

SOUTH AFRICA BEFORE THE ELECTIONS

By Cyril Campbell

LIKE other countries, the Union of South Africa has suffered from the universal trade depression. Dependent during many years on Great Britain for some of the commonest necessities of life, she during the war was forced by the German submarine campaign's menace to sea communications to rely on her own resources. Consequently many new industries were opened up. South African products, such as wool, were sold at unheard of prices; indeed, to put the matter plainly, the close of the war saw the Union more prosperous than at the beginning. But now she is feeling the pinch. The prices of her usual pre-war exports have dropped practically to normal, while her new manufactures are not yet of sufficiently good quality to compete in the open markets of the world; the banks, which were inclined to be over-liberal at one time, have been obliged, owing to certain disastrous speculations, to curtail their credit and call in bills; and altogether it may be said that there is less loose cash circulating in the Union today than in 1917. Every month business leaders remark that the worst is over and predict that an improvement will soon be apparent. But it seems we have not yet reached zero, nor is the reason hard to seek. As long as Europe is in its present unsettled state, so long will there be financial instability in South Africa.

This, however, is not a reasoning that appeals to the general public. They blame the government. And it is from this and no other cause that South Africa is facing a political crisis regarding which much misinformation is being sent broadcast either by interested parties or by those ignorant of the real state of affairs.

The splendid self-immolation of the Unionist Party¹ some two years ago, when it allowed itself to be absorbed in the South African Party in order to make the secession question a clear issue at the polls, enabled Smuts to gain a clear majority of 22 over the two remaining parties, and it seemed then as if his government was assured of its normal four-year term of office with full opportunity to introduce much-needed social legislation.

Of the Prime Minister himself there is little need to speak. His features and his work are familiar to the world; but in no

¹Representing the ultra-British element and the big financial interests on the Rand.

spirit of carping criticism it must be admitted that he attains far greater heights in world councils than he does in the South African House of Assembly. Possessed of every attribute as a speaker which would place him among the front rank of parliamentarians in St. Stephen's,—for he is ready, perspicuous and inexorably logical,—his great gifts are only too often wasted at Cape Town. The late General Botha and he made an irresistible combination; the one kindly, greatly understanding, the most human of men, able by the sheer magic of his personality to convert foe to friend in a few minutes; the latter incisive, autocratic, with a razor-edge brain. But just as Lee lost his right hand in the death of Stonewall Jackson, so Smuts has been crippled by the untimely decease of his great collaborator. He lacks the simple sympathy that made Botha so welcome a figure among the "backvelders," and in the House he is only too prone to forget the Pauline injunction anent "suffering fools gladly."

Nor has Smuts been too well served by his ministers. With the exception of Colonel Mentz (Defense), on whom something of the mantle of Botha has descended, there is no one who can be described as "pulling his weight in the boat." Mr. Malan (Mines) has naturally to bear the odium of a suspected collusion with the Rand magnates; Mr. Jagger (Railways), an exceptionally able business man, is cordially detested by every employee on the railways; Mr. Patrick Duncan (Interior), although brainy enough as befits one of the Oxford "kindergarten" brought out by Lord Milner, is too superior ever to have any following in a distinctly democratic country such as South Africa. And so with the others. On the Premier's shoulders falls the whole burden and heat of the day.

Unluckily, the security promised by the ample majority seemed to atrophy the energy of the government. The expected legislation on social problems was slow in being introduced; the continuation of the high cost of living made the nation discontented and irritable; and unemployment, despite the sincere efforts of General Smuts to establish white labor camps and forestry settlements, was widespread. The government was subjected to a fire of criticism on the score of its failure to realize the gravity of the situation. This would have mattered little—for neither section of the Opposition had as yet put forward a sound constructive policy—had Smuts been able to rely on his original majority, but an extraordinary series of deaths and

other causes made necessary a number of bye-elections which resulted in his opponents gaining several seats and cut his one-time handsome majority of 22 to 4.

Not unnaturally, the Nationalists and Labor were quick in taking advantage of this change in the position. A long sojourn in the Opposition wilderness is not an exhilarating experience and it behooved them to leave no stone unturned to overturn the government.

