account for only 7 per cent of total sugar production in Natal. This is because of a combination of factors, notably the steepness of the land on which most Indian farms are found, lack of expertise and capital, and the absence of those economies which accrue with the increasing size of the unit. The majority have only small parcels of land and consequently the output is small, e.g. over 90 per cent of growers produce less than 1,000 tons of cane per annum, whilst the average quota in terms of cane output is only 557 tons. The small size of the holdings is reflected in the fact that some 75 per cent of growers have farms of under 30 acres, and some 88 per cent hold fewer than 50 acres each.

The low incomes which can be derived from the small pieces of land held by most Indians means that farming is often merely a sideline, and many growers rely on income received from non-farming activities, either as a major or supplementary source. Often several members of a family have a share in the farm, and in such cases it is common to find one individual running the farm while the others work as teachers, clerks or artisans in the urban areas.

The Indians' share of the production of the sugar industry has fallen over the years, as no additional land is available to them. Moreover, being effectively confined to certain areas of the province, fragmentation is

widespread, and this has led to many farms becoming so small as to be uneconomic.

The development of scientific farming methods amongst the Indians is inhibited by the complete absence of any agricultural education. Although farming methods have generally improved over the years - the application of fertilizer is widespread, intercropping is encountered less frequently than before, and a few growers have installed irrigation equipment - standards are lower than on White farms. There is comparatively little mechanization on Indian farms, and the majority rely on outside contractors to perform tasks such as ploughing, cutting and transporting. The performance of these tasks is hampered by the fact that the labour recruiting bureaux are precluded from supplying recruited African labour to Indian growers.

Indian fruit farming and market gardening has declined in recent years for reasons already mentioned. Thus Indian smallholders have been displaced from areas such as the Bayhead, Springfield Flats and Chatsworth, without the provision of any alternative agricultural land. The increased sugar quotas have also encouraged many to switch exclusively to the production of sugar. Nevertheless, Indians still play an important role in the production of sub-tropical fruit and vegetables in the coastal belt.

Mention has been made of the disabilities under which Indian farmers operate, notably lack of training in modern farming methods, lack of capital, and small land holdings. We believe that a strong case can be made on purely economic grounds, for the removal of these disabilities. Training is essential for the modern farmer and the Indians have proved themselves to be capable of good husbandry. Despite their lack of training they are turning to productive use land which would be rejected by White farmers as being too steep. Moreover, they are producing for the expanding Durban market, much needed fresh fruit and vegetables, but in declining quantities. It should not be forgotten that with the conversion of much of the Eastern Transvaal lowveld to sugar, supplies from this important source of winter vegetables for the Durban market will be reduced considerably. Here the Indian farmer could play a most valuable role.

As far as the availability of capital is concerned, Indian farmers experience difficulty in qualifying for loans from the Land Bank, which have in any event, we understand, only recently become available to them. It is in this regard, in particular, that the proposed Indian Investment Corporation could play a most important role.

If our proposition be accepted, namely that the Indian farmers, given the tools of expertise and capital, can deliver the goods in a most economic fashion, then we submit that here again Natal has an economic resource which is at present under-utilised and which would, we believe, more than repay the investment which is required to render it fruitful. We suggest that the way to derive this benefit, which will accrue to the community at large, be it noted, is not only to make the necessary training facilities available to Indian farmers, but also to provide them with the land upon which they can exercise their skills. To this end we suggest that the possibilities of an irrigation scheme on one of the north coast rivers be investigated with a view to settling Indian families on small holdings. Moreover, we would strongly urge that Indian farmers be given high priority in any scheme to promote Indian enterprises and that economies in the provision of capital to them be obtained by encouraging the establishment of a co-operative arrangement whereby individual farmers can share in a common "pool" of machinery and equipment.

## INDUSTRY.

The provision of assistance to Indian industrialists on a similar basis to that given to European entrepreneurs appears to be the aim of the government. The Industrial Development Corporation has recently granted assistance to two Indian-owned textile concerns and a sugar mill, while in 1965, the government announced that it had decided to extend its development area scheme to Indian firms. Four towns in Natal were selected for this purpose - Pietermaritzburg, Stanger, Tongaat and Verulam - and industrial employment in the capital and in Tongaat has already been stimulated by the establishment of industries using the development area concessions. The proposed Indian Investment Corporation would, if it is established, presumably take over the functions of the Industrial Development Corporation in respect of Indian firms, under the development area scheme. Indian entrepreneurs have shown themselves to be industrially-minded by branching out from the retail and wholesale trades to industry, as is shown by the fact that there are over 80 Indian owned clothing factories within a radius of 50 miles of Durban. There are also a number of furniture, sweet and mineral water factories, a sugar mill and a rice mill, while other industries into which Indians have entered include tinned foods, and leather, shoe and cement products.

## CONCLUSION

In an economic appraisal of this nature we take as our starting point and the criterion against which to assess all policy objectives, the need to achieve the most rapid rate of economic growth possible whilst economising on the available resources. In business terms this means putting your money where it earns the highest possible return.

We know that the Indian in Natal is becoming increasingly westernised, e.g. 98% of Indian youths communicate best in English so that there should be no language difficulties in imparting skills to trainees. We know too that he, and she, are becoming increasingly better educated. At the end of 1965 there were an estimated 14,900 Indians in Natal who had passed Std. 8. and a further 7,100 who had matriculated. Graduates numbered an estimated 1,200 and diplomates an estimated 2,000, while in 1966 1,661 Indian students were enrolled at universities in Natal. In addition we also know that the Indian population is growing very rapidly. All this adds up to a large and growing pool of increasingly better educated and potentially skilled labour. Yet somehow this great asset is not being fully exploited. What are the reasons?

Both legal and customary barriers are hindering the Indians' contribution to the economy. Of the former, job reservation has been mentioned as being important. However, we have been unable to find any evidence of this and conclude that, certainly under the conditions of rapid economic growth which the country has enjoyed in recent years, job reservation determinations have had little effect on the employment of Indians.

As far as the legal restrictions are concerned, of much greater significance in our view, are the restrictions on the inter-provincial movement of Indians and the Group Areas legislation. The former precludes the worker from seeking the best market for his labour whilst the latter restricts the freedom of the entrepreneur to find the most economic location for his business. In Durban's central area for example, there are numerous firms which would like to expand but which are not doing so because of uncertainty as to their future.

Important as these factors are, we believe that it is the customary rather than the statutory restrictions which constitute the greatest drag on the fuller realisation of the economic potential of the Indians. Whether or not one agrees with these customary barriers as manifested in the colour bar in commerce and industry, the fact has to be faced squarely that the attitudes of European employers and employees is restricting the rate of growth of Natal's economy to a level below what it could be if the full economic potential of the Indian community were to be exploited. This is the price we pay. But is it worth what we receive for it? We believe that it is a shortage of skilled labour more than anything else which is restricting the rate of growth of our economy. And the Economic Development Programme says the same about the country's economic growth over the next 5 years. Yet here in Natal we have a large under-utilised, potentially skilled, labour force.

We want to leave you with a question - which is better; to seek the most rapid rate of economic growth which the resources of the country can sustain, or to let some of those resources be idle, causing a lower rate of economic growth and necessitating much charitable assistance to the unemployed, in order to satisfy no more than a prejudice?

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