

The Natal Land and Colonization Company in Colonial Times

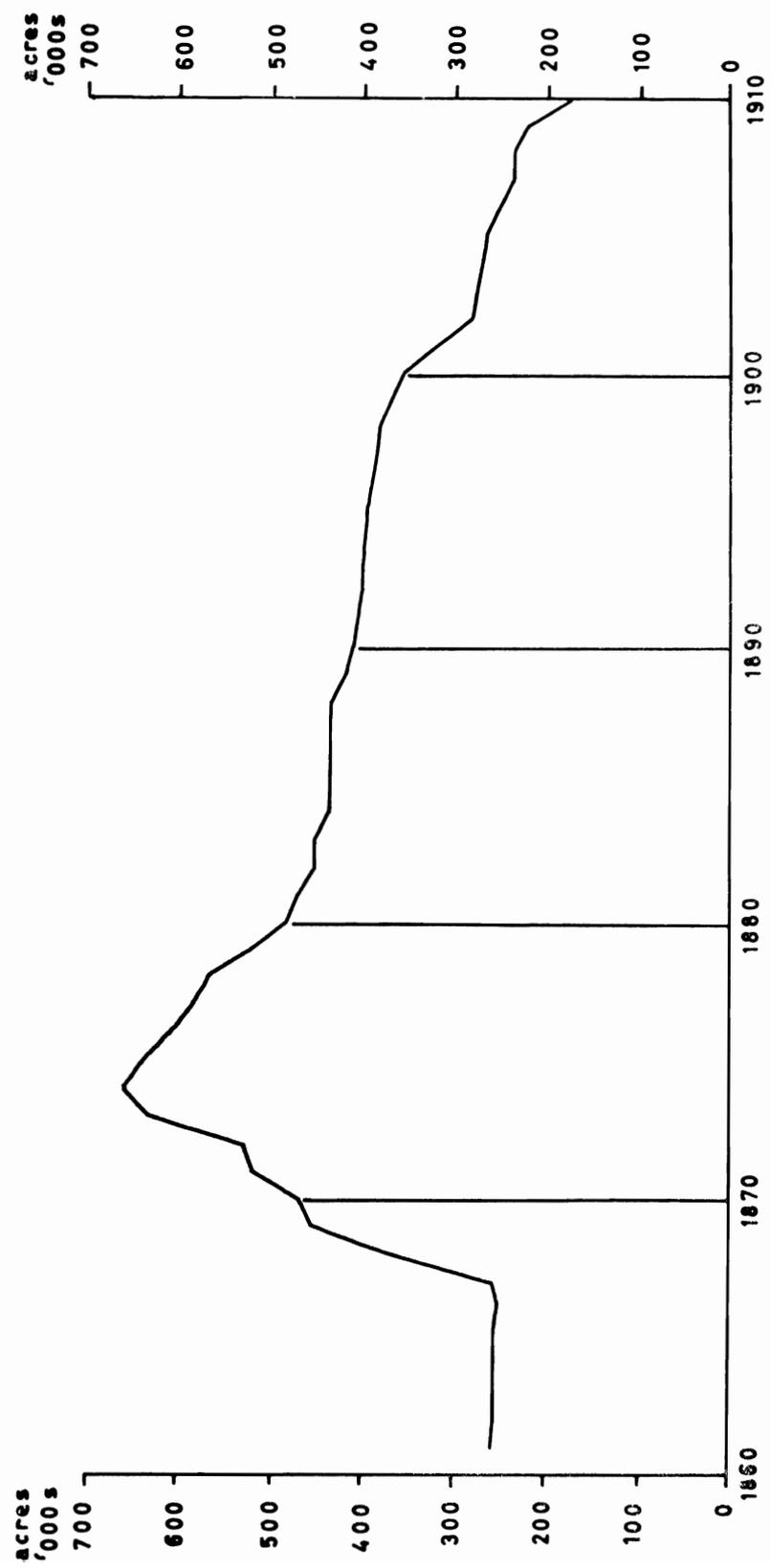
LAND speculation began in Natal in the early 1840s and speculators soon amassed large holdings which they were, in the event, unable to dispose of at a suitable profit¹. In 1860 a group of London financiers and Cape merchants founded the Natal Land and Colonization Company. The object of the company was to promote emigration to Natal by utilising British finance to develop the land of Natal. A number of speculators, financiers and colonists were brought together through the agency of Adolph Coqui to pursue this object. It was their intention to sell land to immigrants on reasonable terms and so lead to the speedy colonization of Natal, which would be to the benefit of the company and its members.

