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Editorial

Profound political change occurs in discontinuous leaps. When such a shift is in the offing analytic uncertainty multiplies and the range of political possibilities expands. As the major class forces coalesce and move towards confrontation, the petty bourgeoisie and the lumpen are caught in the middle vacillating more violently than ever as they are forced by events to take sides. Their potential for heroic acts and for dastardly deeds becomes virtually simultaneous. At such times analysis is wholly submerged in praxis. It is at such times that history is made most directly by men and women. Such a time is fast approaching in South Africa.

Those of us who are not direct participants in such a struggle must recognise the impossibility of contributing directly to the intense and detailed strategic and tactical debates that such a struggle involves; must recognise the essential irrelevance of our judgments in these matters, however well we buttress our arguments with footnotes and quotations. However we must not be reduced to revolutionary voyeurism. Ultimately the struggle of the oppressed people of South Africa confronts a system which is international, a system of which we are as much a part as they. Hence our expressions of solidarity must take the form of political activity which exposes and impedes their enemies, rather than the form of words of sympathy.

In addition we believe that some contribution can be made in the sphere of analysis with respect to the location of the South African case in an international and an historical context. It is that task which the articles in this issue seek to address. While they stop short of drawing detailed inferences for the present struggles it is hoped that such inferences can be readily drawn from each of them, although different groups will inevitably draw different conclusions.

Some readers might feel that the articles which follow concentrate unduly on the machinations of capital and the squabbles between its different fractions. It should be clear from those discussions that such
an emphasis cannot be confused with the similar bias in much South African historiography which is based on the racist assumption that the history of South African whites is the history of South Africa. The articles presented here take the form they do because they seek to analyse the enemy, because that is a vital necessity and because that is an area in which it is possible for us to make a contribution.

Two of the contributions deal with the divisions existing between different fractions of capital and with their objective and historical roots: one (Davies/Kaplan/Morris/O'Meara) represents an attempt to apply Poulantzian concepts to that vital period of South Africa's history when a relatively nationalist strategy was pursued by the Government of the Union. This involves a thorough and detailed study of the conflicting interests which divided capitals and which were resolved by those fractions who managed to gain hegemonic control of the state through the establishment of various alliances and coalitions. The major divide is seen to lie between national and foreign capitals defined on the basis of the locus of their real ownership and control.

The other article which deals with this issue (Bienefeld/Innes) is of a much more general nature. Its major purpose is to clarify the limitations of a so-called nationalist strategy, and it begins by rejecting traditional distinctions between national and other capitals. Instead it suggests that a distinction should be made between capital on the basis of the differing investment opportunities to which it will respond. It attempts to show that such a distinction between national and international capital provides a useful way of interpreting some of the major events in South Africa's history while also pin-pointing the crucial constraints which would beset a nationalist strategy in future.

The remaining articles all address questions related to the manner in which capital has sought to protect its general interests through the manipulation of latent and existing divisions between workers and between blacks. Hence the paper dealing with trade unionism (Davies/Lewis) show clearly the degree to which capital has constantly concerned itself with efforts to channel and direct any organised expressions of the interests of labour. While this is hardly surprising, it illuminates the striking ambiguity of the trade union struggles which are developing by accurately describing the Government's methods and purposes in this sphere of struggle. For labour this is an important battleground but battle must be joined in the full knowledge that this is a sphere in which things are not always what they seem.

The last two papers both deal with the question of the Bantustans. One (Innes/O'Meara) does so specifically by considering the implications of recent developments in the Transkei. It provides an analytic perspective which locates these developments in the context of a general effort to divide Africans in general, and workers in particular. While the independence of the Transkei is shown to be a further development of this strategy which is critically based on an attempt to create belatedly a politically significant African petty bourgeoisie, the authors give powerful reasons why such a strategy is unlikely to succeed under the objective conditions of its implementation. The second paper to deal with this issue (Legassick/Wolpe) urges an analytic perspective which
locates the shifts in the general policies concerning the labour reservoirs in an analysis of the international economy, and within that, in an analysis identifying the significance of the growth of manufacturing industry in South Africa. It further draws attention to the importance of various distributive mechanisms in allowing capital to divide labour against itself, and in this context also suggests that the problems associated with the current international recession have to be seen as the background against which events in South Africa should be analysed.

In the Briefings section we have presented a variety of documents reflecting the thinking and analysis of some of the groups actively engaged in current struggles in South Africa. These documents indicate the importance of the black consciousness movement in the current phase, while also pointing to the emergence of an explicit recognition that the movement must go beyond this ideology. However in doing so it must maintain and expand its base within the masses of the population. It is this requirement which makes the correct ideology something which is historically specific, and not something derivable from pure theory.

What Soweto makes brutally clear yet again, however, is that the struggle for the ultimate allegiance and support of those caught in the middle is a physical, not an ideological, battle. It is the ability to win battles, to provide security and to deny the state the ability to provide security on its terms which will finally steel the resolve of many who believe in the cause, but who are ultimately driven into the arms of the state through fear and confusion. Surely it is this reality which explains the fanatical overkill practised by the South African state in the recent riots. Here was an almost hysterical demonstration of its monopoly of physical means of repression, clearly designed to intimidate and to force those in the middle into the arms of the authorities. But, while this clearly affected a number of groups in the manner intended, the very hysteria of the response betrayed the efforts of the state to present itself as being in total control, easily able to deal with any difficulties. Coming hard on the heels of Angola and of Mozambique, these events take on their real significance in exposing the vulnerability of the state. To be sure, it inevitably put down the demonstrations in question, but the lengths to which it had to go to do so threatens to make it a very hollow victory.

Soweto is a small step on a long journey. Those brave souls who faced the arms of the police with their bare hands sacrificed much with little hope of victory in the short run. The panic which they engendered augurs well for those who will follow in their footsteps, and who will confront the state in conditions which they choose with care. Their victories will build on the foundations of Soweto.
Class Struggle and the Periodisation of the State in South Africa

Robert Davies
David Kaplan
Mike Morris
Dan O'Meara*

This article represents an attempt to periodise the South African state through an analysis of political class struggle. The analysis draws heavily on the theoretical work of Nicos Poulantzas. The changing patterns of conflict and alliance between the different classes and "fractions" in the "power bloc" are traced in an attempt to identify changes in the form of state and form of regime. The analysis, concentrating on three historical periods — the Pact period, the Fusion period and the period between 1940 and 1948 — thus provides a fundamental reinterpretation of South African history, and shows how the ground was cleared for the capture of state power in 1948 by those class forces represented by the Nationalist Party.

* The alphabetical order of authors reflects the fact that this article was written collectively, after discussion.

Introduction

This article is concerned with the periodisation of the political in South Africa, i.e. changes in the form of state. As such, it is not principally an analysis of the fundamental relations of exploitation characterising the South African social formation. What it examines then, is not the principal contradiction of the social formation (the relationship between the dominant and dominated classes) but the secondary contradictions between the different fractions of the dominant classes. But, to characterise contradictions as secondary is not to characterise them as unimportant. On the contrary, what we will attempt to show is that the resolution of these contradictions was to have an important effect upon the whole trajectory of capitalist development in South Africa. We are therefore concerned to understand the historical role of the South African state in the class struggle — more particularly, which specific interests it served, and how it came to assume its specific and distinctive form.

We begin by asserting the primacy of the class struggle as the motor of history. Classes are constituted principally at the level of production, but to constitute them as social classes it is necessary to situate them
with respect to the social division of labour as a whole, which includes in addition political and ideological relations. The reproduction of social classes is never the mere unfolding of the internal logic of capital, but occurs only under concrete conditions of class struggle. It is in this sense that the structural determination of classes is specified. However, at any stage in the class struggle, social classes can assume different positions. Thus class position does not flow automatically from a class determination. We thus specify social classes by reference to both the structural level (class determination) and their position in a particular conjuncture (class position) (Poulantzas 1975 p. 14).

Within capitalist social formations, however, classes are not reproduced as a unity, but are fractured and divided. Several dominant classes co-exist (dependent on the articulation with other modes) and, more critically, the dominant capitalist class is itself divided into several fractions (resting on their differing roles in the expanded reproduction of capital). The dominant classes and fractions share a common interest in the maintenance of the relations of exploitation in general, but simultaneously have contradictory interests corresponding to their particular place in the relations of exploitation.

This contradictory unity within the dominant classes is expressed in the concept of the power bloc, denoting the co-existence of several classes/fractions in the exercise of that political/ideological domination necessary to maintain relations to exploitation — a co-existence ensured and organised through the capitalist state. However, the state and state power cannot be divided and parcelled out amongst the classes/fractions within the power bloc. State power is a unity requiring organisational direction to be effective. Thus there is always struggle within the power bloc to assume this organisational role, and thereby ensure the primacy of this class/fraction's particular interests. The concept of hegemony is constituted with reference to the class/fraction which assumes this organisational role.

Differences in the form of state are determined firstly, by changes in the composition of the power bloc and its allied and supportive classes, and secondly, by changes related to which class/fraction is hegemonic. The latter, we argue, is critical to any analysis of the South African state.

As an imperialist-dominated social formation, South Africa was characterised by the co-existence of imperial or foreign capital and indigenous, national capital. These terms are, in the first instance, intended to denote the locus of real ownership and control. But additional factors are involved in establishing this as the critical division within the power bloc. Firstly, the concentration of foreign capital largely within gold mining and the independence of capitalist agriculture from foreign ownership and control, reinforced this division through its coincidence with particular sectoral interests. Secondly, this division corresponds to differing stages in the development of the capitalist mode itself — mining characterised by monopoly capital at an early stage, and agriculture/manufacturing largely characterised as competitive capitals. Finally, the significance of political/ideological criteria should not be underplayed. Reflecting their base in different sectors of production,
it is here that the English/Afrikaner traditions are to be located. It is this division between foreign capital (largely mining) and national capital (principally agriculture or manufacturing) which is critical in periodising the South African state.

Our periodisation begins by analysing the conjuncture of the early 1920's. While important struggles predated this period, it does represent a crucial watershed since it is a striking feature of the South African state that at this early stage a particular conjuncture in the class struggle enabled national capital to assume hegemony within the power bloc. This had determinate effects on capitalist development within South Africa. Our analysis ends shortly after 1948 but this does not imply that there have been no important changes since then. Quite clearly various struggles between the fractions of the dominant classes and, more importantly, struggles between dominant and dominated classes have profoundly influenced the character of state policies and state institutions since that date. Though we have not attempted to analyse these struggles, we hope that the method of analysis and the characterisation of the state in the early Apartheid period contained in this paper will make some contribution to assist the analysis of this later period.

The Pact Period: Contradictions Leading to the Change in Hegemony

We have already emphasized the primacy of class struggle in an analysis of the form of state. It is therefore necessary, in order to understand something of national capital's position of hegemony after 1924, to understand something of the struggles by which it seized hegemony from mining capital, the principal fraction of international or imperialist capital, which exercised hegemony before that date. Understanding these struggles requires in turn some understanding of the interplay of two particular contradictions which characterized the period of mining capital's hegemony. The first of these was the contradiction between mining capital and national capital then consisting of capitalist agriculture and industrial capital. And the second the contradiction between mining capital and its white wage earning employees. Both of these contradictions were heightened during the crisis which affected the whole of the imperialist chain in the years after World War I with the net result that mining capital became isolated from its former allies within the power bloc and from its former supportive classes outside of the power bloc. This then created the conditions for the formation and consolidation of the alliance which eventually defeated mining capital in the struggle for hegemony.

The contradiction between mining capital and national capital arose from the uneven development of the different capitalist fractions in the South African social formation. Much of national capital was internationally cost inefficient, producing at higher than the world average cost price. Their interests therefore lay in restricting foreign competition and maintaining an internal market for their products based on higher than world average prices. Mining capital's interests on the other hand lay in minimising the prices of these commodities internally. The commodities which national capital produced were for mining capital cost items either directly as elements of constant capital or indirectly as wage goods, and thus whilst national capital's interests
led it to demand a policy of protection, mining capital's interests led it to demand a policy of free trade.

These differences between the capitalist fractions over free trade and protection were greatly intensified during the post-war crisis. The crisis affected South African capitalism in two ways: firstly through a fall in the premium price for gold and secondly through the effects of a sharp fall in world prices for industrial and agricultural commodities. Faced with a fall in the price of gold, mining capital embarked upon an intensive programme of cost minimisation and thus became even more resistant to the demands for protection. And faced with heightened foreign competition due to the fall in world prices and the re-opening of trade routes after the war, national capital became even more insistent in its demands for protection. With mining capital hegemonic it was its position which prevailed. The state remained committed to a policy of free trade. What protection there was during this period existed by way of compromise with members of the power bloc and fell far short of national capital's demands for effective protection. The Board of Trade and Industries set up by the Smuts government in 1921 after a period of intense pressure for protection was a mere facade. It was purely an advisory body with no statutory powers, alternatively dictated to or ignored by ministers committed to the free trade ideology of mining capital and its ally, commercial capital. Few recommendations for real protection emanated from it, and even fewer protective duties were actually introduced. For some sections of national capital, indeed, the post-war drive to reduce costs for the mines actually meant loss of that protection which they had hitherto received. Among those in this position were wheat farmers who in 1920 lost their favourable rail rates at a time when falling world wheat prices increased foreign competition; meat farmers who faced competition from Rhodesian imports admitted tax free; and tobacco farmers who became subject to an excise duty as part of a fiscal policy designed to relieve the tax burden on mining capital. The net effect of all this was that national capital became over the period further and further alienated from mining capital. This manifested itself in a number of realignments and struggles at the level of party political representation. After an abortive attempt in 1919-1920 to reunite the governing South African Party and the Nationalist Party into a party of national capital, the SAP merged with the Unionist Party to become the authentic party political representative of mining capital. Agriculture then increasingly deserted the SAP for the Nationalist Party which accordingly became the authentic party of agricultural capital. By 1924 in fact, the SAP retained the support of only a few clearly identifiable fractions of agriculture which had particularly close economic and ideological ties to mining capital. Among these were farmers in the East and West Transvaal who were closely tied to mining capital by market relations and who had been the recipients of capital subsidies immediately after the South African war. Manufacturing capitalists, in the words of one of their leading spokesmen "utterly tired of a Government that promises so much in respect of the support of local industries and performs so little", also increasingly broke with the SAP. Indeed by 1924 many of the leading spokesmen were clearly identifying themselves with the Nationalist Party. Among them, Prof. Fremantle, a member of the Board of Trade and
Industries and a leading ideologue of protection; Karl Gundelfinger, a prominent director of numerous manufacturing concerns; and W.J. Laite, for many years the Chairman of the Federated Chambers of Industries.

The struggle between national and mining capital was, however, not on its own sufficient to produce a change in hegemony. National capital alone was not strong enough to displace mining. It was the play of the second of the two contradictions which produced the political and ideological crisis which weakened the hold of mining capital over the social formation, and which produced the necessary allied and supportive classes for national capital.

To understand the form which the second contradiction assumed, we have to understand something of the structural conditions of the gold-mining industry, recognizing of course that these had themselves been determined in class struggle. The main direct producers in the mining industry were a large number of low paid migrant African workers. As well as these, there were a smaller number of relatively highly-paid white wage earners. Most of the latter were employed either exclusively, or in conjunction with some productive task, in the work of supervision and control and are therefore, as capital’s sergeant-majors, identifiable as a new petty-bourgeoisie,* although there was also a minority of white wage earners employed exclusively in various skilled productive tasks — mainly in servicing and repair work. Arising from this structure of production relations was a particular wage structure in which the total wage bill of the white minority exceeded the total wage bill of the African majority. So far as mining capital was concerned therefore, one of its principal reducible cost items was the white wage bill. This could be reduced either directly by cutting the wage rate or (more usually) indirectly by re-organizing the labour process to turn over to Africans some of the actual tasks of productive labour performed by whites. Thus, although mining capital was involved in a number of defensive struggles with African workers, when mining capital itself took the offensive it was during this period usually against white wage earners. The post war gold price crisis prompted mining capital to take the offensive in just such a struggle. After a fairly lengthy process of futile negotiation with white unions, mining capital attempted to lay off two thousand whites. This attempt was met by a strike in 1922, which eventually escalated into an armed confrontation only put down after the massive intervention of the state’s armed forces.

It was the armed struggle of 1922 which was the real political and ideological crisis point in the rule of mining capital. Not only did it undermine any support which had previously existed among the white new petty bourgeoisie for mining capital itself, it also threatened to undermine their support for the very form of state. It thus created the conditions for national capital to form an alliance with a section of the new petty bourgeoisie (manifest at the party political level in the electoral pact entered into between the Nationalist Party and the new petty bourgeois dominated Labour Party in 1923) and to draw support from other sections of the white and indeed black wage earning classes.

*See Poulantzas, 1975, pp.228-30. It is for this reason that we use the term wage earners rather than workers to denote white employees involved in capitalist production.
(such as those strata represented by the Communist Party and the Industrial and Commercial Union both of which supported the Pact in the 1924 election). It also created the conditions which allowed national capital to put forward its own hegemony as a necessary condition for the continued stability of the social formation. Eventually in 1924, in alliance with a fraction of the new petty bourgeoisie and supported by strata of the white and black wage earning classes, national capital achieved hegemony.

The Pact Period: The Hegemony of National Capital 1924-1933

The role of the state and the nature of the contradictions during the first period of national capital's hegemony (1924-1933), have to be understood in the context of the class interests of national capital. National capital’s economic interests did not lie in interfering with the production of surplus value in the mines, but in appropriating part of that surplus to subsidise the development of national capital. The state’s role over this period was not therefore to impose restrictions which hindered the production process in the mines. On the contrary, the state under the hegemony of national capital proved to be a firm defender of the conditions necessary for capitalist production in the mines — often, as we shall see, against the interests of the new petty bourgeois allied class. Rather, its role was to intervene to create the conditions necessary for the development of national capital, appropriating the surplus value necessary for this purpose by imposing a variety of higher charges and taxes on mining capital.

One of the most important of the state’s interventions for the direct benefit of national capital, was its intervention to establish a comprehensive and effective system of tariff protection. This began in 1924 when the Board of Trade and Industries was reconstituted. Its recommendations resulted in the passing of the Customs Tariff Act of 1925. This Act, in the words of a Board of Trade and Industries Report issued in 1945 “marked a definite change in policy on the part of the Union Government. It is in general regarded as the inauguration of a more deliberate and purposeful policy of protection than had been the case previously.” At least 28 items previously admitted free of duty or subject only to a low revenue duty, became with the passing of this Act, subject to a duty designed to protect local production. In addition, foreign competition was also restricted by the removal of rebates previously granted to British products under Imperial preference, and by the imposition of additional exchange dumping duties during the recession of 1929-33.