Labor were the first to make a move, for it was absolutely necessary to disabuse the public of its fears of their alleged tendencies towards Bolshevism. The disastrous upheaval in March, 1922, when the communist minority, knowing exactly what they wanted, had misled the mass of working men and undermined the authority of the recognized Trades Union leaders, provided a grim warning how easy it is for the tail to wag the dog. The failure of responsible men to control the movement had shaken public confidence and alienated the sympathies of many who, dissatisfied with the apparent apathy of the Smuts government, were not disinclined to throw in their lot with Labor. Consequently, Colonel Cresswell, the Labor leader in the House, introduced at a party conference an amendment to their constitution which would have effectually dispelled any suspicion of socialistic leanings. He obtained the full support of his most able and moderate supporters, but met with active opposition on the part of the extremists. The outcome must have been disappointing to him. He succeeded in obtaining certain verbal alterations, but though the letter of the constitution was changed the spirit remained the same. Mention of one significant point concerning another issue, however, must not be omitted. He announced the unswerving loyalty of his party to the British connection.

In the meantime the Nationalists had not been idle. The cry of secession which they had raised in 1919 and 1920 had proved in many ways disastrous. General Hertzog, the official leader, had always looked upon its open adoption somewhat askance; and it was really Mr. Tielman Roos, a more restless representative of the younger generation, who was responsible for forcing the issue. It had thrown the Unionists into the arms of the South African Party; had fostered racialism of which the country as a whole was heartily sick; had estranged many moderate Dutchmen; and was regarded with the gravest alarm in Natal,

by far the most British of the four provinces. In fact, Natal made no secret of its intention to secede from the Union should the latter secede from the Empire, thus taking up a position not unlike that of Virginia just before the Civil War. Accordingly, it was decided not to revive the idea of secession till some future date, when possibly the country might be more ripe for it.

With the Nationalists' abolition of the secession plank the chief obstacle between an offensive alliance of the two Opposition parties was removed, and as the result of a private conversation between Hertzog and Cresswell there sprang into being the famous "pact" which has evoked such ridicule on the part of the Government Press. Before formal adoption it had of course to obtain the official sanction of both party committees; but this was given within a short time as the result of two conferences, although one Labor member withheld his benediction, explaining his action on the score of his doubts as to the genuineness of the action of the Nationalists in jettisoning secession.

An alliance between the Nationalists and Labor is of course somewhat peculiar since it is tantamount to a partnership between the most conservative and the most radical elements in the country. The Government Press were not slow in recognizing this feature of the new movement, and they spared no pains in trying to drive a wedge between these strange associates.

The "pact" therefore needs careful explanation to make it intelligible, though it is in reality simpler than it seems. Two points must be borne in mind while studying it. First, there is no question of that pre-historic and worn out device of log-rolling. Hertzog did not say to Cresswell in as many words "if you vote for us on this bill, we will give you our support in that." They merely agreed to combine against the common enemy. That is the second point. The alliance is purely offensive. It is nothing else than an arrangement to defeat the South African Party at the next election by all legitimate means, especially by an avoidance of triangular contests, which generally result in the minority of the electorate being alone represented in Parliament.

As this is being written an important bye-election has just been won at Wakkerstroom by the Nationalists and General Smuts has announced in the House the Cabinet's decision to dissolve Parliament and the Governor General's consent to that course. The Prime Minister stated that this unexpected step was taken because the ministers felt that in spite of their retain-

ing a slight parliamentary majority it was doubtful, in view of the special significance of the Wakkerstroom election, whether the Cabinet still had the confidence of the country.