In August 1861 the company was brought into being in Natal with a pool of nearly a quarter of a million acres. The interested parties took out shares in the company to the value of the land transferred to its ownership. The initial optimism of bringing capital and manpower from England to the land of Natal proved to be no more founded on reality than earlier schemes had been, as comparatively little was accomplished with regard to emigration for several years. It was only in 1865 that the terms of the colonization plans were published in England, but the onset of the major economic depression at the end of the American Civil War effectively prevented their implementation.²

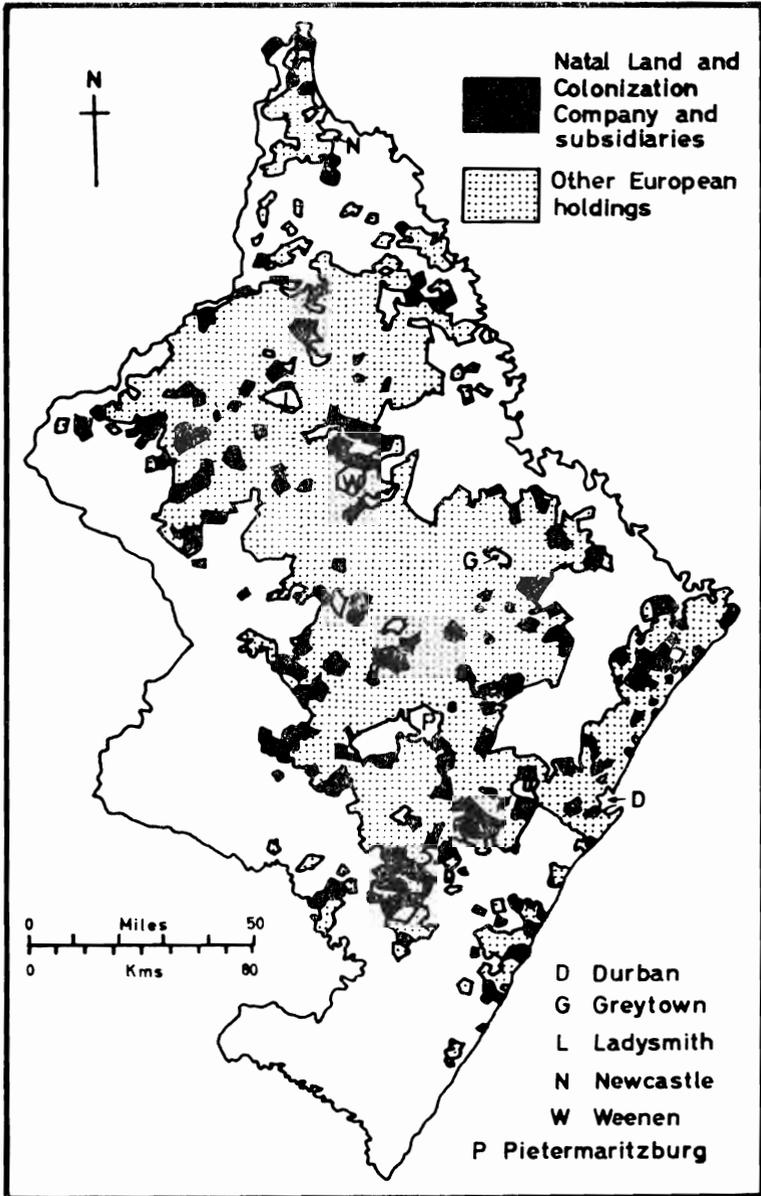
The company had a major advantage over its rivals in that capital from London continued to flow into Natal and it was thus able to increase its holdings during the depression. Additional land came from bankrupts and subsidiary companies such as the Natal Investment Company and the Natal Cotton Plantation Company. The expansion period, however, ceased in 1874 when all the subsidiaries' holdings were consolidated with those of the company.³ Thereafter the area of company land declined (Fig. 1). Initially the company held much of its land in the midlands of Natal, whereas the coastal properties in 1870 accounted for only 12,7 per cent of the total (Fig. 2).