Although capital goods for the mines were exempt from duty, tariff protection affected mining capital by raising the cost of wage goods and stores. According to the Chamber of Mines’ own estimate, tariff protection imposed an extra cost equivalent to 6d per ton of ore milled (out of a total cost of 17/- per ton). For this reason mining capital continued to oppose extensive protection for national capital throughout this period and beyond. This was true, even after a considerable number of industries had become dependent on the continuation of the protective policy.

In addition to general tariff protection, agriculture, the leading ele-
ment of national capital, received other special forms of protection as well. The importation of cheap Rhodesian beef for the mines was restricted by an Act passed in 1925, and the excise duty on tobacco and other agricultural products was considerably reduced. Furthermore, a wide range of subsidies and grants to agriculture was introduced. According to one estimate, the direct state subsidization of agriculture (in addition to the benefits granted by protection) was, by 1933, costing some £2.4 million per annum. These subsidies affected mining capital through the appropriation of tax revenue (largely obtained from surplus produced in the mines). They too, were therefore to some degree or another opposed by mining capital throughout this period.

Other similar state interventions of the period included the restructuring of the railway tariff, and the establishment of the state run Iron and Steel Corporation (ISCOR) — regarded as a cornerstone of a successful programme of national capitalist development. The further restructuring of railway rates benefited national capital through reduced freight charges for agriculture and manufacturing made up for by higher charges levied on materials for the mines. Once again, both these interventions involved increased costs for mining capital. According to the Chamber of Mines, the restructured railway tariff imposed an extra cost equivalent to 1.7d per ton of ore milled. While ISCOR involved the state in capital expenditure of some £3½ million on a venture which did not become profitable until the late 1930s. Both interventions were accordingly also opposed to some degree by mining capital.

In short it can be seen that the protective policies of the Pact period depended upon the outcome of the struggle between the major fractions in the power bloc. The implementation of such policies therefore depended upon, and provide us with an index of, the hegemony during this period of national capital.

The Pact Period: The State and White Wage Earners

The analysis of state policy towards white wage earners over this period is however necessarily rather more complicated. A relationship of alliance or support between a class or fraction outside of the power bloc and the hegemonic fraction does not necessarily produce economic benefits for the allied or supportive class. In fact, such relationships at the political level are often accompanied by intense struggle at the economic.

For the new petty bourgeois allies of national capital the position with regard to economic gains was rather contradictory. As previously mentioned, it was not in the class interests of national capital to disrupt the production of surplus value in the mines. Nor was it in national capital's interests to provoke a generalised rise in wage rates affecting all sectors by increasing those on the mines. Both points were made very clearly by the members of the 1926/7 Mining Industry Arbitration Board — personalities closely identified with the new government. The period was not therefore one of massive wage increases for the new petty bourgeois white miners. Average wage rates, which ranged between £259 and £327 per annum between 1925 and 1932, actually
remained below the average of £419 which had prevailed before the 1922 strike. Nor was this a period which saw the restoration of the racial demarcation of jobs which had existed before 1922. The total number of whites employed on the mines remained throughout this period below the record numbers employed in the years immediately following World War I, while the ratio of whites to blacks employed on the mines averaged between 1:9.3 and 1:9.4, compared to 1:8.3 in 1921. On the other hand the white miners did, during this period, gain on important concession in the form of statutory protection for their existing positions in the division of labour. This came under the 1926 Mines and Works Act which restored the statutory colour bar to a number of positions — though not to any which mining capital was then planning to transfer to Africans.

For whites in employment outside of gold mining, the position was very similar. There was no dramatic increase in wage rates as a result of the alliance — the workers’ state (even the white workers’ state) was a myth. In fact average white wage rates in manufacturing industry which had been reduced after the 1922 strike, were not restored to their pre-1922 levels under the Pact. However, there was one form of state intervention which did result in fairly substantial economic concessions for white proletarians. That was the state’s intervention to secure employment for the previously unemployed, unskilled poor whites. The reason for this intervention was that unemployed poor whites, concentrated as they were in the cities and towns, were considered by all fractions of the dominant classes to constitute a threat to the stability of the social formation. That perceived threat operated on two main levels. In the first place unemployed whites living in conditions of marginalisation were considered likely, in the words of a 1913 parliamentary Select Committee, to sink into “a corrupting intercourse with non-Europeans”, and, secondly, it was considered likely that they would give support to militant struggles by whites and possibly even blacks. Tielman Roos summed up the conventional wisdom on the second aspect, when he said:

“This country would always be on the edge of a volcano as long as they had large numbers of unemployed . . . If they did not absorb the unemployed, they would have recurrences of the trouble on the Rand on a bigger scale than they had yet had.” [House of Assembly Debates 1922]

The increased state intervention of the period was principally a response to the growing crisis caused by the increasing numbers of whites falling into the poor white category, the inadequacy of previous measures directed towards solving this problem, and the possibilities for a solution created by industrial development. Various estimates of the number of poor whites (defined so as to include both urban unemployed and those subject to extreme pressures of proletarianisation in the rural areas) show a rise from 106,000 in 1916 to 120,000 in 1921, and to 300,000 in 1933 indicating the growing magnitude of this problem.

In intervening to solve this problem the state was essentially serving the common interests of the power bloc. In fact it was doing little more than enlarging and extending policies which the state had pursued under the hegemony of imperialist capital. There were differences between the fractions over concrete proposals, of course, but these
were confined to relatively minor points of method and the precise incidence of the cost burden. No significant fraction opposed the civilized labour policy per se. Members of the SAP, in fact, sometimes accused the Pact government of not going far enough in this direction.

State intervention on the white labour issue during the Pact period can best be considered under two heads. First, there were attempts to promote the employment of civilized (i.e. white) labour in the private sector, which significantly did not include in practice agriculture or mining. A variety of new laws and regulations were introduced, at this time, to give the state the necessary instruments. These included the fair labour clauses in the Customs Tariff Act and in the regulations for government tenders, which made tariff protection or the award of a government contract, conditional upon the contractor employing “a fair amount of civilized labour”. Perhaps more important during this period was the Wage Board, established under the Wage Act of 1925. It was used to reinforce the tendency to mechanisation in industry and to ensure that a large proportion of the semi-skilled jobs thus created were filled by whites. It did this by establishing statutory minimum wages, which made it impossible for smaller capitals, employing labour processes which depended to a greater extent on low wage, unskilled African labour, to compete successfully against larger capitals. Partly as a result of these measures the numbers and percentage of whites employed in private industry increased over the period from 66,189 or 30.7 per cent in 1923/4 to 87,173 or 45.2 per cent in 1932/3.

Secondly, there was the absorption in the state’s own departments of an increasing number and proportion of civilized labourers. This involved a variety of projects and measures, initiated and co-ordinated by the Department of Labour established in 1924, including the extension of relief work and land settlement schemes. Also, government departments — particularly the railways — were instructed to favour whites for certain tasks at the expense of Africans, who were denied work or laid off. According to official statistics, by 1931 some 24,980 poor whites had been absorbed by the state sector in these ways.

The Pact Period: The Alliance with National Capital
The contradictory nature of state policy towards white wage earners had fairly profound repercussions on their relationship to the power bloc and the hegemonic fraction. On the one hand, the ‘civilised labour’ policies probably had the effect of transforming a number of poor whites into a supportative class for the form of state. On the other hand however, the absence of major gains for the new petty bourgeoisie and other white employees produced divisions at the political level over the continuance of the alliance with national capital. From 1926 onwards, the white labour movement was deeply divided over this issue. Generally the new petty bourgeoisie had a greater predisposition towards maintaining the alliance than did the white working class, but it too was divided on this question.

Eventually in 1928, these divisions split the Labour Party. The Creswellite wing, representing mostly factions among the new petty bourgeoisie, wanted to continue the alliance, while the Madleyites wanted
to end it and to establish instead an independent social democratic
movement of white wage earners to struggle by reformist (parliamen-
tary) means for a “dictatorship of the (white) proleteriat.”

The effect of this split at the party political level can probably be
explained at the level of political practices as follows: From 1928
onwards, national capital was in alliance with only a faction of the
white new petty bourgeoisie. A considerable proportion of the rest
of the new petty bourgeoisie and white working class were however,
being dominated by a racist and parliamentary cretinist ideology,
still in the position of a supportative class — though to the form of
state rather than to national capital exclusively.

So far as the principal dominated classes were concerned the Pact
was essentially a period of continuity. The state continued to inter-
vene to secure labour for all the various fractions of capital, and to
use its repressive and ideological apparatuses to prevent political or-
ganization by the principal dominated classes. The support which
the ICU had given to national capital in its struggle for hegemony
thus did not prevent Minister of Justice, Pirow, from conducting
a campaign of repression against that organization with the full sup-
port of all fractions in the power bloc.

The period of the Nationalist-Labour Pact government thus marks
the period of national capital's rise to the position of hegemonic frac-
tion, both within the power bloc and over the social formation
as a whole. The achievement of hegemony did not however eliminate
all of national capital's problems. Neither did it inaugurate a period
of development without contradiction. On the contrary the two con-
tradictions — between national and imperialist capital and between
dominant and dominated classes — continued to exist, and indeed
took on new forms. The South African social formation remained a
peripheral social formation, occupying a subordinate position in the
imperialist chain. It was thus far from immune from the periodic
crisis which affected the imperialist chain as a whole. Indeed, it was
just such a crisis — the world recession of 1929-1933 — which was
responsible for the first major crisis in the rule of national capital
within the South African social formation.

The Fusion Period: Political Scene/Political Practices
In the wake of the Great Depression, South Africa experienced con-
siderable party political turmoil with the emergence of a number of
new parties and in particular, the coalition and later fusion of the
two major political parties. What are we to make of these develop-
ments and how do they relate to questions of the power bloc and
hegemony?

The resolution of this problem rests in making the correct differen-
tiation between what Poulantzas called the political scene and the
sphere of political practices. The political scene is defined as a “pri-
vileged place in which the operations of social forces can take place
by means of their representation by parties”. Hence it relates speci-
fically to the co-ordinates of class representation through political
parties and this field is governed by the concept of form of regime.
The sphere of political practices, on the other hand, is governed by the concept of form of state, and this is a much wider concept covering the whole field of political class struggle — of which the party political is only one aspect. The form of state thus sets the boundaries for the functioning of parties and the transformations which occur in the political scene and it is with reference to the whole field of political practices that the concepts of the power bloc and hegemony are constituted.

Although the form of state governs the transformations in the form of regime, both have their own distinct rhythms. The fundamental point is that since both relate to the particular co-ordinates present in their own field, we cannot merely reduce political party relationships to class relationships or vice-versa. This is particularly apparent where a disjuncture occurs as between a class or fractions' political interests and its party representation. Where such a disjuncture becomes severe we have a crisis of party representation such as Marx analysed in France before the accession of Louis Napoleon.

What we are dealing with in the period 1932-3 is essentially a change in form of regime and not in the constitution of the power block, nor an alteration in hegemony but precisely a pronounced dislocation between political interests and party representation. This dislocation must be situated in the policies of the Hertzog government with respect to the Depression and more particularly the subsequent Gold Standard crisis.

The Fusion Period: The State During the Depression

Coalition and subsequently fusion government in South Africa was not a direct response to a generalised economic crisis brought on by the Depression. Firstly, the Depression was comparatively mild in South Africa. Secondly, and more important, the Depression was not 'a generalised crisis of capitalism' — its uneven impact was its central feature.

For gold mining, indeed this was a period of notable expansion with profits and dividends paid rising significantly. Given a stable price level for its output and declining world prices for its inputs, gold mining expanded throughout this period. In addition, the mines were in the unparalleled situation of experiencing a very satisfactory labour supply situation as the Depression adversely affected the other sections of the economy. For Manufacturing, the year 1929/30 was still one of expansion and although net income and employment declined thereafter, the worst effects of the depression were cushioned by the expansion in mining, and there was no disinvestment. Agriculture, on the other hand, was severely hit — net income falling by an astronomical 42% between 1927/8 and 1932/3.

Finally, the upturn in economic activity was evident by October 1932, and was certainly under way immediately that South Africa abandoned the Gold Standard at the end of 1932. The coalition and fusion governments were thus not formed to solve a general economic crisis affecting the whole of the power bloc. Indeed, at the time of Fusion, early in 1934, the upturn in economic activity was already
Clearly evident.

Given the differential impact of the Depression, the critical question was how the State would hold the ring in respect of the economic policies demanded by the different fractions of capital. In fact, the state’s economic policies during the Depression provide an indication of the continued hegemony of national capital.

Numerous measures were adopted to assist agriculture, relating primarily to the maintenance of domestic prices at levels far in excess of prevailing international prices, for a wide range of agricultural commodities. For example, the premium of local wheat prices over international prices rose from 9 per cent to 50 per cent between 1929 and 1931. Special bonuses were paid in respect of agricultural exports and these were financed through additional surtaxes on all imports. Manufacturing supported these measures since they increased the level of effective protection. Moreover they prevailed upon the State to impose exchange dumping duties. With both fractions of national capital receiving a large measure of protection much of the cost of such measures was borne by mining capital, which was saddled with duties on imports previously admitted free, increased taxation (raised from 3/- in the £ to 4/- in 1931), higher food prices and heavy increases in charges on the Railways.

The Fusion Period and the Gold Standard Crisis
State policies designed to protect the markets of national capital were not, however, merely a response to the Depression, although this was their initial impetus. They also followed from the decision of the Hertzog government not to follow Britain in abandoning the Gold Standard. The result of this decision was that the British £ was devalued in relation to the S.A. £ and the resultant exchange differential, by rendering South African produce more expensive in sterling, added considerably to the difficulties being experienced by the primary product exporters.

Britain’s abandonment of the Gold Standard in September 1931, had the effect of raising the price of gold in terms of sterling by nearly 50 per cent from 84/- to 125/- per fine ounce. However, the South African government’s original decision not to follow sterling (see below) meant that the price of gold expressed in South African £s remained unchanged. Nevertheless, the Chamber of Mines initially supported the decision of the Hertzog government not to abandon the standard.

There were several reasons behind the Chamber’s stand on the issue. Firstly, it was felt that such a step by the world’s premier gold producer might be taken as a sign of no confidence in the long term future of gold as the international money commodity. Secondly, the whole future of the international monetary system was very uncertain as a result of the abandonment of the standard and, in particular, it was widely predicted that sterling would not be able to maintain its new value and that it was therefore unwise for South Africa to declare its £ at parity with sterling.

Both reasons proved unfounded. Sterling remained stable at its new
level and gold continued to be utilised as the international money commodity. But, more particularly, the Chamber's third reason for supporting the government's stand, notably the prediction that maintaining the standard and hence the higher value of the South African pound relative to sterling, would result in cheaper imports and a general reduction in monetary expenditures and hence a reduction in the internal cost structure, with consequential benefits to the profitablility of the industry, was certainly not borne out. On the contrary, as the President of the Chamber explained, it was soon evident that money expenditures were not being reduced as the state stepped in to subsidise the agricultural sector. Similarly, maintainance of internal prices for the products of national capital, prevented downward adjustments in the internal cost structure. He singled out export subsidies and special import duties as "... presenting a policy that cuts across, and is contradictory of, the policy necessitated by effective adherence to the gold standard. The corrolary of maintaining that standard is to meet export and industrial difficulties by reduction of costs." (Chamber of Mines Report of General Meeting 1931). It was clear that continued adherence to the standard would involve the mines in ever escalating costs imposed by the state in order to aid national capital.

While mining, closely followed by commerce, urged abandonment, industry vacillated, and a special convention on the 18 January 1932 could arrive at no decision on the issue. However, when the Federated Chamber of Industry gave evidence to the Select Committee on the Gold Standard, they strongly urged abandonment. While they explicitly recognised the beneficial effects of State policy in respect of manufacturing it was clear that the maintainance of the standard was having severe adverse effects on the whole economy.

The evidence of the South African Agricultural Union to the same committee reveals very clearly the contradictory position of agricultural capital in respect of its principal party political representation. The gold standard had become the pre-eminent party political question of the day — Smuts and the SAP having declared for abandonment and the government, just as adamantly, for maintenance. The Agricultural Union was not prepared to advocate abandonment openly and stated that they regarded this as 'purely a matter for the state'. However, the whole import of their evidence was that maintenance was pricing them out of their principal markets and while they were very appreciative of the State's very able attempts to place the South African farmer in a very favourable position, such measures were proving insufficient and abandonment of the standard had become, in fact, an urgent necessity.

The only significant supporters of the standard were organised white labour. However, even their support was very lukewarm and was based on their fear of inflation in the event of abandonment and their incapacity to maintain real wages in such a situation.

The Hertzog government's stubborn refusal to abandon the Standard when all fractions of capital were strongly advocating such a policy, represented a disjunction between the generalised interests of the power bloc and the State and between the interests of the hegemonic fraction
and their party political representation.

The proliferation of political parties in this period is further testimony to this disjuncture between class interest and the party political representation of this interest. The Roosites, the Natal Devolutionists, several minor revolts within the Nationalist Party, a whole series of splinter parties as well as increasing calls by industrialists for direct representation in parliament, are all suggestions of this disjuncture, as the fractions of capital wavered in their support for their traditional parties.

The impetus towards coalition would seem to have come from the SAP (and the influence of the Mines here was fundamental) although farming elements too supported such moves. However, the impetus towards the fusion of the parties — the more fundamental restructuring at the party political level — would seem to have rested with the farmers — particularly in the Transvaal. The act of fusion served to re-establish the identity of the interests of the power bloc but particularly of the hegemonic fraction with their political representatives.

Of course, coalition/fusion — a phenomenon at the party political level — did not magically dissolve the contradictions within the power bloc over the whole field of political class practices. Co-operation at the party political level, for which the term entente is often reserved (as opposed to alliance to denote co-operation at the level of political practices), often masks intense rivalry at the level of political practices. The existence of distinct “lobbies”, within the coalition and then the United Party, were an obvious indication, at the party political level, of the continuing contradictions. This was particularly evident in the debates over the Budget of 1933 in respect of taxation of the mines and, the reverse side of the same coin, the subsidisation of agriculture.

The Fusion Government: its Economic Policies
The abandonment of the Gold Standard at the end of 1932 had the immediate effect of raising the internal gold price from 85/- per fine ounce to over 120/-. While Agriculture, too, received some relief from abandonment, the principal cause of its depression — low export prices — remained, and hence the differential impact of the Depression was even exacerbated. Clearly, the critical question was how the Hertzog government proposed to deal with the situation and, in particular, what action it would take in respect of the so-called Gold Premium i.e. the increased revenue accruing to the mines as a result of the higher price.