It should be remembered in considering the situation thus presented that the "pact" between the Nationalists and Labor is a temporary election combination. There is no compromise along lines of policy, save as far as secession is concerned, and no pro rata allotment of portfolios in the Ministry has been arranged should the allies attain their object. What would happen in that case obviously depends on the strength of the respective parties. If Labor holds the balance of power, South Africa will have to face the prospect of a political situation similar to that prevailing in Great Britain today, which will be very detrimental to the best interests of the country. There is little chance of the two sections of the former Opposition being able to frame a united program. They differ too much on fundamentals. The Labor members, who view with grave dissatisfaction the vast areas of undeveloped land all over the Union, much of which is held by big companies, have made one of the principal planks of their platform a scheme of land taxation, which is *anathema maranatha* to the big farmers (especially in the Orange Free State) who are the main supporters of the Nationalist Party and find most of the sinews of war for the party chest. The hotheads among the Laborites are also agitating for an eight-hour day in the agricultural districts, an idea which, of course, is plainly childish in such a country as South Africa, if not in any. Lastly, there are ominous signs among the natives. The thousands who return to their kraals from the mines have absorbed the idea of Trades Unionism and are spreading its gospel in every corner of the country. The emissaries of the Ethiopian Church are preaching the slogan of "Africa for the Blacks," and although the older and more level-headed chiefs do their best to suppress these doctrines the younger generation lap them up greedily. It is becoming increasingly difficult every year for the farmer to get his necessary supply of native labor, unless he has several families "squatting" on his land. All this is attributed by the farmer to the influence of theories first introduced into this country by Labor, and, though the Nationalists are for the moment willing to make use of their coöperation, they bitterly resent the principal articles of the Labor creed.

On the other hand a general landslide in the country districts,

which the Nationalists confidently predict, will at least give them time to look around and submit a constructive program. With a majority over both the other parties in the House, they will be able to show that they merit the trust which has been accorded them for so many years by their followers. Of course the bogey of finance has been raised already in South Africa, precisely in the same way as that adopted by the Rothermere press in Great Britain when it was known that Ramsay MacDonald had decided to form a government. With the advent of a Nationalist government to power it is prophesied that capitalists will refuse to venture their money in this country, and that capital being the one thing absolutely essential for the prosperity of South Africa we shall all be ruined. Others again argue that the leaders will be pushed to extreme measures by the mere pressure of their followers who, disregarding the sobering effect which invariably accompanies the possession of office, will show their displeasure in no uncertain way if the promises with which they have been fed and sustained for so long are not fulfilled.

Both these propositions are open to query. It is, however, extremely probable that the mining magnates will engineer some financial coup in order to discredit the Nationalist government, and that may well prove the acid test of political stability. As regards the second menace, few people, save the professional alarmists, take it seriously. The average Nationalists, especially from the country districts, have unlimited confidence in the sagacity of their leaders; and though some demonstration may be expected from one or two of the firebrand members of the Free State, the feeling of responsibility will undoubtedly act as a check on their impetuosity.

It will thus be seen that in the event of Smuts losing the election South Africa is faced with two possibilities,—Labor holding the balance precisely as the Irish Nationalists did at times in the British House of Commons, or the Nationalists returning at least seventy members. In either case it would surprise no one if there were some rapprochement between the Nationalists and the less intolerant members of the South African Party. The old “Die-Hards,” representing the remnants of the jingo Unionist Party, would presumably have nothing to do with such a fusion, but there is little doubt that it would have a most favorable reaction on the country. It would drive another nail in the coffin of racialism, as there is a large conservative British element which

would have no hesitation in ranging itself under the Nationalist banner, once the danger of secession had been removed. Only one real disadvantage can be said to attach to it. With a Nationalist or Nationalist-cum-Labor government, the Parliamentary tone of the house would be raised by the presence of a powerful Opposition, skilled in debate, whereas the present Opposition has shown itself destructive and obstructive rather than interested in the framing of legislation by valuable amendments. The creation of a new National, as distinct from a Nationalist, Party would mean the continuation of the existing order of things, and a weak and purely partisan clique on the Opposition benches. But this is but a small matter. The birth of a big, powerful, united party, comprising both British and Dutch, and heralded into the world by the death and burial of racialism, would be most beneficial to the country. It would at once establish a political equilibrium and so inaugurate a new spell of prosperity for the Union. Its success—and success would be inevitable—would at once dispel the bogey already referred to, the reluctance of capitalists to invest money in a country riven by dissensions, and we should obtain the capital necessary for the development of the vast wealth lying ready at hand.