Little of the company's land was used initially — only 12,8 per cent of the total was leased for grazing purposes. However, five small experimental farms for the cultivation of sugar and other tropical crops had been established in the coastal belt. Otherwise the lands of the company and its subsidiaries lay waste and remained in African occupation. The low degree of use was the subject of settler concern by the mid 1870s when the first official enquiries into the effect of so much idle land were made.⁴ Settlers' pressure on the company was to continue in varying degree until the First World War.

The company possessed much good agricultural and pastoral land, and indeed claimed with some justification that it possessed land superior to that of the



Graph — land holdings of the Company 1860-1910. (Fig. 1)



Map of land holdings of the Company. (Fig. 2)

Crown. However, it demanded high prices. These ranged from 10s. 6d. per acre in the interior counties, 22s. 6d. per acre in the midlands to 60s. per acre in the coastal counties. Such prices were high when it is considered that in 1870 ninety per cent of all rural land sales in the colony were for prices below 4s. per acre. However, prosperity returned to the colony in the 1870s and land values rose rapidly. A system of generous deferred payments and free grants of 50 acres to persons undertaking to purchase a further 450 acres led to rapid sales of the most desirable lands.

Thus by 1880 the company was beginning to achieve its aims. Rents from town properties, and Africans on farms brought in an income of £10 000 per annum. Grazing leases were such that nearly half the company's lands were leased and Africans paid a hut rent. It was inevitably in the north of the colony that most leasing occurred, and these lands were most rapidly depleted. The coastal properties brought in considerable rentals from Indians and Africans and settler opinion appeared to think the company had lost interest in selling the lands.

In the period 1879-1882 eleven properties, almost entirely on the coast or adjacent to the main roads were divided into small properties for sale at prices from £2 to £10 per acre. Some schemes included townships, such as Frere, but most did not. In all 617 small lots covering 55 000 acres were laid out. The average size was only 89 acres compared with an average size of farm of 1948 acres in 1880. The schemes could not be regarded as successful. One complete settlement scheme of 6 000 acres was sold to a single purchaser but of the remaining 49 000 acres only 5 500 acres had been sold by 1890, mostly in the one settlement of predominately large units (average size 500 acres). Even in 1900 the area sold was only 11 000 acres and in 1910 24 000 acres, or approximately half after thirty years. Blocks of plots were often sold to single purchasers to provide more realistic holdings.

The settlements were intended to coincide with a renewed drive for immigrants by the government. Certainly a greater number of persons were coming to South Africa in the 1880s compared with the 1870s (1870s 41 000 persons emigrated from the United Kingdom to South Africa; 1880s 87 000). However, comparatively few came to Natal as the European population of the colony only numbered 46 788 in 1891.⁵) The settlements were based on small plots and so ran into some of the same problems as the Byrne settlers had experienced in the 1850s. In this respect the government settlement schemes planned at the same time as those of the company were more realistic as the average size of plot was 370 acres. Nearly all the government lots were disposed of at prices ranging from 7s. 6d. to 10s. per acre almost immediately after the schemes had been published. The company, as a commercial concern, needed to make a profit. Some of the government schemes made a loss but were regarded as profitable in social terms as settling more Europeans on the land. The high prices charged by the company for its rural properties deterred purchasers. Even a temporary reduction of coastal properties by 10s. per acre brought no response. Essentially the company had to wait until the general level of land values had risen, to dispose of its holdings profitably. The coastal properties were the last to be sold, so that the coastal proportion of the company's holdings increased to 33.9 per cent by 1910.