There were strong indications that the Nationalist Government was contemplating taking most, if not all, of the premium and, as many of Hertzog's Cabinet realised, one of the principal benefits to the Mines of a coalition government would be precisely to prevent this from happening. Certainly, amongst the principal sponsors of the coalition were to be found the most eminent members of the Chamber of Mines — Bailey, Oppenheimer and John Martin. The last, who was President of the Chamber, used his significant influence with the SAP leadership to initiate discussions leading to coalition.

During the election campaign following coalition, the Mines were led into believing that the new government would not increase mining
taxation materially. However, the major features of the new coalition Budget were, the generous provision of aid to agriculture and the Excess Profits Tax (EPT). The latter was essentially a tax levied upon the profits made by the mines as a consequence of the increased price of gold. Since one of the effects of the increase in price was that a lower grade of ore was worked, profits were less than the premium. To the excess profits, after a complex system of allowances, a tax of 70 per cent was applied overall and this worked out to approximately 50 per cent of the premium — know as the 50/50 arrangement between the state and the mines. The net result was that the state took £6 m. over and above what the additional profits of the gold mines would have yielded under the pre-coalition taxation system. In 1932, the mines gained working profits of £15.3m. and paid tax of £4.6m., and in 1933 the respective figures were £31.5m. and £14.9m.

The reaction of the Mines was one of surprise and intense hostility. Protest meetings were held all over the Reef, the Reef Mayors dutifully travelled to Cape Town to demand a fairer tax, the heavy guns of the mining industry thundered publicly and privately, and the English press that they controlled demanded a repeal of the proposals while share prices tumbled. At the party political level, there was an almost outright rebillion of Rand MPs against the measure and the whole Rand Executive of the SAP strongly condemned the proposals.

Some significant concessions were granted in response to this agitation, but the government was not prepared to reduce the overall scale of taxation. Heavy taxation of mining profit remained constant in the policy of the fusion government and in 1936, the tax was indeed increased somewhat (following a previous short-fall) while in 1939, in the face of bitter protest, the State proposed talking all revenue over and above 150/- per fine ounce. Direct taxation of the Gold Mines provided fully one third of all state revenues in the fusion period and provided the material basis for generous state assistance to agriculture as well as intensive infrastructural development, further development of the vital steel industry etc.

State assistance to agriculture took essentially three forms: direct expenditures — of all the categories of State budget expenditure Agriculture and Irrigation increased most rapidly — over 400 per cent between 1927/8 and 1938/9; special assistance expenditures — £20.5m. was spent between 1931/2 and 1938/9 principally on export and interest subsidies; price subsidisation measures — affected virtually all commodities sold internally and were estimated to cost over £7.5m. in 1933 and over £5m. in 1939/40.

In 1937, the Marketing Act gave wide powers to a National Marketing Council to undertake single channel marketing, fix prices, prohibit imports, etc., subject only to the control of the Minister. The Mines strongly condemned this Act on the familiar ground that it would raise food prices and hence wages. Industry, too, was concerned about the effect on wages and prices but they were prepared to support the Act, in return for Agriculture’s continuing support for industrial protection. Clearly, over the question of protection, the interests of national capital were united and antagonistic to those of foreign capital.
In respect of industrial protection, there was much agitation for its reduction by those, notably the Mines, who were anxious to achieve reductions in the cost of living. A Commission was appointed to examine the question but its terms of reference were so narrow as to ensure that it could not recommend any fundamental alterations of policy. Moreover, they made no mention of Imperial Preference, which Smuts had declared he would reinstate on coming into office. Nevertheless, the Report was not favourable to protection, declaring that the policy had "... reached the limits that the country could reasonably bear". Although a few reductions of duty were made, following the Report, the government made it quite clear that in general the policy of protection was to continue. As in the case of EPT, the compromise reached was such as to leave the fundamentals of state policy unaltered. This basic continuity of policy and the simultaneous element of compromise with the contradictory policies of foreign capital, evident throughout this period, are taken up in the concluding remarks.

The Fusion Government: and White Wage Earners
The civilised labour policy was continued unabated, indicative of the fact that such a policy was in the interests of the power bloc as a whole. However, the emphasis was now on administrative measures to ensure that Whites were absorbed in semi-skilled manual jobs in the rapidly expanding and mechanising secondary industry.

Transition to more mechanised production in secondary industry characteristically served to undermine the position of privilege enjoyed previously by skilled workers. They found themselves in conflict both with the white operatives who were taking over many of their diluted functions, and the State which, in the interests of capital accumulation, was encouraging the process. Such conflicts at the level of production had political repercussions which are important for our analysis here. The alliance of this fraction of white labour with national capital, already as we have seen considerably undermined during the Pact period, was further weakened. They now were in a position of a supportive rather than an allied class and this was manifested at the party political level by the dropping of the Creswellite wing of the Labour Party from the fusion Cabinet.

The established unions representing the more skilled white workers, failed at the crucial conjunctures, to organise the semi-skilled whites into industrial unions. The organisation of this labour correspondingly became a struggle between a left wing, typically offering a militant struggle for economic benefits and a right wing (organised by the Nationalist Party and the Broederbond) offering a struggle for a more extensive system of job colour bars in order to protect their existing positions in the production process. The successes of the right wing in this period were limited to sectors, such as the Railways, where numbers of civilised labourers had been newly employed in the face of considerable resistance by the skilled unions.

The Fusion Government: and Black Labour
The Native Service Contract Act (1932) and the so-called Hertzog Bills of 1936, were both concerned primarily with attempts to solve
the crisis in agriculture through establishing capitalist production relations on a sounder basis by (i) increasing the farmers' control over labour tenants (ii) curtailing squatting and (iii) helping stem the flow of labour to the towns. As such, the segregationist policy contained in these measures was perfectly consistent with the continuing hegemony of national capital. Much of the furore surrounding these Bills related to the fact that the Cape Native franchise was linked to land qualification and any alteration in the franchise would have party political repercussions, particularly unfavourable for the SAP. Again, it is necessary to distinguish between party political and class considerations.

The segregation measures in so far as they related to the maintenance of tribal structures denial of rights in urban areas etc. were directly repressive measures designed to ensure continued political domination. As such, they received the support of the whole power bloc. But, a differing approach with respect to Black Trade Unions became evident towards the close of the period. Industrial capital was beginning to establish a series of informal agreements with emergent Black Trade Unions and the government appeared to be considering a very limited recognition — an approach it abandoned when the Mines intervened to demand that no recognition be granted. This differing approach was the germ of a more serious division between the capitalist fractions as is evidenced in the next period.

The terms fusion and coalition which suggest an equal sharing out of power cannot accurately describe the form of state in this, or any other, period. They are descriptive of alliances established only at the party political level, which is in no way synonymous with the sphere of political practices — the field in which concepts of power bloc and hegemony are constituted. However, in order to examine the form of state concretely, we must specify its interaction with the form of regime. A change in the form of regime will have definite effects upon the precise terms on which hegemony is exercised.

Two factors are important here in respect of the change in the form of regime. Firstly, the new petty bourgeois elements of white labour were no longer allied with national capital. Secondly, and more critically, there was the disjuncture between the hegemonic fraction's interest and its political representation, evident in the Gold Standard crisis. Both of these factors were such as to affect the terms on which national capital could exercise its hegemony within the power bloc necessitating some degree of compromise with foreign capital. Although national capital continued to exercise hegemony, there were definite checks to it, and thus state policy in this period, as in the tax on gold, protection, and possibly also the legislation affecting the control and supply of labour, reveals a basic continuity and simultaneously a tendency to compromise with policies advocated by foreign capital.
The Period 1940-1948

As outlined, South African capitalism was subject to two major contradictions — the dominant contradiction between the exploited and exploiting classes, and the contradiction arising out of South Africa's incorporation into the imperialist chain. South Africa was drawn into WWII by the latter relationship.

The war year witnessed profound changes in the structure of production and a gathering political crisis. This was a period of intensified economic and political class struggle, centred on the conflict between exploiting and exploited classes, disrupting relations between fractions of capital. The result was continuing crisis both within the social formation and the power bloc — reflected in the vitriolic party politics of the period as the ideological cement of South African capitalism became a major party political issue.

The War and the Crisis of Hegemony

The immediate result of the declaration of war was to rupture the ruling United Party and disorganise the power bloc. The Prime Minister (Gen. Hertzog) and 36 other U.P. Parliamentarians (mainly rural representatives) resigned from the party and re-united with the Purified Nationalist Party to form the Re-United Nationalist Party (HNP/V) — itself subject to extreme schism. The ideologues and political representatives of agricultural capital saw the split in the UP in terms of the contradiction between national and imperialist capital. To them this was an imperialist war which "had nothing to do with" South Africa, and again highlighted the thorough political domination by "imperialist interests" of the South African state.

The split in the United Party reflected the profound disorganisation of the power bloc itself. While agricultural capital generally opposed the war, the support of mining and manufacturing was clear. Of all fractions of capital, manufacturing stood to gain most by the war. The promise of wartime production virtually guaranteed an acceleration of the already rapid expansion of manufacturing. Though mining capital stood to gain little in terms of expanded reproduction, its support for South African involvement can be traced to its imperialist connections — its shareholding structure and corresponding political and ideological ties with Britain. Agriculture on the other hand saw little benefit for itself in belligerency. Wars involve sacrifice and have to be paid for. They generally involve new production emphases, subsidies, higher taxation etc. — burdens to an agricultural sector deep in crisis. Sudden changes in the structure of production were bound to affect agriculture's already severe labour shortages. Unable to prevent South African involvement in the war, agriculture lost its hegemonic position in a now disorganised power bloc. The declaration of war thus provoked realignments both within the power bloc and at the party political level.

Hegemony is not a zero sum concept where one fraction immediately gains what another has lost. It involves struggle and flux. The special conditions of the war produced an unstable alliance between manufacturing and mining capital, within which manufacturing maintained a tenuous hegemony. Its ability to organise the power bloc, to cast its
specific interests as the general interest of capital, rested on the special imperatives of wartime production, and was under attack by other fractions throughout the war. Mining was unable to exercise independent hegemony both because an expansion of its production was not essential to the market, and because it was trapped by its imperialist links. Throughout the war, the interests of British imperialism lay in an expansion of South Africa's contribution to the war effort. Mining was in no position to challenge policies of expanded industrial production.

The structural transformations of the economy, and the relative benefits to the various fractions of capital during the war, reflect this tenuous manufacturing hegemony.

The war saw a massive expansion of manufacturing output relative to other sectors. By 1943 its contribution to National Income was greater than each of the primary sectors, rising by over 90 per cent between 1939 and 1945 (from £67.9m to £132.7m). Gross National Income rose by 68 per cent in this period, and the corresponding increases in the contributions of mining and agriculture were 17.6 per cent and 61.2 per cent respectively. Further, this period witnessed a continuing intra-sectoral shift in manufacturing production away from wage goods towards capital goods. Stimulated by armaments production and the demand for mining equipment (previously the monopoly of overseas suppliers), the engineering industry in particular flourished. The transformation of South African industry during the war years affected both private and state undertakings. Annexe factories under the control of capable private companies were built and financed by the state, which further assisted in organising and providing a market for expanded industrial production and industrial capacity in a wide range of industries. The industrial Development Corporation was established in 1940 to finance and promote new industries and the expansion of existing undertakings. The state steel producer, ISCOR, considerably expanded its capacity and range of products. A wartime change in the administration of tariff policy effectively raised levels of protection of industry, partially reflected in increasing capital to labour ratios.

This expansion of industrial production had to be financed. Again, the gold mining industry bore the brunt with a considerable increase in gold taxation during the war — a period of deteriorating profitability and marginal increases in the price of gold. From 1940, an additional series of special contributions and realisation charges were levied on the industry, which, by 1945, had risen to 42 per cent of the total tax on gold mines. In 1942/3 over £30m. or almost 40 per cent of net mining income (and 69 per cent of the declared working profits of the gold mines), were paid to the state in some form of tax. This compared with an industrial income tax equal to 20 per cent of taxable profits in 1944. In addition to increased taxation burdens, the industry began to suffer severe labour shortages after 1940. By 1943, it claimed that its labour force was just 84 per cent of total requirements and that its labour supply was being undermined by rising wages in private industry.

The effects of the war on agriculture were contradictory. It solved one of its major crises, yet exacerbated the other. The war, and particularly the British undertaking to buy as much as could be produced, reversed
the decline of agriculture's domestic and export prices. Though production expanded enormously during the war, there were no major unsaleable agricultural surpluses. The prices of agricultural commodities relative to all retail and all wholesale prices rose from 98.5 per cent and 97.6 per cent respectively in 1934/5 to 121.3 per cent and 141.4 per cent respectively in 1944/5. The almost blanket agricultural opposition to the war had largely disappeared by the 1943 general elections, partly reflected in the United Party recapturing 22 of the rural seats it had lost in the 1939 split. During this period too, the mechanisation of agriculture proceeded rapidly — the number of tractors and combine harvesters trebled between 1937 and 1947.

Yet the changing structure of production coupled with its own increased profitability, aggravated agriculture's other major crisis. The agricultural labour shortages of the thirties became particularly acute, assuming and ever great significance in a period of expanded wartime production. African migration to the towns rocketed during the war. The bulk of migrants came from the labour tenants who provided the backbone of the agricultural labour force. This labour exodus to the industrial centres exercised severe constraints on expanded agricultural production, becoming the major pre-occupation of agricultural capital during this period.

Labour during the war

Conditions of wartime production led to important changes for labour as well. The fragmentation of previously artisan functions in industry drew large numbers of African workers into semi-skilled operative places in industry. An acceleration of this process was recommended by the Board of Trade and Industries. This did not however represent an attempt by the state to alter the racial hierarchy in the division of labour. On the contrary, a number of state intervention were made with the precise purpose of protecting the position of whites in the division of labour. An acceleration of this process was recommended by the Board of Trade and Industries. This did not however represent an attempt by the state to alter the racial hierarchy in the division of labour. On the contrary, a number of state intervention were made with the precise purpose of protecting the position of whites in the division of labour. Training schemes were introduced to enable whites to be reassigned upwards and wartime legislation offered placement in favourable positions to ex-servicemen at the end of the war. Yet, despite these schemes, given full white employment, the imperatives of capital accumulation compelled the increasing employment of Africans in semi-skilled operative positions.

The increase of Industry's African labour force by some 115,000 during the war, had profound effects on other fractions of capital. This increase and the growing reserve army of labour in the shanty towns were drawn not only from the African "reserves", but more particularly from the labour tenants on white farms. Throughout the period, farmers complained that their labour was leaving the farms for the industrial areas. The mining industry too experienced labour shortages as its share of the labour force declined by some 20,000 during this period.

Moreover, the war marked a period of sharpened class struggle between capital and African labour. The exploited organised themselves into a large, militant African trade union movement. The improved bargaining position of African workers, and the decline in the subsidisation which Reserve production provided to the abysmal wages of mine workers
contributed to a series of increasingly militant struggles by the African working class. These climaxed in the massive strike of over 70,000 African mine workers in August 1946.

State response to all these questions was extremely ambivalent, reflecting manufacturing capital's tenuous hegemony and its own severe indecision over long term policy. The state was able neither to solve the labour crisis for agriculture, nor to produce a clear cut response to the political threat from the African working class. Far from embarking on a deliberate policy of liberalisation, many of the state's concessions were born of its inability to act decisively. There were three general areas of relaxation — the pass laws, influx control and partial accommodation with African trade unions. These affected the fractions of capital in different ways. For industry, the pass system was not an essential instrument of securing its labour force. The relaxation of influx control would increase its reserve army of labour in the shanty towns, and the controlled recognition of African trade unions held out the hope of industrial peace. For farmers on the other hand, the pass laws and influx control measures had the effect of keeping Africans in the rural areas. These measures were the key to a sufficient supply of agricultural labour. Further, the recognition of African trade unions threatened to drive African industrial wages even higher — further reducing agriculture's ability to compete with industry for labour. Thus, any area of relaxation posed a direct threat to agricultural interests.

Whatever the structure of hegemony, the capitalist state could not simply ignore the crisis for one fraction of capital. But, given the configuration of the wartime power bloc, it was unable to resolve it. Committed to industrial production, its measures were half-hearted and contradictory. In 1943, the Department of Native Affairs rejected agricultural proposals to enforce the 1936 Native Lands and Trusts act against African squatters, ensuring their use as farm labour, and secondly to redirect urban labour surplus to the farms. Attempts to enforce the 1936 legislation in the National Transvaal had lead to widespread unrest. Instead, the Department urged farmers to attract labour through better conditions and the appointment of labour inspectors was mooted. These were hardly the state directives desired by agriculture.

The tenuous structure of the power bloc was further undermined during the war as a strata of the supportive class of white wage earners began to withdraw its support for the form of state. Though state protection of white wage earners was not abandoned, changes in the labour process coupled with the perceived implications of a relaxation of controls and the struggles of African unions, threatened certain categories of white labour. The power struggles within various white unions were directed by petty bourgeois nationalist politicians. They sought to build a mass base for their movement through challenging the dominant class-based social democratic ideology, and counterposing to it an Afrikaner nationalist ideology. This was facilitated by the alliance between the trade union leadership and the hegemonic fraction, and the corresponding close identification of the trade union leadership with wartime economic policies. By the end
of the war, these Afrikaner nationalists had built up strong support in some unions, particularly those of new petty bourgeois wage earners.

In this period of intensified class struggle, the apparently massive victory of the United, Labour and Dominion Party coalition in the 1943 general elections was illusory. Those fractions of agriculture and the petty bourgeoisie which had withdrawn their support in 1939 were disorganised by a split over the form of response. But the inability of the hegemonic manufacturing fraction to resolve the various crises, kept them simmering within the power bloc throughout the war, to boil over at its end.

The Post-War Period

With the end of the war, the structure of hegemony collapsed. It was finally dislodged by the political threat posed by the organisation of black workers and the inability of the state to resolve the crises confronting the various fractions of capital. Moreover, the composition of capitals changed during and immediately following the war, and other issues emerged to exacerbate the state's incapacity. Direct foreign investment flowed into South African industry immediately following the war. By 1948, a third of total industrial capitalisation came from foreign sources. This considerably transformed the national character of manufacturing. During the war, an emerging Afrikaner economic movement utilised investment from agriculture (and its allied petty bourgeoisie) to develop a range of powerful financial institutions. These then established a series of manufacturing establishments — either producing agricultural machinery, or processing its products (e.g. Rembrant cigarettes). Run by the very same individuals who controlled the Nationalist Party machinery, the economic movement was a considerable catalyst in shifting agriculture's political and ideological alliances. Further, the gold mining industry was on the verge of a major expansion into the new gold fields of the Orange Free State, and gold mining taxation emerged as a major bone of contention within the power bloc.

