

INTRODUCTION.

By H. WARINGTON SMYTH, C.M.G., M.A., L.L.M., F.G.S., M.INST.M.M.
(Secretary for Mines and Industries).

THE object of this book is to give an up-to-date review of the possibilities of the Union of South Africa as an industrial country. Since the middle period of the War, when this country in common with others was thrown to a very large extent on its own resources, an immense development has taken place in the direction of the utilization of the raw products and natural resources within its borders, and it has become self-supporting in many important lines of industry to an extent which was not thought possible a few years ago.

The Department of Mines and Industries, with the assistance and advice of the Advisory Board of Industry and Science, has carried out a fairly exhaustive survey of the natural resources and the industrial facilities which are known and which appear capable of development in the Union, and the following pages give a summarized review of the position, with references to the authorities from which information on the various subjects is obtainable in greater detail.

Commencing as an agricultural country, South Africa entered upon a period of transition as a result of the discovery of diamonds at Kimberley in 1870, which event, followed by the discovery of the Witwatersrand goldfields and the gradual development of the extensive coal areas of the eastern Transvaal and northern Natal, inaugurated the second or "mineral" era of South Africa's economic growth. The new era was revolutionary in its effect on the form and character of the existing white civilization. It made possible a more rapid development economically, and in point of population, than could ever have occurred under the old agricultural régime. It created the modern commercial community, and it built up the new transportation systems on road and rail.

It was the middle period of the Great War which brought South Africa to the commencement of the third or the "industrial" chapter of its development, in which, for the first time, the conversion of the available raw products of the country into manufactured products has been commenced on an important economic scale.

A study of the map of the Southern Hemisphere shows that the Union of South Africa is so situated as to be in a remarkably advantageous position as a manufacturing and distributing centre in regard not only to the greater portion of the African Continent, but also to such markets as the South American, the East Indian, and the Australasian, and at the close of the War its activities in these directions showed promise of considerable extension.

The development of South Africa since the beginning of the "mineral" era undoubtedly owes a great deal to the presence of its native races, which have, under the direction of the incoming white races, done most of the heavy work necessary in the development of an industrially new country of the size and character of the Union. The presence of these races confers certain advantages on the country in regard to the cost of ordinary unskilled forms of labour, although at the same time it undoubtedly complicates the social problems of the country to an enormous extent. In considering the future development of industry in the country, the native labour factor will exercise a great and, if properly guided, a beneficial influence, and must be kept in mind.

The following pages are intended more especially for those who contemplate the possibility of the investment of capital and the establishment of branch industries in areas of the globe outside Europe,