For there is no use disguising the fact that fresh industries must be found for South Africa, and that right soon, unless she is to fall back in the race for material progress. Within a few years the majority of mines on the Reef, if we except the newer ones on the Far East Rand, will have become hopelessly unpayable; indeed, had it not been for the ill-advised strike of 1922, the collapse of which enabled the mining houses to carry out their policy of reduction of wages, several would have closed down already. It is only by lowering the cost of production per ton, aided also by the gold premium, that they have been able to enjoy a new, if somewhat precarious, lease of life.

Many hard things have been said in South Africa about Johannesburg and its mines, especially by the agricultural community; and in all probability it will only be when the Reef decays that the farmers will realize what they have lost in the way of money by the closure of this vast market with its two hundred thousand native mine workers. The food supplies for the compounds reach a staggering figure, and the value of every ton of it is retained in the country. It is only too obvious, in view of the moribund condition of nearly every central mine,

that without loss of time some substitute should be found. There are plenty of opportunities, for, despite the amazing wealth which has been extracted from Kimberley and the Rand there are many metallurgists who positively assert that the mineral wealth of South Africa has as yet hardly been tapped. The extensive Transvaal iron deposits are ready to hand, affording endless scope for the establishment of vast foundries and factories; manganese has recently been found in the same fortunate province; a big area rich in corundum awaits scientific exploitation; favorable reports have been made in the Wakkerstroom oil shales, and chemists are even now engaged on working out the best means of extraction; mica and asbestos are being worked in a hundred different localities, while many of the most important mountain ranges, the Waterberg for example, have never been exhaustively prospected. And in addition to these mining openings there are many infant industries which only need buttressing up in order to expand. What is needed to attract an influx of capital for these objects is a stable and durable government. If it is stable and durable, no matter whether Smuts or Hertzog is at the head, capital will come in. Hence the first and foremost task of the Nationalist government must be to inspire confidence.

Other problems, of course, await settlement, of which the Rhodesian question and the question of the incorporation in the Union, with full citizen rights, of the inhabitants of former German South West Africa, over which the Union holds a mandate, will in all likelihood prove the most thorny. Rhodesia, as is well known, rejected the advances made some time ago to her by Smuts for inclusion within the Union; and probably were Hertzog to be returned to power she would find new cause for self-congratulation on her decision. But nothing can stay the inexorable march of destiny. Individuals and parties are ephemeral, and as surely as day succeeds night Rhodesia must enter the Union. The negotiations over South West Africa should not be attended with so much difficulty, as there will be no question of waiving established rights and accepting alien guarantees. The settlers there will be exchanging a position of disfranchisement for full citizen privileges. And it may well be that they would find it a less delicate matter to treat with a Nationalist than with a South African Party government.

THE RECONSTRUCTION OF AUSTRIA

By Sir Arthur Salter

THE moment at which the new scheme presented by the Committees of Experts offers the most promising and most serious attempt yet made to solve the central economic problem of Europe, is an appropriate one at which to examine the progress made in the reconstruction of Austria. For among the reconstruction schemes already put into operation the one undertaken in September, 1922, is beyond comparison the most interesting and the most significant which the world has seen since the war. It is a scheme at once constructive and international in character. It is not only keeping a country alive, but it is putting it on its feet, and it is doing this by a combination of national self-help and international coöperation. After the havoc and disorganization left by the war we have seen some countries sink into chaos and destitution, others struggling painfully to comparative prosperity, still others kept alive by external charity. In Austria alone we have a country which, after definitely failing to save itself unaided, and after drifting to the very brink of chaos and destitution, is being brought back by sustained and effective international action. It is now nineteen months since the experiment was planned and sixteen since it has been in effective operation. The task is not indeed accomplished, but the experience already gained is sufficient to permit a general description of the present situation and a reasonable judgment of the future.

I

The situation of Austria which confronted the League of Nations when it was asked by the Allied Powers to intervene in August, 1922, may be very briefly summarized. Its main features are well known. The rich and powerful Empire of Austria-Hungary had in 1919 been broken in war and dismembered by peace as no other country has been in recent history. Of the fragments into which the old empire was divided Austria was by far the most miserable. Vienna, once the rich capital of over sixty millions, was left the center of a small country with only one-tenth of that population. Her own population was more than half that of all the rest of the country of which she