In this conjuncture, the power bloc was disorganised by a series of contradictions between its constituents. In the broadest sense, these contradictions referred to the crisis in the structure of relations of exploitation of South African capitalism, with the interests of different fractions of capital requiring different and contradictory resolution. Bitter disputes over labour policy, taxation, pricing and marketing legislation, food subsidies, housing etc. wreaked the power bloc. The result was an acute political crisis centering both on the structure of the relations of exploitation, and the form of state. This crisis within the power bloc was reflected in the vicious party politics of the post war period. To understand the form in which it was resolved, it is necessary to ask why the ruling United Party was unable to resolve these contradictions, and why it was the Nationalist Party which came to restructure both relations within the power bloc, and relations of exploitation themselves.

The United Party was unable to accommodate all the contradictory interests of the fractions of capital it represented — some agriculture, mining, manufacturing and commerce. On the question of labour,
U.P. policy was not the gradual liberalisation and stabilisation most commentators assume. There were many attempts to institute influx and other controls, but the party was in a contradictory position. This was best summed up by the Minister of Native Affairs in 1947. While announcing he was doing all he could to stem the tide of Africans to the towns, he lamented: “Can we develop our industries when we have the position that the Native only works for a few months and then returns to the Reserves for a couple of years? No, the Native must be trained for his work in industry, and to become an efficient industrial worker, he must be a permanent industrial worker. On that account, he must live near his place of employment” (Hansard, 1947, Column 5009). The U.P. attempt to solve mining and agricultural labour crises rested on a premise neither fraction could accept.

More than anything else, the United Party’s ambivalence and inability to resolve either the labour crisis or the issues posed by black worker organisation, was reflected in its major attempt to find a solution — the Fagan Commission. All things to all men, its Report appeared to both recommend the end and continuation of migrant labour as the prop of the economy. It concluded in italics that state policy “should be one of encouraging stabilisation (of labour). On the other hand however, migratory labour cannot be prohibited by law nor terminated by administrative action.” This very ambivalence and indecision appeared to further threaten the labour supplies of agriculture and did little to soothe the fears of mining capital either.

This ambivalence produced critical defections in the 1948 general elections, resulting in the loss of 36 seats and a Nationalist Party victory. Firstly, Eastern and Western agriculture, (particularly maize farmers) which had long supported the United Party, decisively withdrew its support. The U.P. lost all of its 15 Transvaal rural seats. Secondly, the U.P.’s ambivalence on black occupational mobility and the apparent refusal to tackle the political threat of black workers (in fact the U.P. employed highly repressive measures — in the 1946 minestrike at least 12 miners were killed and hundreds injured as a result of police action), coupled with its prevarication in a long internal dispute within the white Mine Workers’ Union, cost its Labour Party ally the support of a key strata of white workers. This enabled the Nationalist Party to capture 6 LP mining seats, giving the Nationalist/Afrikaner Party coalition a parliamentary majority of 5 seats.

In order to understand how the Nationalist Party was partially able to resolve the crisis which broke the U.P., the nature and changing class basis of the NP must be grasped. The Nationalist Party was (and is) a federation of four largely autonomous parties (though Natal was largely irrelevant), each with a different class base. It was united in opposition at least through its parliamentary caucus and the charismatic leadership of Dr D.F. Malan, who spoke for all four parties. The Cape NP was a party of capital — based on relatively prosperous wine, wool and fruit farmers. Allied to this agricultural capital was a petty bourgeoisie which had successfully established financial undertakings (Sanlam and Santam) financed by agricultural capital. Following fusion in 1934, the two Northern NP’s on the other hand (Transvaal and Free State) were almost acutely affected by various agricultural
crisis. Given the weak northern NP parliamentary representation, the secret, petty bourgeois Afrikaner Broederbond presided over northern nationalist politics. But the norther petty bourgeoisie were too isolated and weak to seize power on their own, and from 1934 sought alliances with agricultural capital and white wage earners.

After the war, the NP cast its appeal in terms of three major issues. As the representative of agricultural capital it would utilise state power to resolve the labour crisis once and for all. As the party of the petty bourgeoisie and white wage earners, it promised to intervene in the class struggle to smash the political threat from the exploited masses. As a nationalist party, it promised to serve the interests of each of these groups by breaking the imperialist stranglehold on the South African economy. It presented itself as a party dedicated to the re-establishment of the hegemony of national capital. Its attack on imperialist interest went so far as to propose the nationalisation of the mines. Yet its apartheid policy appeared as a threat to deprive industry of its labour by keeping Africans out of the cities. Hence the almost hysterical fear the NP provoked in other fractions of capital.

By breaking the pattern of support for the U.P. — more particularly by winning the votes of Transvaal farmers and strata of wage earners — the NP achieved office in 1948. Yet its slim parliamentary majority on a minority vote, mirrored the acute and continuing disorganisation of the power bloc. Given the interests it represented, its anti-mining posture and apparent threat to industry’s labour supply, the NP’s attempts to reorganise the power bloc and restructure the relations of exploitation in terms of the interests of what it saw as national capital, were attacked throughout the fifties. Further, they served to sharpen the class struggle and mass resistance.

In power, the NP introduced a wide range of repressive measures designed to break this resistance. The positions of its petty bourgeois and wage earning supporters were protected through a series of discriminatory measures. Yet apartheid represented primarily an attempt to restructure relations of exploitation to cope with agriculture’s labour crisis, and to establish a system of established urban labour which would threaten neither farm labour supplies, nor compete with the petty bourgeoisie or white labour. Influx control was tightened through administrative proclamation, and the provision that no African could obtain employment without a reference book (pass). No worker could change jobs without being discharged by the employers signature. Most significant was the establishment of the labour bureau system. Before any African could leave a rural district, the local labour bureau had to be satisfied the labour situation in the district was adequate. These measure considerably eased agriculture’s labour problems. Reflecting its self-perception as the instrument of national capital, the state intervened in other areas too. Exchange and import control measures were introduced and protection generally strengthened to stimulate local manufacturing.

However, while agriculture was still virtually exclusively national capital, direct foreign investment had significantly altered the composition of manufacturing capital since the thirties. Foreign capital had now
penetrated certain critical areas of manufacturing, e.g. engineering. State policies to establish the conditions for the further development of local industry served to increase this interpenetration and dependence on foreign capital and technology. In particular, given the limited size of the South African market and hence limited economies of scale in production, state attempts to encourage efficient manufacturing enterprise served to encourage the growing economic dominance of big, and frequently, monopoly capitals. This contradiction was reflected in the intense and continuing struggle within the power bloc as national capital, and particularly agriculture, was opposed by other fractions. The power bloc remained disorganised for much of the fifties. Though the NP resolved the labour crisis faced by agriculture, the form of this resolution posed acute problems for other fractions of capital. Further, this form of resolution provoked mass resistance by the exploited, culminating in the Sharpeville massacre in 1960.

A further result of the conditions established by the NP state was the rapid development of particular sections of the Afrikaans economic movement. As a strategy to transform the class determination of the petty bourgeoisie, the economic movement was a failure. Yet largely through the transfer of all official accounts to Afrikaner establishments, it succeeded in very rapidly developing the financial institutions initially capitalised by agriculture. These then developed substantial and strategic industrial subsidiaries. As a result, such finance capital cut its dependence on agricultural capital and during the sixties, began to replace agricultural capital as the major prop of the Nationalist Party.

With the flight of foreign capital following Sharpeville, finance capital in the form of the South African-based Anglo American Corporation mining house, and “national”/Afrikaans Sanlam and Old Mutual, moved in co-operation to invest cheaply in a very wide range of industrial undertakings, rapidly accelerating the interpenetration of monopoly capitals. With the carte blanche support of all fractions of capital, the state ruthlessly and brutally broke the back of organised resistance, to establish the conditions for the boom of the middle sixties — a boom further entrenching the position of interpenetrated monopoly capitals. Despite resistance from elements of the petty bourgeoisie and agriculture within the NP (culminating in a split in 1969), the NP state during the sixties reorganised the power bloc to establish the hegemony of interpenetrated monopoly capital. The significance of the Nationalist Party’s restructuring of the relations of exploitation in the fifties and its attempts to foster the hegemony of national capital, lies in the fact that it finally prepared the ground for the establishment of the hegemony of monopoly capital within the power bloc and the social formation.

Conclusion
After the formation of the unitary South African state in 1910, the unfolding of the class struggle was determined both by the nature and contradictions of South Africa’s incorporation into the imperialist chair — the mode of imperialist domination — and the particular form that this imposed on the relations of exploitation of South African capitalism i.e. the contradiction between the specific exploited and
exploiting classes. This article has sought to explore the role of the constellation of class forces controlling that state in the unfolding of the class struggle as determined by both these intertwined contradictions.

In a peripheral social formation such as South Africa at the outset of our periodisation, the critical division within the capitalist class was that between imperialist/foreign capital(s) on the one hand and national capital(s) on the other. The conflict between these fractions evolved around the desired trajectory of capitalist development — crudely, whether South Africa was to remain an economic chattel of imperialism or to generate its own national capitalist development. Yet, of course, national capital remained capitalist. Its anti-imperialism did not end the contradictions between it and the classes it exploited. On the contrary, the anti-imperialist policies of national capital in South Africa were made possible by raising the rate of exploitation of the proletariat, and by oppressing it yet further. From 1924 onwards, the state itself became the mechanism for an attempt to transform the nature of South Africa's incorporation into the imperialist chain as a peripheral social formation, and by the unfolding class struggle within the social formation itself.

The dominant contradiction between the exploited and exploiting classes, as manifested particularly in the forties and fifties, served to unite capitals in their need to maintain their position of dominance. But the imperialist/national division, served to divide and disorganise the power bloc in their attempts to do so. Simultaneously, the policies of the Nationalist Party which served to deepen the interpretations of capitals after 1948, created the conditions for the assumption of hegemony by monopoly capital after 1960. This had the dual effect of both sharpening the contradiction and struggle between capital and labour, and reducing the conflict within the power bloc. In the early 1960s the State was thus able to act decisively, in the interests of the whole power bloc and effectively to break the power of popular organisations for a decade.

The early assumption of hegemony by national capital is the ‘unique’ feature of the South African State. Through the avenue of the state, national capital was able to inaugurate a further period of capitalist development which entailed both a deepening of capital and the expansion of capitalist production into new areas. Yet, the nature of the transformation wrought by national capital through the state was of necessity limited. Despite the transformation of the economy from a primary producer to relatively high levels of industrialisation and despite the regular assertions of “independence”, South Africa remains a peripheral social formation caught in the imperialist nexus. The nature of imperialism itself has changed dramatically during this period, but as illustrated by the gold standard crisis, involvement in World War II and more recently the current recession, that incorporation remains determinate.

Precisely by creating the conditions for the transformation of the economy to its present high level of industrialisation, national capital paved the way for the collapse of the very distinction between imperialist and national capitals as it had existed in the earlier period.
Furthermore, it established the conditions for the emergence of monopoly capital in many sectors, and as hegemonic within the power bloc. By so doing, it has in effect collapsed contradictions within the South African bourgeoisie as identified at the outset. In 1924, the interests of a (national) fraction of capital could be seen as involving an important contradiction with those of imperialism. In the present conjuncture, given the hegemony of an interpenetrated and monopoly capital, the struggle against imperialism is, in effect, the struggle to end the exploitation of labour by capital.

Bibliographical Note
The theoretical perspectives of this article has been based principally on N. Poulantzas' major works: Political Power and Social Classes (London, New Left Books 1973) and Classes in Contemporary Capitalism (London, New Left Books, 1975).

As to the empirical material, this has been gathered from many primary sources including various government committees and Commissions, House of Assembly Debates, Union Statistics, Official Yearbooks, papers of the Chamber of Mines and unpublished letters in the Fremantle, Duncan and Smuts papers. Newspapers including Die Burger, The Cape Times, Die Oosterlig, Die Transvaler and The Star have been consulted.

SWAPO Printshop Project — A drive to provide the Namibian liberation struggle with a fully equipped print shop. The Liberation Support Movement writes that the aim of this venture is two-fold. Firstly, to enable the voice of the Namibian people to be heard abroad; and secondly, to provide educational materials to the masses of Namibians in order to strengthen their vision and determination in their long and difficult struggle against South African dominance. Contributions and information: SWAPO Printshop Project, LSM, PO Box 94338, Richmond, BC, Canada.

International Defence and Aid Fund for Southern Africa — Apart from their well known work in providing legal and other assistance to the victims of apartheid, the IDA offer a selected list of publications which provide background information for those interested in the liberation struggles in Southern Africa. For a list of publications and further information write to: Information Department, International Defence and Aid for Southern Africa, 104 Newgate Street, London, EC1A 7AP.
Capital Accumulation and South Africa

Manfred Bienefeld
Duncan Innes

This article rejects the distinction between national and foreign capital based on the passport, residence, birthplace or other attributes of the owners. It rather suggests that by distinguishing between national and international capital according to the nature of the investment opportunities required to induce investment, it is possible to make a vital connection between externally and internally oriented economic activity. This places into proper perspective the widespread notion of development occurring through merely expanding internal markets and suggests that in an open economy attention must be directed to the problems surrounding the expansion of exports. This expansion is in turn limited in a variety of ways and an analysis of these limits is shown to be critical for evaluating the possibility that South Africa’s past growth rates might be glibly extrapolated into the future. The struggle over the earnings from such exports and the common interest in expanding them, further provides a useful way of looking at political struggle within South Africa.

No single economy can be analysed or understood in isolation. In the case of peripheral economies this is particularly true, because of their general inability to modify or influence the global patterns of accumulation and development. Hence this paper will seek to assess South Africa’s economic growth in relation to a number of general propositions about accumulation on a global scale.

The crux of the argument is that South Africa remains a peripheral economy in spite of its considerable growth and in spite of its substantial capacity to attract foreign investment. The reason is that its expansion continues to be heavily import dependent, at the same time as its capacity to earn foreign exchange continues to be limited by the fact that its access to export markets is still largely confined to a restricted range of primary commodities. This paper seeks to explore the nature of this impasse, the reasons for its reproduction globally in a wide variety of circumstances, and the conditions of its potential elimination.
It should, perhaps, be stressed that the analysis contained in this paper seeks to establish a number of economic constraints at a relatively high level of abstraction. The paper should not be understood as a history of capitalist development in South Africa, but rather as an attempt to clarify certain important economic relationships. Naturally these perspectives would merely enter into a fuller history along with numerous other determinations of an economic, political and ideological kind.

The Law of Value, Market Access and Peripheral Economies
The competitive principle of the market dictates that the cheaper will displace the dearer. In certain idyllic parables of this process such displacement is always merely into some other type of economic activity so that eventually there emerges an optimal international division of labour based on the logically impeccable principles of comparative advantage. Underlying such notions is however the implicit (and absurd) assumption of global full employment.

In the real world things are very different. The struggle for markets often means displacement into unemployment, and it always presents major obstacles to the mobilisation of new resources seeking an entry into such markets. Although this pressure is less intense during phases of boom and rapid expansion, the fact is that even in such circumstances expanding markets can be readily occupied by existing producers who are able to draw upon enormous resources of capital, technology, marketing, management and political influence. During recessions and in the face of markets which are expanding only slowly or not at all, competitive pressures intensify and further reduce the opportunities for potential entrants into markets. This inability to identify viable markets hence becomes a block to the valorisation of capital and consequently to the mobilisation and employment of resources.

But why should there be a shortage of markets? The idyllic parables once more assert that demand is unlimited in principle so that such problems cannot be more than temporary aberrations, but again history bids one to be sceptical. The major protracted depressions which have characterised the capitalist system internationally, and whose resolution has been associated with global military conflicts, suggest the likelihood of a more deep-seated difficulty.

Marx had pointed to a falling rate of profit in response to the cumulative increase in the proportion of fixed capital in production, as the source of crisis.

However this is not a logical necessity because there is always the possibility of a sufficiently high rate of technical transformation which increases the productivity of labour far more than it raises the cost of production of the capital employed. However, precisely because a high rate of technical transformation rapidly increases the productivity of labour, this in turn means that less labour time is absorbed into the production of a given quantity of consumption goods. The threatened over-production can be averted by the absorption of more labour time by Department I, the production of producer goods, or by allowing the level of consumption to rise.

The diversion of more labour time into the manufacture of producer
goods is only an apparent solution since producer goods must ultimately validate themselves by being utilised in the production of consumer goods, so that theirs is a derived demand.

The expansion of consumption demand on the other hand recreates the problem of profitability, which the technical transformation was supposedly resolving. In other words, if the extra surplus value generated by the technical transformation is to be sufficient to generate a normal, or a minimally acceptable, rate of profit on the expanding mass of capital, then it cannot be allowed to be diverted into increased wages and salaries, and hence into consumption. However, if it is not so diverted, a valorisation crisis results because the accumulated capital cannot identify markets which its investment (its valorisation) would satisfy. At this point an increasing shift of capital into speculative ventures, an acceleration in the expansion of consumer credit, and/or an intensification of efforts to capture export markets, come to be critical alternatives in the struggle of various concentrations of capital to escape the consequences of this contradiction. At any rate only the third and last of these solutions offers any significant relief — and this only at the direct expense of other concentrations of capital. As a consequence the advent of crises of this kind is generally associated with a rise of nationalism, reflecting the efforts of particular economies to resolve their conflicting problems of profitability and of markets at the expense of their competitors. This continues to be true in spite of the much discussed internationalisation of production. The fact is that international capital is a social relation which must be based on some particular social formation which can ensure the conditions of its reproduction on an international scale. It is this circumstance which gives the metropolitan states their special status. To the extent that they play such a role, their appropriation of surplus to maintain necessary military establishments and to maintain social and political viability at home, become overriding requirements. In other words, the decision of whether to invest in the US or in South Africa is not one which is purely based on relative costs, and the importance of political considerations grows when the central economies themselves come under economic pressure.

From the perspective of assessing an economy's ability to overcome the difficulties associated with the contradictions of capital, including that between profit and market, it is possible to propose a working definition of metropolitan and peripheral economies which, while not being comprehensive, nonetheless serves to capture the essential difference between them. Thus we can say that a metropolitan or imperial power is one which is the operational base of a large concentration of capital, whose international activity it is able to guarantee politically, through the use of economic, political or military power. This gives labour substantial leverage within such economies, and it means that international capital flows can be used to mitigate the consequences of the contradictions generated by capitalist growth.