African tenants provided a third (£5 600) of the company's income in 1890. The figure rose to £6 900 by 1900. The settlers' idea that the company, unwilling to sell its lands at a reasonable price, was engaged in 'Kaffir farming' appeared to have some grounds. The company's substantial holdings (in 1900 the company still possessed 402 000 acres) were increasingly looked upon as a source of land for European immigrants. By 1900 the Crown Lands of the colony were virtually exhausted so that there was no land available for the expected influx of settlers after the South African War of 1899-1902. Pressure increased upon the company to sell its lands. Eventually the Natal Government decided to tax unused land as a means of raising revenue and forcing the company to sell. The Income and Land Tax Acts of 1908 marked the virtual end of the company as a major landowner.

The Act provided for absentee taxes which in 1909 meant that the company had to pay £5 059 in taxation. Although the company's influential associates in London managed to have the Act repealed, the company decided to sell its remaining rural lands as rapidly as possible. In 1910 alone it sold 48 000 acres, mostly to the Government for closer settlement schemes. Sales were based on valuation rather than the prices claimed by the company. The company directors decided to concentrate their attention upon the more profitable and less politically dangerous urban properties.

The Natal Land and Colonization Company had a profound influence upon the development of the colony of Natal. It provided an inflow of much-needed capital after several attempts at development had been unsuccessful and consequently boosted the economy. The company's experiments with crop production on the coastal belt particularly benefitted the sugar industry through setting a standard to which others might aspire. The beneficial effects of the company's operations are not easily measured and as such were largely disregarded by contemporaries.

The detrimental effects of the company's operations in colonial times have been more widely noted. The company, in pricing its land so highly, effectively prevented its settlement. Although the prices demanded were reasonable by Australian or even American standards, they were excessively high in the southern African context. Thus, instead of selling land and promoting colonial development, company land formed a barrier of waste. The concentration of company holdings between Durban and Pietermaritzburg was particularly significant. The railway, when it was constructed, had to traverse tracts of unused land which could bring it no profit. Economic development for the colony as a whole was retarded by this state of affairs. Railway construction, usually the key to colonial development, was thus delayed both on the Durban-Pietermaritzburg section and also along the north coast, where another major block of company land existed. The company was also willing to sell land to Africans and Indians in small blocks. The African and Indian tenants bought portions of the company's holdings and thus created the problem of 'black spots' which were the subject of controversy in the 1960s. This was a departure from usual colonial practice when few Africans were able to purchase land for economic reasons.

The company represented a stage in the colony's development, and was typical of a host of companies formed to develop land in many parts of the world in the nineteenth century. Its peculiarity was the length of time that it held its land, owing to the slow rate of the colony's development; and it therefore was not as profitable an undertaking as many of its contemporaries. The Natal Land and Colonization Company thus played an important and anomalous role in the development and lack of development in Natal before Union.

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Notes:

1. Christopher, A. J., 'Colonial Land Policy in Natal', *Annals of the Association of American Geographers*, Vol. 61(1971), pp.560-575.
2. Natal Land and Colonization Company, *Plan of Assisted Emigration and Land Settlement*, London: Jarrold and Sons, 1865.
3. Figures have been calculated from the statistical records of the Company and from the Deeds Office, Pietermaritzburg.
4. Natal, *Report on Crown Lands and European Immigration*, 1876.
1. Christopher, A. J., 'Natal — The nineteenth century English emigrant's Utopia? An appraisal of emigration literature,' *Historia*, Vol. 18 (1973), pp. 112-124.