Conversely a peripheral economy is one which does not constitute the base of operations of a significant concentration of internationally active capital. It is therefore an economy which can be abandoned relatively readily and this fact serves as a significant impediment to the power of labour in its struggle with capital, it weakens the potential
power of the local state vis-a-vis international capital, and it exposes the
economy to the full consequences of cyclical fluctuations in the inter-
national economy.

At this point the two parts of the argument can be fused. The peripheral
economy is defined by the fact that it is not the base of a significant
concentration of capital operating internationally. Furthermore, the
intensity of the global struggle for markets means that there is very little
prospect of such an economy becoming a centre of accumulation which
could generate such a concentration of capital because it is trapped by
its substantial inability to force its way into existing or prospective in-
ternational markets.

The result is a pattern of development which consistently assumes a
particular form. Apart from their access to certain international raw
materials markets such economies only have access to those markets
around which they are able to erect barriers of various kinds. They
hence invariably embark upon import substitution of consumer goods
and when that process begins to reach its limit there is an extension
into the production of related intermediate goods. When that
approaches its limits a more fundamental impasse is reached from which
the only way forward is an extension into the production of capital
goods and of technology. However, this possibility is very remote
today when technology has been so highly advanced, especially when
import substitution has been primarily based on imported capital and
technology, and especially when it has been brought in directly by the
firms which control it internationally.

To make matters worse for the peripheral economies, the processes
so far described generate a large demand for imports, while export
earnings continue to be restricted to those obtainable in a few primary
product markets. The result is a chronic balance of payments problem
which raises the foreign exchange constraint to a dominant position
and which exerts a continuous and debilitating downward pressure on
the terms of trade, reflecting increasingly desperate attempts to earn
more foreign exchange from a limited range of internationally trade-
able commodities. In real terms this represents a permanent pressure
directing resources to the export sector and limiting the degree to
which domestic incomes can be permitted to rise in response to any
growth which is achieved.

In this context the role of international capital, acting through the
agency of the multinational firms, becomes absolutely critical since
its cooperation in some form is all but essential if access is to be gained
to potential international markets. This has the consequence that any
opportunities to produce internationally saleable commodities which
do emerge, will tend to be controlled in one way or another by these
organisations.

National and International Capital
This section will discuss South Africa's significance for international
capital. The argument is cast in real, rather than financial terms, in order
to distinguish the two. In other words South Africa's production of
gold yields a certain quantum of international purchasing power and
this is to be ascribed in some general sense to South Africa. What needs
to be known, however, is the degree to which such purchasing power actually results in a flow of commodities (goods or services) to South Africa, and who determines the nature and the destination of those flows.

There are three ways in which the flow of commodities can be made smaller than the true purchasing power earned. Firstly, capital may simply be accumulated abroad for use abroad. The fact that some of the future earnings of such capital accrue nominally to resident interests is of no real significance so long as the social formation in question is not essential to the international reproduction of capital. Secondly, the amount of purchasing power which apparently accrues may be understated to a greater or lesser extent through the operation of transfer pricing mechanisms. Finally such purchasing power may be simply locked up in reserves and these may even be held in the metropolitan economies, which are then free to use the purchasing power for their own purposes — and which, like Britain today, naturally suffer a great shock when the money is eventually called upon.

Once these deductions are made one is left with that purchasing power which does not result in a flow of commodities. The struggle between different sections of capital in South Africa concerns among other things the size of the deduction, and the right to exercise that international purchasing power which effectively accrues to the economy.

International capital is interested in a peripheral economy like that of South Africa only to the extent that internationally tradeable commodities can be obtained from it. Naturally, its object is to extract such commodities as cheaply as possible which means minimising the value of the commodities which must be provided to effect this extraction. Furthermore the interest of such capital extends only to the extraction of such internationally saleable commodities and any apparent interest in the internal markets of such economies must be based on the ultimate availability of internationally tradeable commodities. This point is critical in understanding the link between the externally oriented part of the economy, and that part which is concerned with the satisfaction of domestic needs. It is a striking fact that the capitalist underdeveloped economies appear to be generally unable to mobilise local resources to satisfy needs. The generality and the persistence of this inability suggests a general rather than a particular cause.

One might most simply envisage this connection between the external and the internal in barter terms. If there is in some peripheral economy some mineral which is demanded in the international economy then international interests will seek to obtain that commodity at the lowest possible cost. This may involve sending some men and some machines to extract and ship the mineral, in which case the cost is confined to those goods directly required to effect the extraction. If however a part of the mineral produced is appropriated by locally resident interests then there is an incentive either to exchange commodities for this remainder in trade, or to engage in other forms of local production in order to obtain the international purchasing power generated by these commodity exports.

When this entire process is mediated by money these fundamental con-
considerations do not change. International capital will move to an economy only to the extent that the profits it earns represents international purchasing power, and this they will do only if the currency in question is backed by internationally saleable commodities.

This suggests a distinction between international and national surplus value, according to whether the commodities embodying the surplus labour are internationally saleable. Furthermore, in principle, one can derive a distinction between national and international capital according to whether its valorisation is dependent upon national or international purchasing power. However, this conceptual distinction is obscured in practice precisely because any such differentiation becomes very difficult to identify when both forms of capital operate with a common currency. If only because international goods are saleable nationally, while the converse is not the case, the maintenance of the currency's international purchasing power takes precedence over other considerations. It becomes a dominant constraint.

Furthermore any capital operating from such a national perspective in terms of the marketability of its product, will not be prepared to operate from such a perspective in considering the supplies of its capital or technology. In other words capital may be national in the sense of realising that the only markets to which it has access are national markets, but it will not be prepared to forego the benefits to be derived from the fact that the profits it earns have in effect international purchasing power.

The upshot of this situation is that the task of mobilising those local resources not utilisable to produce internationally tradeable commodities is either confined to the smallest of operators or to the state, or it is limited by the ability of the economy to generate exports. However, even if the state were to undertake the mobilisation of local resources on a large scale disregarding the external constraint, its very success would create difficulties because the increasing proportion of use values which were only marketable nationally would in effect dilute the international purchasing power of the currency and would make it increasingly difficult to prevent that shift of production into exports which the pressure on the balance of payments always invites.

In other words if the state seeks to increase domestic production beyond the point consistent with a certain level of imports then it will generate pressure on the balance of payments and this pressure will be transmitted to activities aimed at the domestic market.

In consequence any such efforts by a state will require the imposition of rigorous exchange controls, of import allocation and of foreign exchange budgeting. In effect these things all represent ways of establishing a dual currency — one representing only internal purchasing power. They are hence ways of seeking to insulate the mobilisation of internal resources for internal demand from the effect of the international constraint. The problem is that such efforts generally create increasing pressure for their own destruction, since the state and those interests of national capital which it may have represented in pursuing such policies, become increasingly concerned with transforming their own resources into international purchasing power. If the state or
national capital carry out their projects in partnership with international capital, that requirement will be more clearly established from the outset.

The general perspective established so far leads to a number of conclusions and expectations. For a peripheral economy which seeks to mobilise its resources beyond the limits imposed by the restricted opportunities of the international market there are serious difficulties in store. The most common result is a situation in which the pressure exerted by the balance of payments becomes more onerous as the demand for imports both increases and becomes more inelastic because imports are more and more concentrated on capital goods, the demand for which is closely related to growth.

The fact that the concentrations of international capital based on certain metropolitan economies control advanced technology and have extensive control over international markets sharpens the dilemma because it means that their involvement in the peripheral economy’s search for technology and for markets becomes critical. This involvement is first of all costly in that a return in the form of international purchasing power must be paid. Secondly, this involvement has a most ambiguous effect on technology transfer since the parties in question have every inducement to attempt to preclude the possibility of transferring the technology in a way which could establish a competitor able to develop it further independently. Thirdly, to the extent that entry into certain international markets is gained through the participation of such firms this represents a development whose benefits are real enough, but whose scope is at the same time limited by the global considerations of the parties in question. In other words the same considerations which establish some economy as the supplier of a regional market, will also inhibit the possibility of that economy’s production becoming a serious competitive challenge in wider markets.

Finally efforts to mobilise national capital alongside the internationally integrated part of the economy, are undermined by the integrative forces inherent in a national economy operating with a common currency. Efforts to reduce that power are always confronted by the fact that so-called national capital will itself seek to use any success it achieves to transform its earnings into international purchasing power and itself into international capital. This desire has both an obvious and real economic rationale, as well as a powerful political implication. Since capital is a social relation its reproduction is dependent on the ability to guarantee certain legal and social conditions necessary for its reproduction. While the establishment of massive local military capacities (Iran, Brazil, South Africa) involving very high foreign exchange costs, is one way of securing these conditions the guarantee must generally be underwritten by the metropolitan powers most directly involved. Even so the risks of being based on such social formations are high so that there is a powerful inducement to spread these risks both by seeking foreign participation and by moving part of one’s capital into operations based in the metropolitan economies.

This assertion that capital has a socio-political base from which it operates does not, incidentally, collapse the earlier distinction made
between national and international capital back into a mere passport/citizenship type of distinction. This is so for the following reasons: First it should be noted that the argument involves two kinds of distinctions between different capitals: one is based on the nature of the inducement necessary for capital to be invested, the other is based on the nature of the socio-political forces which guarantee the legal and institutional conditions necessary for the reproduction of capital. One consequence of this dual distinction is to raise the possibility of a conflict between them, a conflict which might be termed one between the economic and political aspects of capital. Since the socio-political bases of capital continue to be national in character*, capital which has become international in terms of its purchasing power and its inducement to invest must reconcile this at the political level through some form of imperialism, or through a form of subordination which allows it to operate under the protection of an imperial power. In essence this means that international capital based on such a subordinate state must operate according to the principles of international capital and in this way it is pitted against national capital as defined here. Only in a depression when international purchasing power virtually dries up, or in a metropolitan economy whose own state is the guarantor of international activities, does this contradiction between national and international capital based on the same nation state disappear.

It must also be said that this definition of peripheral capitalism, based on the particular distinction made between national and international capital, has a number of implications which are not immediately reconcilable with some common usages of that term.

Thus it is clear that this status cannot always be associated with poverty, or with low levels of per capita income. Hence if the export capacity of an economy, based on certain raw materials was high in relation to the size of the population, then the fact that internal mobilisation was constrained in the way outlined in this paper would be perfectly compatible with relatively high levels of per capita income (Kuwait, Saudi Arabia). If in addition such a high export capacity is based on a relatively labour intensive, small unit structure of production (early Canadian and Australian wheat), then such a structure can be further associated with a relatively high level of participation in economic activity and rewards (Canada, Australia). In other words this constraint is not, in and of itself, necessarily a cause of the socio-economic problems usually associated with peripheral status. However, in those cases where the ability to export is not so great this syndrome defines the major blockage to development.

A further point is that the notion of peripheralism as developed here may equally apply to economies like those of Greece or Portugal in as far as these are constrained in the same manner, notwithstanding the fact that for historical reasons these economies may have somewhat different possibilities of breaking through the constraints posited here.

*In recent years notions of the internationalisation of capital have become so popular that they have threatened to obscure this fact. Since the general recession of the international economy in the 1970s the national character of such international capital has again reasserted itself.
It may be worth emphasising further that the arguments presented here must not be understood in a mechanical or deterministic sense. They should be seen as an attempt to analyse forces which have led the underdeveloped economies into certain patterns of development and to identify more precisely the nature of the blockage which confronts them at this stage. As for future prospects, the paper argues that in the case of South Africa it appears that in spite of the significant growth achieved since World War II the blockages identified have not been significantly overcome. Furthermore it is suggested that both past experience and future prospects would appear to be closely related to the heavy involvement of metropolitan capital in the industrial growth and the technological development of the economy. In addition it is noted that this failure is the more significant since it spanned a 20 year period (1948-1968) which was historically extremely favourable, and which is also clearly coming to an end. On balance this analysis appears to us therefore to emphasise the severity of the obstacles to development which confront the peripheral economies.

In this we clearly disagree with Marxist analyses which assert the contrary. These appear to us to be either based essentially on the extrapolation of past growth trends (Warren) or on an assertion that large internal markets, together with a strong state, are sufficient conditions to transcend this status (Ehrensaft). From the point of view of this paper only the second argument is a serious one, but even it is unacceptable because it regards the internal market independently and because it provides little indication of how the technological barrier is to be breached, or how this possibility is influenced by the competitive state of the international economy. Certainly it is true that 'ceteris paribus' a large export base and a large internal market provide a better base for the kind of development which might overcome these problems, but these are far from being sufficient conditions, and at the very highest level of generality the Swedish case suggests that they may not even be necessary conditions.

Finally a word to those who will charge that this argument is incorrect because it locates the problem at the level of exchange. This is not so. The argument is based on a notion of the accumulation and reproduction of capital in which valorisation (investment), production and realisation (exchange) constitute one inseparable whole whose constituent parts are meaningless if taken in isolation. That is the sense in which an attempt to locate the problem purely at the level of exchange would be incorrect. What this paper does however, is to posit certain relationships between the level of exchange (realisation) and decisions about investment (valorisation) and production which it is argued here, impose certain types of constraints on the pattern and scope of the productive activities which are established. We have furthermore emphasised that those changes in the process of production which could theoretically transcend this pattern, while not being impossible, are however themselves made more difficult by the extension of this pattern.

The Struggle for International Purchasing Power in South Africa
The industrialising metropolitan economies were subject to the centripetal forces of capitalist production from the outset. However, it was always the case that the need for primary products imposed a require-
ment to extend activities beyond their borders. Furthermore, the fact that the imperial powers depended on imports for a large proportion of their basic food requirements was highly significant for South Africa's early development.

Initially, the southern tip of Africa was used as a staging post for trade with the east and in line with the general requirement to minimise the real cost to the metropolitan economy of affecting such trade it was thought sensible to despatch and encourage European settlers to provide a steady supply of the desired provisions for the ships. From this beginning some additional foodstuffs began to be produced for exports to the metropolitan markets. The earliest pattern of South Africa's integration into the international economy was therefore characterised by the production of certain agricultural products for export. In exchange, the settler community obtained manufactured goods and that part of its food requirement which it could not produce or obtain from other local sources.

The manner in which this settler community produced or obtained these supplies was rather varied. Along the coastal strip it came to be based on the direct exploitation of black wage labour, while in the interior activities involving forms of share-cropping and purchases from pre-capitalist peasants also came to play a significant role. In this context share-cropping, payment in kind and the continued reliance on subsistence farming to meet the needs of local labour represented ways of minimising labour's claims on the money economy, and hence on international commodities. Where cash wages were paid their very low levels ensured that they would be largely spent on local produce, and therefore funnelled back into the hands of local capital.

This pattern was dramatically changed with the discovery of diamonds in 1867 and then of gold, the internationally saleable commodity par excellence in 1886. As one would expect quantities of machinery and men were despatched to obtain these commodities. British investment alone rose from £16m in 1870 to £34m in 1884 and £351m in 1911. The mining activity which developed was almost totally export-oriented, or in other words, international capital extracted these commodities more or less directly, again following the principle of cost minimisation — i.e. that the fewest possible commodities should be expended in the process.

However, complications arose since the extraction of the minerals in question required large quantities of labour, and the provision of that labour force necessitated the establishment of a local political structure. In the event it was inevitable that the pre-existing settler community should come to play a role in such a structure. For international capital, the aim and purpose of the local state structures would be to organise the provision of the necessary labour efficiently while minimising the expenditure of international commodities. These requirements were ideally met by the migrant labour system based on the continued local production on a subsistence basis of a share in the cost of reproduction of labour.

From this perspective the question of subsidy from the reserves is rightly
transformed into a question, not only of minimising aggregate labour costs, but also and more fundamentally of minimising the expenditure of international purchasing power. If the bulk of labour’s claims on international purchasing power could be minimised in this way, the same was not true of the claims of those workers who were necessary for the control and discipline of labour, or those of the local state which established and enforced the institutional and legal framework necessary to maintain the system. While international capital certainly sought — and seeks — to minimise the claims of these latter groups, their bargaining position was strengthened by the fact that they were essential for supplying the mass of labour so cheaply in terms of international commodities. Several other conditions placed these groups in a relatively favourable position in terms of their ability to lay claim to a share of the mining output. One of the most important was the fact that international capital played its role largely indirectly — i.e. by making available the international purchasing power necessary to acquire the things needed to exploit and market these resources, and by controlling the future availability of such resources. However, the fact that these resources were employed by relatively independent agents who controlled the actual production processes meant that a very substantial amount of power came to rest in their hands. Consequently there were more than a few instances of quantities of capital being made available through the European stock-exchanges for dead or worthless mines, a form of transfer pricing to the periphery which will not be found today, when international capital generally undertakes the extraction of such resources directly. Indeed the maintenance of control of the production process itself is probably deemed of the greatest importance by today’s multinationals.

This problem of control was in fact clearly recognized at the time. In the diamond industry there was open conflict for over sixty years between producer and merchant capital, while in gold mining a similar but more muted struggle occurred. The financiers who provided the capital which flowed to S.A. from the metropolitan centres were always keenly aware of the difficulties involved in controlling those who actually organized the production process in the mines. These local groups had themselves acquired capital and, as a result of the immediate access which they had to geological and technical information, they had a substantial advantage in finding new opportunities to accumulate further capital in mining — for it was they who were best placed to make the critical judgments concerning whether or not a certain region or claim was worth staking out. The position of this local group was further strengthened by a number of factors amongst which were: the abundance of gold and its ready marketability which induced a degree of competition among metropolitan investors; the long gestation period of mining investment which reduced the possibility of close control; and the long distances and poor communications between the capital markets of Europe and the gold fields. As a result many overseas investors insisted that those who organised local production invest in the mines which they managed. However, while this safeguarded the interests of overseas investors to a degree, it did not prevent the possibility of transfer pricing and it merely increased the capital which such resident interests could use for further accumulation. In the terms of this discussion it is of course not surprising that this did not strengthen national
capital in S.A. Rather it helped to strengthen a local concentration of international capital.

The question which now needs to be considered relates to the effect which the discovery of a new source of international purchasing power (gold and diamonds) had on S.A.'s internal development. It is perhaps necessary to stress that while the discussion which follows relates essentially to contradictions that existed between international and national capital in South Africa, because of the particular circumstances in which capital accumulation occurred in the country — that is, because Africans were in large part prevented from participating in the process of capital accumulation as a result of legislation enacted by the white-controlled Parliament (e.g. the Glen Grey Act and the Land Act) — the discussion focuses almost exclusively on the accumulation of white-controlled capital. Although some pockets of capitalist accumulation continued to occur among the oppressed peoples, especially in the commercial field, this is of peripheral importance to the present discussion.

With the pre-existence of a settler economy based on the earnings of agricultural exports, a problem immediately arose in that this group wanted to benefit from this new source of wealth. Initially they were able to do this by providing those in the industry with food and some other consumption requirements, and by undertaking to organise the importation and trade of the imported goods consumed by those in the industry. But these were modest enough achievements in relation to the wealth being exploited, so that there were soon demands to tax or otherwise retain a further portion of this international purchasing power in order to bring about a greater flow of commodities to South Africa, and in order to give more of the power to command such commodities to the non-mining community.

The mining houses themselves naturally sought to minimise the cost of extracting the minerals, where cost is again to be understood in terms of the value of the international commodities required to produce and market their output. Given a certain price of gold, in terms of international purchasing power, this would maximise the command over international resources accruing to those involved in the industry. All sections of capital involved in the industry, whether international or local in some residential or personal sense, would be essentially international in that they would share the desire to maximise international purchasing power, although they might well differ in their propensity to use this power to effect a flow of real commodities to South Africa. However, any such potential difference in resource utilisation would occur in spite of the fact that these so-called local interests would not generally be willing to exchange international purchasing power for national purchasing power, or in other words, they would invest their resources in South Africa only to the extent that they would thus obtain additional international purchasing power. This puts them on the same footing as purely international interests and the potential difference between them is reduced to the fact that these so-called locally based interests may be in a better position to identify and to take advantage of additional opportunities to earn hard international currency — or to obtain international purchasing power.
There are, in fact, three ways in which such *locally based* interests could seek to expand their international purchasing power. Firstly, they could simply invest it in the central economies. Secondly, such money could be invested locally in producing for new export markets, which could mean expanded opportunities for existing export products or the production of new exportable products. Finally they could invest in local production to the extent that this allows them to obtain some of the international purchasing power which had accrued to the local economy through the foreign exchange costs incurred in export production. Each of these alternatives requires some examination since at various times they each formed a part of the strategy for expansion adopted by different mining houses.

Investing in the central economies and, through them gaining access to investment opportunities internationally is in some senses the obvious solution. For many of those mining houses which were initially set up by locally-based capitalists this was in fact the alternative chosen. Usually partnership with existing international firms, or the establishment of holding companies registered in various metropolitan centres provided the vehicle for such strategies. The early years of the diamond industry provide examples of both approaches: Rhodes, having amalgamated a number of local claims to form the De Beers Mining Company, linked up with the international firms of Rothschilds and the French Company (Compagnie Francaise) to gain control over Barnato's Kimberley Company and form De Beers Consolidated Mining Company registered in Britain. From then on De Beers embarked upon international expansion. In the gold mining industry the dominant pattern was for those locally established mining companies to form holding companies in Britain, e.g. Gold Fields of SA, Central Mining, etc., from which point they invested in Britain, Europe, the USA (and some peripheral economies). However, such strategies have their own difficulties, since such a shift of capital generally reduces the degree of control over the investment resources in question. They furthermore reduce the local involvement of such firms or interests and hence reduce their ability to take advantage of new export opportunities which may appear locally.

As for expanding the production of existing exports this is also an obvious alternative which most frequently leads to various forms of over-production, followed by efforts at stabilisation through some form of agreement controlling the level of production — as in the long-standing efforts to establish international commodity agreements. In other words this alternative is generally limited by the very limitation of the markets themselves. In this respect the South African case exhibits two extreme forms of the problem. The case of diamonds is one in which the exchange value of the commodity is almost entirely the result of its extreme scarcity so that the need to control its production is critical — a fact which is not unrelated to the establishment of the diamond cartel at an early date. At the other extreme is gold, the market for which is effectively unlimited so that the limits to expansion were always given by the possibility of finding new reserves and it was this fact which differentiated various concentrations of mining capital, because some like Anglo-American were more actively concerned with the possibility of generating more international purchasing power from
Here the effects of the difference between a strategy based on investing in the central economies, and one based on expanding the production of existing local exports can be clearly seen. Hence, groups like Central Mining and Gold Fields (the most powerful mining houses in South Africa in the first few decades of this century), which based their strategy for expansion primarily on investments in the central economies, were overtaken in South Africa by Anglo American, originally a much smaller mining house. This latter group centred its search for international purchasing power on the expansion of mineral exports from Southern Africa and was consequently able to gain control over the lion's share of the local resources and secure domination over the industry for itself. Thus while the capital of the former groups was being channelled, inter alia, into US expansion (Gold Fields) and railway construction in Spain (Central Mining), Anglo American was able to wrest control of the extremely rich South West African diamond fields away from the Central Mining/De Beers group and, shortly afterwards, to gain control over De Beers, thereby breaking Central Mining's power in the diamond industry. Some years later Anglo was again able, by expending considerable capital resources on a number of risky ventures and take-overs, to gain the dominant position in the newly-opened Orange Free State goldfield — the richest in the world. (Prior to these take-overs all Anglo's interests in the OFS had in fact failed.) Finally, during the Sharpeville crisis, it was the fact that Anglo American, more than any other mining house, was committed to South Africa as the major source of its wealth that led it, in conjunction with national concerns, to pour money into the local economy to stave off the impending chaos as other international capital fled the country.

Not that such a strategy of local expansion was not without considerable risk for the companies concerned, particularly as it involved investing heavily in acquiring the mineral rights for areas when their capacity to produce was still not proven. The case of Johannesburg Consolidated Investments (JCI), another mining house largely geared towards local expansion, but one which failed to expand due to bad luck in its local investments, provides an illustration of this.

Finally, it should be noted that the difference in strategy did not prevent Anglo American from shifting an increasing proportion of its capital to the metropolitan economies when opportunities for the further accumulation of international purchasing power in South Africa were deemed to have become more limited. Following Anglo's take-over of Central Mining and JCI in the 'fifties, it established Charter Consolidated in London. This company was to become the major vehicle for Anglo's international expansion and today holds interests throughout the world.

The third alternative of investing in local production to obtain in a second round that international purchasing power which could not be appropriated in the actual export production itself has a number of difficulties associated with it. In the first place it is a kind of admission of defeat in that the ideal solution would be to have all local costs met through local production with no leakages to imports so that the inter-
national purchasing power that did accrue is either accumulated in reserves or is utilised through the agency of the state to pay for major infrastructural projects of interest to the export industry in question. This attitude of mining capital should be expected to change only when substantial quantities of international purchasing power are leaking into the rest of the economy. In this respect it is interesting to note that it is only over the last twenty years or so — i.e., after the expansion of the local economy that occurred after World War II — that mining capital has flowed on a substantial scale into the non-mining sectors of the economy. The two exceptions to this occurred during World War I and during the late thirties and early forties — i.e., during periods when investment opportunities in the central economies were limited and when the flow of commodities to the local economy was disrupted. Some investment in industries associated with the mining industry occurred during the development of the new post-war goldfields, but it was essentially from the mid-fifties onwards that the flow of capital from the mining to non-mining sectors really got underway. The value of Anglo American's industrial interests for instance, jumped from £30m in 1960 to £143m in 1969.

Historically it is possible in these terms to identify broadly the economic bases of political positions taken by various sections of capital in South Africa. From the 1870s, when mining first became important in the South African economy, mining capital was clearly struggling to minimise the local costs of production in terms of international purchasing power. In these efforts it was equally clearly opposed by the non-mining interests which pressed very hard to appropriate a share of that purchasing power. In addition those interests involved in international trade were pressing to obtain a share of this purchasing power by selling to those employed in the mines, or to those who had sold them their food requirements from local production. In other words, they would be pressing in to obtain a share of the markets so long as the money which they obtained in fact represented internationally exchangeable commodities. Hence their activities would induce increases in import leakages, and this process would stop only when a balance of payments crisis signalled the depletion of international resources backing the currency. This means that such merchant capital in a very general sense appears on the same side as non-mining capital in that its interests are served when more of the international purchasing power earned is utilised so as to effect a flow of commodities to South Africa. On the other hand their short-term interests would be opposed to those of non-mining capital since these trading interests were generally in business to sell consumer goods to South Africa, while the bulk of non-mining capital wanted to obtain their share precisely by providing for these consumption needs. This is a short-term conflict because when imports shift to producer goods, trade still takes place, however it is of a different kind and it runs through different channels.

Not surprisingly the struggle between national and international capital initially focused on the restriction of consumer imports and on the question of the proportion of resources to be held back through taxation and of the use to be made of such funds. This struggle was one of
the major causes of the Boer War, the result of which placed mining capital's claims on a much stronger footing, although the same conflict of interests re-emerged and sharpened again in due course.

The First World War provided new conditions which significantly shifted the balance of power. Suddenly the drying up of import sources and the emergence of new export opportunities provided capital with many non-mining opportunities to obtain international purchasing power, and accordingly a very rapid rate of growth was generated almost immediately. Industrial production in S.A. rose from £22m in 1910/11 to £40m in 1915/16 and £60m in 1917/18, and over this period industry's contribution to the National Income rose from 7 per cent to 10 per cent. It is difficult to think of better evidence that the problem had never been an absence of capital, but rather one of an absence of markets to stimulate the mobilisation of actual and potential capital. Once international markets appeared they induced rapid growth in a short space of time.

After the war there was naturally a crisis when the international space into which the economy had moved was once more occupied, but having once advanced non-mining capital was now more firm and more militant in its demands. The sudden switch in South Africa's industrial fortunes is well captured in company reports of the period. Immediately after the war, companies spoke in glowing terms of industrial expansion: “An Industrial Census undertaken by the Union Government shows that industrial development has been so stimulated by war conditions that South Africa's annual value of manufactures is now ... above the value of the Transvaal gold output — a remarkable advance. Expansion in local industries continues apace, especially seeing that competition from other parts of the world is eliminated owing to war conditions.” (Consolidated Gold Fields of South Africa Ltd., Report of the Directors, 30.6.18) Four years later, however, this same company referred to the “period of dull business (which) has apparently set in”, adding that: “Although it is not the declared policy of the Government meantime at any rate to provide protection generally for industries in the Union, they have during the past year, given a measure of assistance which has enabled the industries so favoured to combat the keen competition which has set in from exporting countries overseas. Without this assistance it would have been impossible for these industries to continue operations ... There has been no expansion during the year.” (Ibid, 30.6.22). The protection referred to above was introduced by the State as a minimum response to the demands of non-mining capital. In fact the whole decade of the twenties was characterised by struggles between mining and non-mining capital as the former sought essentially to roll back the more militant demands of the latter. In 1924 non-mining interests seized control of the State, which strengthened protective measures such as tariff barriers, as well as establishing an iron and steel works and expanding infrastructure.

A new development in the international economy — the advent of the depression — again ironically helped those who wanted to pursue a nationalist strategy. The gold price increase which occurred after South Africa left the gold standard in 1932, was of major importance in this regard. (The value of gold per fine ounce rose from £4.31 in 1932 to
£7.76 in 1939; gold mining profits, which had averaged £12.5m per annum between 1913 and 1932, jumped to an average of £32.5m per annum between 1933 and 1939.) Occurring as it did during the period of depression, when the ability of international capital to find opportunities for its valorization were reduced, the expanding opportunities now offered by South Africa received more favourable consideration from international capital. This enabled mining capital to embark on a massive programme of expansion and as a result four new gold fields were developed (the Far West Rand, Klerksdorp, the O.F.S. and Bethal). In other words, the scope for international capital to extract internationally tradeable commodities from South Africa widened considerably and consequently so did its involvement in the country. Equally the dearth of international investment opportunities and their control of the state enabled non-mining interests to increase their share of the enlarged pool of international purchasing power and hence to ensure a larger flow of commodities to S.A. This they did through the State increasing the level of gold mining taxation, raising transport tariffs for the industry, etc., so that between 1933 and 1934 gold-mining taxation increased by almost 250 per cent. Furthermore the depression served the interests of non-mining capital in that, as a result of the general difficulties of international trade which the capitalist world experienced, the flow of imports to S.A. was impeded. The effect was similar to that recorded in a variety of Latin American countries, namely, substantial growth of the national economy.

The depression was ended by another global conflict and this had an even more dramatic effect than World War I on industrial production in South Africa. Between 1939 and 1945 the gross value of industrial output rose by 116 per cent from £141m to £304m. This increase in the volume of industrial production was again followed by an upsurge of national capital, which could suddenly gain access to international markets. It was this upsurge which provided the economic basis for the capture of State power in 1948 by the most nationally oriented fraction of the community — those united under the ideological banner of Afrikaner nationalism. But although these developments clearly had important implications for the structure of South Africa's future development (particularly in the political sphere), the fact remains that these changes did not fundamentally alter the dependency relationship that arose out of the constraints imposed on the ability to increase the flow of use values to South Africa. For the immediate post-war period ushered in renewed difficulties in that international markets once again became fiercely contested and in the end South Africa's economy — settled into its original pattern in the sense that its ability to obtain international purchasing power remained essentially constrained by what it could earn from a range of primary commodities — and especially from gold and diamonds. Even by 1973 this pattern continued to be dominant in spite of a widespread belief to the contrary. Hence as is shown in Table 1, if one includes gold exports, then even on the broadest definition of manufactures (SITC categories 5 to 8) only 27 per cent of foreign exchange earnings came from this source in 1973. If one removes diamonds and unworked metals from these categories one is left with no more than 14 per cent of total export earnings being earned from manufactured exports.
TABLE I
1973: South African Customs Union Exports (§US '000s)

<table>
<thead>
<tr>
<th>SITC Category</th>
<th>Value of Exports</th>
<th>% of total</th>
<th>Manuf. &quot;A&quot;</th>
<th>% of total</th>
<th>Exclus. Manuf. &quot;B&quot;</th>
<th>% of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 Food</td>
<td>789.0</td>
<td>14.0</td>
<td>133.6</td>
<td>40.5d</td>
<td>93.0</td>
<td></td>
</tr>
<tr>
<td>1 Drink, Tobacco</td>
<td>21.9</td>
<td>0.3</td>
<td>203.0</td>
<td>720.2e</td>
<td>451.4</td>
<td></td>
</tr>
<tr>
<td>2 Crude Materials</td>
<td>793.1</td>
<td>14.1</td>
<td>38.4</td>
<td>38.4</td>
<td>-</td>
<td>38.4</td>
</tr>
<tr>
<td>3 Mineral Fuels</td>
<td>22.5</td>
<td>0.4</td>
<td>212.6</td>
<td>212.6</td>
<td>-</td>
<td>212.6</td>
</tr>
<tr>
<td>4 Animal, Veg. Oils</td>
<td>18.0</td>
<td>0.3</td>
<td>2,122.0c</td>
<td>2,122.0c</td>
<td>-</td>
<td>2,122.0c</td>
</tr>
<tr>
<td>5 Chemicals</td>
<td>133.6</td>
<td>2.3</td>
<td>133.6</td>
<td>40.5d</td>
<td>93.0</td>
<td></td>
</tr>
<tr>
<td>6 Basic Manufacture</td>
<td>1,171.6</td>
<td>20.8</td>
<td>1,171.6</td>
<td>720.2e</td>
<td>451.4</td>
<td></td>
</tr>
<tr>
<td>7 Machinery</td>
<td>203.0</td>
<td>3.6</td>
<td>203.0</td>
<td>-</td>
<td>203.0</td>
<td></td>
</tr>
<tr>
<td>8 Misc. Manfrs.</td>
<td>38.4</td>
<td>0.6</td>
<td>38.4</td>
<td>-</td>
<td>38.4</td>
<td></td>
</tr>
<tr>
<td>9 nes</td>
<td>212.6</td>
<td>3.7</td>
<td>2,122.0c</td>
<td>2,122.0c</td>
<td>-</td>
<td>2,122.0c</td>
</tr>
<tr>
<td>Total</td>
<td>5,608.6b</td>
<td>97.9b</td>
<td>1,546.6</td>
<td>27</td>
<td>785.8</td>
<td>14</td>
</tr>
</tbody>
</table>

b. The slight discrepancy between the total and the sum of the category arises from the UN Yearbook statistics.
c. This figure is derived from a figure of £885 million converted at §2.40 to the §US. Gold is not included in the UN statistics on merchandise trade.
d. This includes crude inorganic chemicals.
e. This includes diamonds, unworked nickel, lead, silver, platinum, and unrefined copper.

To this one must add the striking observation that the vast majority of export earnings from manufactured goods were derived from exports to non-metropolitan markets. Hence the South African Customs Union appeared among the top 22 exporters for 41 commodities in SITC categories five to eight. From Table 2 it is clear that with the exception of the relatively minor exports of paper and board, glass and metal working machinery, only the exports of diamonds, basic inorganic chemicals, unworked metals, and the least advanced iron and steel products found access to the major international markets. All other more sophisticated manufactures were almost exclusively sold to very small markets, with only about 15 per cent of the total being sold in the world’s major markets.

Furthermore, an investigation of food product exports revealed a heavy concentration (79 per cent) of totally unprocessed exports, with only the canning of fruit and fish representing modest enough departures in the direction of further processing. These figures clearly illustrate the dilemma in which the South African economy finds itself even after more than two decades of international growth and prosperity.

From international capital’s point of view such industrialisation as is occurring is of interest only to the extent that its activities do ultimately yield international surplus value, so that to this extent its expansion is still related to, and constrained by, the volume of exports which can be achieved by the economy. The widespread involvement of international capital in these industries which accelerated during the 50s and 60s is a reflection of the fact that these activities can be understood as efforts to obtain that international purchasing power which does accrue to the economy.
TABLE 2

1973: South African Customs Union: Proportion of Exports sold to the World's 20 largest importers - based on the 41 three digit commodity groups in SITC 5 to 8, in which the Customs Union appears as one of the world's 22 largest exporters.

<table>
<thead>
<tr>
<th>SITC Commodity</th>
<th>%</th>
<th>SITC Commodity</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>513 Inorganic Chemicals elements</td>
<td>78</td>
<td>533 Pigments, Paints</td>
<td>2</td>
</tr>
<tr>
<td>514 Other inorganic chemicals</td>
<td>37</td>
<td>561 Fertilizers, Mnfrd.</td>
<td>3</td>
</tr>
<tr>
<td>515 Radioactive Materials</td>
<td>100c</td>
<td>571 Explosives</td>
<td>4b</td>
</tr>
<tr>
<td>532 Vegetable Dyes</td>
<td>82</td>
<td>621 Materials of Rubber</td>
<td>1</td>
</tr>
<tr>
<td>641 Paper and Board</td>
<td>61</td>
<td>661 Clay, Refr Bldg. Matrials.</td>
<td>7</td>
</tr>
<tr>
<td>664 Glass</td>
<td>41</td>
<td>674 Iron and Steel Plates</td>
<td>33</td>
</tr>
<tr>
<td>667 Diamonds</td>
<td>43</td>
<td>675 Iron and Steel Hoop, Strip</td>
<td>3</td>
</tr>
<tr>
<td>671 Pig Iron</td>
<td>100c</td>
<td>676 Railway rails</td>
<td>0</td>
</tr>
<tr>
<td>672 Iron and Steel Forms</td>
<td>100c</td>
<td>677 Iron and Steel Wire</td>
<td>22</td>
</tr>
<tr>
<td>673 Iron and Steel Shapes</td>
<td>71</td>
<td>679 Iron and Steel Castings</td>
<td>31</td>
</tr>
<tr>
<td>681 Silver, Platinum</td>
<td>100c</td>
<td>686 Zinc</td>
<td>18</td>
</tr>
<tr>
<td>682 Copper</td>
<td>100c</td>
<td>693 Wire Products</td>
<td>10</td>
</tr>
<tr>
<td>683 Nickel</td>
<td>100c</td>
<td>694 Nails, bolts etc.</td>
<td>8</td>
</tr>
<tr>
<td>685 Lead</td>
<td>86</td>
<td>695 Tools</td>
<td>21</td>
</tr>
<tr>
<td>689 Non-ferrous metals</td>
<td>100c</td>
<td>712 Agric. Machinery</td>
<td>19</td>
</tr>
<tr>
<td>715 Metal working machines</td>
<td>43</td>
<td>718 Mach. for special indus.</td>
<td>11</td>
</tr>
<tr>
<td>Average</td>
<td>67</td>
<td>719 Machines non-electric</td>
<td>13</td>
</tr>
<tr>
<td></td>
<td></td>
<td>723 Elec. Distribution mach.</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td></td>
<td>726 Elec. Med-X-Ray mach.</td>
<td>13</td>
</tr>
<tr>
<td></td>
<td></td>
<td>731 Railway vehicles</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td></td>
<td>732 Motor vehicles</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td></td>
<td>861 Instruments, watches</td>
<td>20</td>
</tr>
<tr>
<td></td>
<td></td>
<td>862 Photo, Cinema film</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td></td>
<td>863 Developed Cinema film</td>
<td>7</td>
</tr>
<tr>
<td>Average</td>
<td>49</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

b. This was the only case in which a Central or Southern African economy appeared as one of the 20 largest importers. In this case Zambia in fact received 39 per cent of South African exports. These have been excluded here since the 20 largest importers have been used as a Proxy for non-regional major international markets.
c. Since these proportions are calculated from South African declared export totals (generally f.o.b.) and importing country declared imports (generally c.i.f.) there are numerous cases where the sum of the latter declarations exceed South Africa's declared export total. Such cases are indicated by a "c". This introduces a general upward bias into the proportions shown.

Conversely, the desire of local firms, including state-owned firms, to operate various forms of joint venture arrangements with foreign firms is a reflection of their desire to internationalise the purchasing power of their profits. This trend, which began in the mid-fifties, has accelerated enormously during the sixties and seventies. On the one hand, there have been the links made by State-owned corporations, such as the iron and steel giant, ISCOR, with international firms like the British Steel Corporation and Austria's Voest. On the other hand, private nationalist capitalist units, such as Thos. Barlows, Rembrandt and Federale Volksbeleggings, have rapidly internationalized their operations through mergers, joint holdings, etc. with international firms. This is a trend which is inevitable and which makes clear that there is nothing national about non-mining capital as such. Certainly the fact that it is controlled by long-term residents is neither here nor there. What made it national was its inability to gain access to international purchasing power directly. To the extent that it has established an internal economic structure through which it can share in the international purchasing power being generated primarily through mining exports, one must
expect it to be no more national in future than was the case with the so-called local mining interests. This convergence of interests between mining and non-mining capital is most clearly manifested in the establishment of finance houses like Nedsual in which the previously antagonistic sections of capital have become merged. What becomes increasingly evident is the fact that international capital, meaning that capital which is directed to accumulation through international surplus value, presents a common front in South Africa, as elsewhere, in the sense that its interests demand policies which ensure the possibility of such accumulation. Internal activities can only yield such incomes if these are backed by international commodities. Hence, when external markets cannot be farther increased* balance of payments crises increasingly demand general deflation as a cure. South Africa has, in fact, suffered from a chronic balance of payments problem since the early sixties which, despite the considerable alleviation which gold has provided, shows signs of worsening. The main reason for this is the rising level of imports. In this case the connection between the external constraint and the possibility of the mobilisation of local resources to meet local demand becomes painfully clear.

Here also lies the explanation of why wages cannot simply be increased to solve the apparent problem of inadequate markets. By maintaining very low wage levels and by preserving some connection between industrial workers and the homelands, capital can continue to minimise the direct and indirect claim on international purchasing power made by this section of the economy. From the perspective of international capital higher wages represent a cost with no benefits, since the markets which are created do not add to the pool of international surplus value. When all of the international purchasing power generated by the economy is already claimed, any such additional activity merely adds to the numbers of claimants for a limited quantity of resources. The consequence would be merely to worsen the balance of payments and eventually to force devaluation upon the economy. Such devaluation could mean that the international purchasing power of all capital was reduced as a result of some additional claimants having pushed their way to the trough. At the same time, existing producers with a claim to international purchasing power could try to maintain their claim through price increases in internal markets. In other words such pressure would induce both inflation and devaluation as contradictory responses to a common phenomenon. S.A. has in fact been forced to devalue a number of times over the last decade, while the inflation rate continues to rise at a rapid rate.

All economies which reach this position (i.e. including Great Britain) find that under these circumstances very heavy downward pressure on wage levels will emerge, representing an effort to weed out the weaker claimants who had staked a claim by finding some room in an internal

*It is assumed here that these markets are limited and that devaluation cannot always obtain more. Apart from the Lerner condition, which says that a 10 per cent devaluation increases foreign exchange earnings only if demand rises by more than 10 per cent as a result, there is the obvious point that when world markets are generally tight competitive devaluation achieves very little for particular countries. Furthermore, such a solution could easily produce growth in which all the increases in output accrued to external economies.
market. Announcements of wage increases in South Africa which currently abound in the press should be viewed in the light of the drive towards capital-intensity in S. African industry and thus do not refute the point being made here. For as some companies mechanise they raise wages for certain classes of labour, while expelling others from employment and are thus in fact able to depress the overall wage bill. African unemployment in S.A. is conservatively estimated by the Financial Mail to be running at around 2½m, at present, that is over 10 per cent of the total African population.

Prospects for the Future
This paper has sought to explore the connection between the external linkages of an economy and its capacity to mobilise its resources internally. It has established such a connection through the operation of capital whose drive for accumulation is satisfied only by the generation of international surplus value. Furthermore it has argued that national capital is generally a phenomenon which inevitably seeks to transform itself into an international form.

The question which must be posed in the end is whether this analysis is not merely a different description of a process of development. In other words the argument has not specified the degree to which the internal mobilisation of resources is limited by the external constraints, so that to establish a connection is merely to posit some limit based on the propensity to import. To put the same point in the terms of this discussion, why could there not be many different levels of local production before one reaches a level which makes a claim on the economy’s international purchasing power. This means that if those who produced to satisfy the consumption demand generated by the mines were in turn provided by national producers who were in turn provided by national producers and only the last link in the chain utilised the potential international purchasing power of his currency, then a limited quantity of such purchasing power could support an unlimited level of development internally.

While hypothetically this is quite correct, it is neither plausible nor historically validated. The fact is that the desire for national capital to transform itself into international capital is very strong both for political and for economic reasons. Politically it is important in order to obtain the benefits of the guarantee which the metropolitan powers give to capital. Even though these guarantees are not unlimited they are important to capital operating in an economy which is not broadly based or highly integrated. Economically it is vitally important in order to be able to maximise the purchasing power of resources and in order to be able to minimise costs. In other words it is relatively easy to impose tariffs on consumer goods in order to minimise the direct leakage of international purchasing power through consumer expenditure, but it is very difficult to impose them on producer goods which would restrict certain sections of capital in their access to such purchasing power. This difficulty escalates to the point of virtual impossibility when the capital involved in such production is itself international capital.

Finally it is sometimes assumed that the state is not subject to these
tendencies in that it is content to realise its profits in terms of national purchasing power. Quite apart from any reasons derived from arguments about possible class interests of the bureaucracy itself, the fact is that the state's finances are closely tied to financial flows between the national and the international economies through debt servicing charges, capital flows, aid and trade tariffs and excise duties. In other words the state both as entrepreneur and in its more general role of administrator has a clear incentive to maintain the purchasing power of the currency and to make use of a share of its earnings to purchase goods and services from abroad.

The implication of this discussion is that the South African economy's ability to generate a substantial rate of growth over a period does not mean that this growth can be simply extrapolated into the future. The fact that the bulk of post-war export earnings are still derived from a restricted range of primary commodities and the fact that the balance of payments appears clearly and visibly as a dominant constraint on growth, both suggest that future prospects must be evaluated in terms of the economy's ability to generate significant increases in the internationally tradeable commodities it produces.

Occasionally it is envisaged that the problem of the balance of payments could be solved through a reduction in the import requirement by developing a local capacity to produce capital and technology. However, international capital (even if it was locally resident) would have no incentive to do this unless it promised the prospect of capturing new international markets, and national capital could never remain national (in the specific sense of this paper) while working at such levels of technology. For international capital generally it makes no sense to develop such technology in an economy like South Africa rather than in one of the central economies* on which their operation is based. Possibly some sections of that international capital which operate from South Africa may feel that such a development might give them particular access to increasingly tough international markets, but they could expect no help from other sections of multinational capital. The fact that most of the projects which might fall into this category are joint ventures makes it very unlikely that they will result in a significant transfer of technological capacity.

This situation forces South Africa to concentrate on finding ways of expanding the internationally tradeable use-values which it commands. But these efforts are hampered by the increasing intensity of competition for international markets. Accordingly a great deal of effort is expended in effecting such an expansion. On the one hand, the South African State has expended considerable energy and finance on promoting the expansion of exports of S.A. manufactured goods. Promotional measures include reduced rail rates for manufactured final goods con-

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*This may no longer include Great Britain which is seen less and less as a base for such capital. It is suspect politically and it has long lost the military and economic capacity to guarantee its investment abroad. The only present bases for capital are therefore the EEC, Japan and the US. In some sense the US is the guarantor for all of these as is illustrated by the troops it stations everywhere. However the economic power of the others gives them increasing influence, and the political and military capacities will certainly follow.
signed for destinations abroad, as well as for raw materials which are to be used for the manufacture of goods for export; extended credit terms in the form of loans to industrialists wishing to export capital goods; special insurance benefits if the local content of manufactured goods being exported constitutes at least 60 per cent of the export value of such goods; tax concessions, etc. On the other hand, there is the drive to develop processing and refining plants in South Africa so that raw materials, like metals and minerals, are no longer exported in raw and unrefined form.

One alternative means of achieving this end is by developing a regional base within which it is possible to export manufactured goods of various types in return for resources which are internationally tradeable. For some time now national capitalist interests in South Africa have regarded Southern Africa as an obvious target for such an arrangement and there has been consistent discussion about the establishment of a Common Market in Southern Africa: "Member-countries of the Common Market could complement one another. For example the Republic of South Africa could manufacture machinery, chemicals and electrical appliances — while the Transkei could produce jute, Swaziland sugar, Botswana beef, and Lesotho water." (Africa South) In some other instances this process has been extended to inducing countries like Botswana, Swaziland and Lesotho to hold large reserves in South Africa.

These naturally serve directly to increase the international purchasing power available to the South African economy. Indeed this pressure to increase such purchasing power has given rise to various notions about sub-imperialism. In the context of that debate these developments should be seen as extensions of the nationalist interests since international capital in general already has access to the international commodities being produced in the region. For South African interests it makes a difference however that this purchasing power should accrue to them in return for goods not otherwise transformable into such purchasing power — i.e. the bulk of their more sophisticated manufactured exports.

Such perspectives also allow one to understand the economic motives behind the South African Government’s rather ambiguous stance on Rhodesia. A blockaded Rhodesia, or an independent neo-colonial Zimbabwe, naturally give far better prospects for the appropriation by South Africa of the international purchasing power generated by that economy.

On balance then, South Africa appears as a peripheral economy which has achieved a considerable amount of growth because it possessed large quantities of international commodities with assured markets and because it has enabled its internal economy to grow about as much as is possible given that constraint, as a result of the ruthless suppression of internal demand associated with Apartheid and its ability to minimise direct foreign exchange leakages. Nevertheless, it faces the same impasse now at a slightly more advanced level of production and a solution is not in sight.

Possibly the only solution would be a development which elevated
South Africa to the level of a social formation from which large accumulations of international capital would seek to guarantee their operations. In spite of the military build-up of the state, and in spite of its desperate efforts to become a nuclear power, this would appear to be a very remote possibility indeed. However, this does not of course mean that international capital is not involved in the struggle to prevent the rise of militant black nationalist or socialist forces in South Africa. Recent attempts by Western powers to roll back the liberation struggles in Southern Africa are evidence of the importance they attach to the region as a source of international commodities (political and strategic considerations aside). But their interest in preserving the region as a sphere of exploitation is to be differentiated from their interest in preserving the viability of those social formations which serve as the operational bases guaranteeing the conditions of reproduction of capital internationally.

Finally, there seems very little room in all this for the realisation of the liberal dream of improved living standards for the masses through the mere development of the economy and of its technology. While this might come about for a small minority, it would require just that growth which is of interest to international capital so long as there is not a substantial increase in foreign exchange earnings. With the international economy preparing for a depression this is a pretty remote possibility. On the other hand, if that depression reaches the stage where the international tradeability of commodities becomes virtually meaningless then capital may once again revert to a more favourable consideration of national surplus value.

Just how the future will develop will depend on the speed with which progressive class forces grow and consolidate within South Africa, as well as on the degree to which depression and war again come to characterise the international economy. In the context of either of these catharses very different possibilities may emerge for South Africa. The one possibility which seems quite ruled out is that of steady uninterrupted growth with spreading benefits to the black labour force. From the perspective of this paper, that vision appears as no more than a fairy tale told by the misguided or by those with ulterior motives.

Bibliographical Notes


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AFRICA RELEASE CAMPAIGN (103 Gower Street, London)

A recent meeting in London discussed the urgent need for an effective campaign to release the alarming and growing number of progressive African political prisoners detained in jails throughout the world.

It was agreed to set up a campaign, provisionally called ARC (Africa Release Campaign). The aims of the campaign shall be:
- to campaign for the release of progressive African political prisoners both on the African continent and elsewhere;
- to develop analyses of these detentions in order to further the understanding of the political processes at work in Africa today.

ARC shall work towards these aims in the following ways:
- dissemination of information internationally;
- appeals to African Governments to guarantee strict implementation of the universal declaration of Human Rights in accordance with the stated aims of the OAU;
- to work for the release of prisoners held without trial, or to bring them to an early trial held according to internationally accepted legal standards;
- to improve the prison conditions of detainees;
- to oppose the misuse of preventive detention acts in various African countries;
- to provide moral and material support for prisoners and their families.

The campaign shall be implemented in the following ways:
- publicity, in particular through the publication of a regular bulletin containing case-histories and background information about prisoners;
- systematic efforts to make and maintain contact with prisoners and their families;
- fund-raising.

Organisations and individuals shall be requested to support the campaign in the following ways:
- by becoming regular subscribers to the bulletin
- by providing information, especially case-histories of prisoners, to ARC
- by giving wide publicity to information received from ARC
- by sending donations and organising fund-raising events.

We urge you to support this campaign!
Industrial Relations Legislation:
One of Capital’s Defences

Robert Davies
David Lewis

This paper focuses on the struggles of wage earners — both black and white — in various epochs of South Africa’s history. More specifically, it concentrates on the legal framework governing industrial conflict. It attempts to pinpoint the double-edged nature of the concessions offered by the state to the working class, and to illustrate how these concessions inevitably contain within them safeguards designed to maintain the exploitative relations which characterize a capitalist-dominated social formation.

Introduction
The strikes by up to 100,000 African workers in 1973 came as something of a shock to capitalists in South Africa. After decades of industrial peace they found themselves having to make some limited concessions to the demands of African workers before production was resumed. Furthermore the period since the Durban strikes in 1973 has been characterised by frequent industrial action on the part of African workers and by the formation of growth of a number of African trade unions and other worker organizations. This wave of industrial action by African workers (the struggles which began in June 1976 in Soweto and elsewhere are beyond the scope of this paper) has by and large been directed specifically at improving wages and working conditions, but has, on occasion, explicitly sought recognition of African trade unions. It has in other words directed itself at a modification of the existing industrial relations framework, a modification which would incorporate African workers and their organizations into the legislated system of collective bargaining.

The paper is concerned with the relationship between the state and the organizations of wage earners. We will not digress into a theoretical analysis of the state and politics. We will accept that the state only exists when the appropriation of surplus is not collective, i.e. when the agents of production are distributed into classes. We adopt therefore the position of, inter alia Hindess and Hirst and Poulantzas, that the state is the factor of cohesion in class societies and the place
where the contradictions are condensed. It is therefore impossible to conceive of the state except in relation to the field of class practices, that is as the *nexus of class struggle*. Hence the concessions offered by the state cannot be understood outside of the context of class struggle.

It is important to bear in mind that the prime objective of the class (or classes) holding state power is the retention of that power. In particular phases of the class struggle the state may, in order to defend most effectively the coherence of the social formation, be compelled to concede to the working class certain of the latter's demands. The precise nature and timing of these concessions will only be understood if located in the context of the rhythm of two contradictions. Firstly the struggle for hegemony between the dominant classes and fractions in the power bloc, and secondly the struggle between dominated and dominant classes (the latter, the principal contradiction). Thus concessions offered by the state cannot be conceptualised in terms of an immediate, open set of struggles waged by the dominated classes, but must rather be situated within the total field of class practices.

The object of this paper is narrowly limited. It does not, in fact, attempt to explain the precise nature and timing of concessions offered by the state to the working class. More particularly, it does not address itself to the struggle for hegemony within the power bloc and, as such, cannot attempt to answer many of the important questions surrounding the nature of the relationship between the state and the proletariat. Rather the paper examines the concessions extended and then illustrates how the state, in the process of conceding some of the demands by wage earners, attempts to safeguard the new ground on which it now locates itself.

Notwithstanding the limitations of the paper its objectives remain important. Primarily, it warns against the interpretation which hails any sign of concession by the state to the working class as *progress towards democracy*. Needless to say it therefore decisively rejects the notion current in some academic circles which views concessions of this sort as *proof* of the validity of their thesis that the interests of capital and African workers are fundamentally common and lie, according to one extreme version, in bringing about through a multiplication of *micro-changes*, a *welfare state* such as that in Britain in 1905 (sic!) by the year 2020. (O'Dowd 1974). Rather the paper attempts to show how every concession extended by the state contains safeguards designed precisely to maintain the fundamental relations of exploitation which characterize capitalist society.

But simultaneously the paper warns against the conception which dismisses any concession offered by the state as a mere ploy, a tactic, designed to perpetuate the exploitation of the working class. The state will only agree to a modification of its relationships with the working class, will only concede a working class demand, when the existing structures governing relations between the state and the working class can no longer be sustained. Any concession agreed to by the state is to a greater or lesser degree a victory for the working class and an attempt by a defensive state to accommodate the opposition of the dominated
classes. To arrogantly dismiss the demand and its success as mere reformism or economism is ultra leftist and formalist. That the state will attempt to turn a working class victory to its best advantage is not, as we shall illustrate, to be doubted. But whether or not the organizations of the working class are capable of consolidating upon and advancing from a victory is a question beyond the scope of this paper. It is in fact a question which can only be answered by the organizations themselves.

Bearing in mind these limitations and qualifications, we now turn to a study of industrial relations legislation in South Africa, as it has operated in respect of the struggles by white wage earners (consisting of parts of the new petty bourgeoisie as well as a fraction of the working class proper) and as it has been proposed by members of the dominant classes in respect of the struggles by the African working class.

**Industrial Relations Legislation in Practice — The Case of the White Wage Earning Classes**

Legislation providing for the institutionalization and regulation of trades unions in South Africa dates back to the early years of this century. An Act was passed in the Transvaal as early as 1909 and the Industrial Conciliation Act passed by the Smuts government in 1924 remains, with some modification and amendment, in force today.

As these laws have in the main been directed at white wage earners, their fundamental purpose has often been misunderstood. Repeated state interventions, often against the protests of individual capitalists and fractions of capital, to confer substantial economic and social benefits on white wage earners have fostered the belief that the industrial conciliation system in South Africa is designed to benefit white wage earners as much as, if not more than, capital. This however is a fiction. The industrial conciliation laws directed at white wage earners were and are, like all such laws emanating from a capitalist state, fundamentally aimed at defending the political interests of capital, under conditions of class struggle which make the undermining of trade union combination impossible or impractical. The 1914 Economic Commission, which recommended the abandonment by capital and the state of previous unsuccessful attempts to undermine trade union combination by whites, was indeed remarkably frank on this point. It argued for a policy of recognition within a statutory industrial relations system as follows: “Recognition creates responsibility ... Moreover the [trade union — authors] official is more likely to take the business point of view and examines the situation calmly than the workman who has some personal grievance rankling in his mind. Finally it is certain that, recognized or not, labour organization will continue among white men. All experience proves it, and experience proves also that organization in the open, made sober by recognition, is a very different thing from organization which has to fight against contempt or antagonism ... It is the latter form of trade union which is so peculiarly liable to foster extreme and even revolutionary doctrines.” [pp.47/8 emphasis added].

As with all legislation of this type, South Africa’s industrial conciliation
decades of this century were characterised by a series of increasingly militant struggles between capital and white wage earners; some, but by no means all, over the question of job colour bars. By the mid '20s these had come to constitute a serious threat to the position of the dominant capitalist classes. Not only was this because over time the struggles had themselves become increasingly disruptive to capitalist production, but also because they were seen as having, to use a contemporary phrase, disturbing effects on African workers who had by this time also begun to organize and engage in strike action. As the above quoted Commission put it:

Your Commissioners must call attention to the danger in South Africa under existing conditions of industrial unrest, and especially of attempts by strikes or lock outs to compel either employers or employed to grant concessions. The [evidence heard] ... shows clearly what serious effects such disturbances have on the native mind ... In answer to the question whether he thought that the native had learnt lessons in combination from the events of [the 1913 white miners' strike], [A Government] Inspector replied 'I'm sure of it'. [p.50].

Thus, what concerned the bourgeoisie in South Africa at this conjuncture was not only that strike action might lead to more politically damaging forms of struggles by the white wage earners themselves, but also that the mere occurrence of strikes by whites might make more likely political class struggle by blacks. Under these extraordinary circumstances the South African state began to make a particularly vigorous and concerted attempt to contain the struggle of white wage earners at a level which as far as possible eliminated strikes. After the failure of its initial strategy i.e. to prevent strikes by means of state interventions to undermine trade union combination by whites, the state eventually became obliged to consider another approach. On the one hand this involved the granting to whites of a wide range of concessions in terms of jobs, income and other benefits; designed to avoid any situation in which white wage earners identified their interests with those of African workers. But on the other hand, it also involved a protracted struggle by the state to establish a number of institutions and apparatuses designed to regulate and control the white trade unions and the struggles of white wage earners.

After a number of abortive or only partially successful attempts, this finally culminated in the passage of the Industrial Conciliation Act, still (after various amendments) in force today. The clauses contained in this Act vividly illustrate the essential character of state interventions of this sort. On the one hand there are clauses providing for, indeed encouraging, the establishment of a bargaining system (actually highly bureaucratised and centralised) within which employers' representatives and trade unions negotiate over a specified range of economic issues. These include, in this case, bargaining over the racial allocation of particular jobs and (since 1937) African wage levels as well as white.

But on the other hand the Act also includes a number of prohibitive and restrictive clauses. In fact though it is permissive by comparison with the legislation directed at Africans in South Africa, it is far more prohibitive in character than the legislation which the capitalist states of a number of other social formations have been able to direct against their working classes. Most importantly, the Act includes provisions
making the resort to strike action illegal. Technically this is for statutory employees not in *essential services* only a suspension of the right to strike until the conciliation procedure has been employed but so circumscribed are the conditions under which strikes are permitted, that, in the words of one experienced participant, in practice the Act virtually "makes strikes an impossibility...in legal form" (Andrews 1941). There are also several other clauses specifically designed to prevent or contain particular forms of struggle by statutory employees. For example, direct shop floor representatives are accorded no recognition, and indeed were consciously and deliberately excluded from any role in the system under the 1924 Act at the insistence of mining capital, which then considered that shop stewards "undermined management authority". Unions are prohibited from making any contribution to political causes. General Unions which could conceivably come to articulate political demands or generalize strikes, are prohibited. And recognized unions are required to register with the state. [Registration is refused if the union includes any African members or if its constitution includes any provisions which are not in conformity with the Act].

One of the effects of the establishment of the 'conciliation' system provided for by the Industrial Conciliation Act was, as many observers have pointed out, that it enabled white wage earners to secure a number of their sectional economic demands [which are, under the particular structural conditions of South African capitalism, often contradictory to those of African workers]. What is less well known however is the way in which the system assisted capital and the state, in the class struggles of the '20s and '30s, to defuse the struggle of white wage earners thus rendering more secure their position of dominance over the social formation as a whole. In the words of the Government Commission, which reviewed the first ten years operation of the Act: "(Statutory) wage regulation made unions less militant" (1935 Commission p.83). Immediately and obviously this manifested itself in a sharp reduction in the number of strikes. Official statistics show an average of only 6 strikes involving 393 white and coloured employees between 1923 and 1929, compared to an average of 37 strikes involving 42,087 employees each year between 1919 and 1922.

But there were also a number of more subtle ways in which capital was able to turn the system to its advantage. With the establishment of an effective centralised and bureaucratised conciliation system power within unions passed more and more into the hands of the union official, *professionally* engaged in the work of statutory bodies. More and more union decisions came to be taken at the top, and, almost inevitably as "common interests multiplied across the board room of industrial councils" (Simons and Simons 1969) these came to include decisions to advance the interests of their capitalists. For example, unions would often collaborate with capitalists in working out schemes to undersell competitors in other provinces or industries.

Rank and file memberships, seldom required to do anything other than endorse decisions and pay dues, became concomitantly increasingly apathetic and thus effectively disorganized. As the investigating Commission referred to above, euphemistically put it:

As conditions of labour secured through bargaining (procedures regulated by the
Act) become the standard conditions for a prescribed period, many workers fail to appreciate the need for continued organization.

In some idustries indeed this "resulted in (an initial) decrease in the membership of unions". Such extreme disorganization was however short lived. For, once the capitalist state had succeeded in transforming the character of white trade unions, capitalists began to see positive advantages in trade union combination by whites. The Commission explained:

In these days when the employees of a single workshop often number many hundreds, the arrangement of individual contracts would present many administrative difficulties and for that reason alone many employers . . . (prefer) . . . their employees to link up with unions . . . The better type of employer also appreciates the fact that well organized and well disciplined trade unions can do much to reduce the evasion of industrial legislation by . . . less reputable (competitors).” (p.90 emphasis added).

Employers began therefore to “actively assist in the organization of unions”. In the main this involved employers entering into closed shop agreements and providing facilities for the collection of dues etc. But in several cases employer participation extended to bolstering up union leaderships against internal challengers by e.g. operating closed shops against dissidents. In one extreme case such employer participation was even formalized, and employers sat on a committee which heard appeals in matters of internal union discipline [Simons and Simons].

Small wonder then that the investigating commission found the Industrial Conciliation Act to be “judged good in principle . . . by employers generally” (p.82). It had within the space of ten years contributed towards transforming the white trade unions from organizations which had once posed a potential threat to capitalist interests into organizations which contributed in some way towards advancing those interests.

State Policy an African Workers to World War II

We have thus far discussed the role played by the industrial relations machinery, particularly the Industrial Conciliation Act, in containing the struggles of white wage earners and in co-operation with other legislative machinery, conferring particular economic benefits upon that stratum of the society. We have also emphasized that state policy in respect of the white wage earners was, in a large part, prompted by the fear that white labour unrest would lead to a native uprising.

The great majority of African workers were excluded from the definition of employee in the Industrial Conciliation Act. They were thus excluded from the industrial conciliation machinery established by the Act and, more particularly, were not permitted to form or join legally recognized trade unions. Moreover, African workers were not provided with an alternative industrial relations system.

The determination of African wage levels was governed by some legislation, such as the 1937 Wage Act and the 1937 Industrial Conciliation Act, which permitted Industrial Councils to make provisions covering African workers. But, no serious attempt was made to draw the African working class into an institutionalized bargaining framework. Earlier
legislation, like the 1911 Native Labour Regulation Act and the nineteenth century Masters and Servants Acts, had taken cognizance of African workers on the principle of regulation from above. But even a government Commission admitted that the 1911 Act offered:

no scope for collective action for the improvement of conditions of employment. ... and consequently contain[ed] no provision for negotiation between employers and workers, or for the fixation of minimum wages. The Act [was] based entirely on the idea of a paternal government looking after the interests of the people concerned. Should conditions warrant improvement this [was to be] done from above by regulations. [1951 Commission]

This approach in fact characterised all legislation in respect of African workers until the emergency War Measures of 1942 and subsequently the Native Labour (Settlement of Disputes) Act of 1953 — both of which however explicitly prohibited strikes by African workers.

Lack of legal recognition did not, however, prevent the emergence of African trade unions. The first half of the twenties saw the rise — and decline — of the Industrial and Commercial Workers Union (ICU), a massive general union of African workers. In the latter half of the decade when the ICU had all but collapsed, several more conventional industrially based unions emerged, and an African trade union federation — the Non European Trade Union Federation (NETUF) — was formed. It appears that these early trade unions and the NETUF were strongly dependent upon the South African Communist Party, or at least upon individual members of the Party. The thirties was a period of considerable dissension within the ranks of the party and successive purges and expulsion from the Party led to the disappearance of many of these early unions or, frequently, to the formation of alternative political alliances and the emergence of new co-ordinating bodies. The Communist Party was however not the only political group active among the unions — the Trotskyist, Max Gordon for example, led several burgeoning trade unions in the Transvaal. Ultimately the most resilient and powerful of these co-ordinating bodies proved to be the Council of Non European Trade Unions (CNETU) comprised of some of Gordon's old unions, several of the unions in which the CP was active, and several independent unions. The largest of the CNETU unions was the African Mine Workers Union and its president, John Marks, also became president of the CNETU in the early '40s. The AMWU and the CNETU were the two important institutions at the time of the 1946 African mine-workers' strike.

Nor did the effective prohibition of strike action in terms of the Masters and Servants and other Acts, and the lack of legal recognition prevent industrial action by African workers during the '20s, '30s and '40s — in fact lack of a formalised framework probably encouraged strike action. Even the explicit prohibition of strikes in the forties did not prevent significant industrial action particularly in the Transvaal.

We have documented the state's largely successful attempts to institutionalize industrial action by white wage earners. Industrial action by them was contained by the introduction of a system of compulsory conciliation. This functioned by delimiting a field of action for white labour confined to the economic level and, even at that level, restricting
the use of certain instruments — notably the strike weapon. But what of the state's attempts to contain the organization and activity of the African working class?

Firstly, as we have argued above, the conciliation procedure introduced in the Industrial Conciliation Act itself constituted a response to African working class action or, at least, to the possibility of that action taking place. By containing action by white wage earners the danger of a native uprising generated by large scale white labour unrest was forestalled.

Secondly, the state used its repressive apparatus both to harass trade union members and leaders, and the political groups involved in trade union organization. The repressive apparatus was also used to suppress strike action on the part of black workers. Both aspects of the use of the repressive apparatus were, of course, most evident during the 1946 African mineworkers' strike.

Finally, in the late '30s, the '40s and early '50s there is considerable evidence that the state considered containing the struggle of black workers by institutionalizing the conflict.* For example in 1939 the Native Affairs Commission recommended recognition of African trade unions, and although the government of the day did not give legislative effect to that recommendation it prepared a set of guidelines which accorded some very limited administrative recognition to these unions — though these were rejected at a conference of African unions. The 1943 Witwatersrand Mine Natives Wages Commission also argued in favour of some form of recognition of African unions. And, in 1947 the Smuts Government introduced the Industrial Conciliation (Natives) Bill which, if enacted, would have accorded some form of official recognition, while explicitly excluding African unions from Industrial Council proceedings.

But, it is the important 1951 Industrial Legislation Commission which bears most scrutiny in this regard. For it was the Commission which most fully examined the issue from the standpoint of the dominant classes and which argued most persuasively in favour of a system of phased recognition based upon the provisions of the 1947 Bill. It is for that reason well worth examining that Commission's argument in some detail.

The 1951 Industrial Legislation Commission

The first point to be made about the 1951 Commission's report is that in the late '40s, as at the present conjuncture, the dominant classes were not united in their response to struggles by African workers. There were thus witnesses before the Commission who argued against any form of recognition, expressing the view that union recognition would give African workers "... the power to demand greater and ultimately full political rights". (para. 1565)

*As noted in the introduction we do not suggest that the debate over recognition of African trade unions can be understood with reference to industrial conflict alone. We do not in fact attempt to analyse this debate but merely to examine the effect of its outcome viz. the industrial conciliation system imposed by the state.
The Commissioners thus felt obliged to devote a lengthy section of their report to countering that position. "If political demands could be enforced through the medium of trade unions", they argued, "this [would be] far more likely in the case of unrecognized and uncontrolled unions as confirmed by the activities of the ICU" (para 1616). They supported their own argument by referring to:

A strong body of responsible opinion [which] stressed the serious danger which faced the country if Native trade unions were allowed to continue uncontrolled or unguided as at present. The witnesses pointed out that unrecognized Native Unions could become the playball of leftist and other agitators, or nests for subversive activity, and that, if strongly organized could be used for purposes outside the scope of trade unionism. (para. 1634)

Thus convinced of the desirability of bringing African unions under some form of control, the Commission recommended a two stage process of recognition whereby every union would be certified but not necessarily recognized. In a remarkably explicit paragraph, they argued that the effect of this would be that:

All unions could be certified and function under suitable control, yet all unions need not necessarily be recognized. Within certain limits, therefore, the proposed system eliminates the necessity of prohibiting trade union activities in certain circumstances. (para. 1703)

And what conditions would render a union unfit for recognition? Inter alia:

... if it transpires to be a union operating for the benefit of a few persons, or if its members are subjected to undesirable influences or abuses. (para. 1703)

And moreover:

... should a recognized union develop undesirable tendencies, it would be possible to withdraw recognition and thus deprive the union of the functions acquired by virtue of its recognition, but permit it to continue to function under control, so that there would be no question of driving such a body underground. (para. 1704)

Furthermore, only industrial unions would be permitted and only one union per industry allowed to exist. The commission recognized that this precluded the emergence of General Unions (and would prohibit those already in existence). It argued in favour of such a prohibition on the grounds that:

General workers unions are undesirable in practice because they do not fit in with the existing system of wage regulation, and they associate workers in a number of unconnected industries with any dispute which may occur in a particular industry. Therefore such unions militate against peace in industry by unduly enlarging the scope of any unrest which may occur. (para. 1719)

For the same reason it recommended that federations of African workers should also be prohibited (para. 1743).

Predictably, the Commission recommended the prohibition of all political activities and political discussions at union meetings; a prohibition of donations to any politically active body; and a ban on outside advisers or representatives. (para. 1742)
Finally it recommended that unions representing agricultural workers, domestic servants and mineworkers should not be recognized — only certified. While the Commissioners did not favour repression of unions in these sectors (fearing that this would drive them underground) they were emphatic that any union which emerged in the mining industry in particular should be controlled, otherwise "uncontrolled... as at present [the] workers would continue to be subject to undesirable outside influences." (para. 1693) The 1946 mineworkers' strike was cited as an outstanding example of the consequences of uncontrolled African unions. On the other hand, certification coupled with lack of access to the industrial conciliation machinery and the migrant mineworkers alleged natural lack of interest in trade union combination, would in the Commissioner's opinion, condemn African mineworkers' unions to the desirable state of total ineffectivity.

Shortly after the Commission presented its report, the legislature passed the Native Labour (Settlement of Disputes) Act (1953). Despite the persuasiveness of the Commission the government refused to provide for the recognition of African unions. In terms of the Act, African workers were excluded from participation in the formal channels of wage negotiation and any form of strike action was also proscribed. Section 7 however did provide for the formation of Works Committees. These were to be Committees elected by the workers, restricted in the operation to factory level only. Workers themselves, however, even those in an individual factory, were not allowed to form a Works Committee on their own i.e. they were not voluntary associations in any sense. Moreover, where a Works Committee was formed, its field of action was extremely narrowly delimited, being permitted only to offer advice to management over a narrow range of highly specific issues. By 1969 only 49 of these Works Committees had been formed, and at the time of the 1973 strikes there were in Durban only 18 registered.

Class Struggles 1953-1973
As in previous periods lack of recognition did not prevent the emergence (and continued existence) of African trade unions. However the fifties and sixties witnessed a considerable decline in strike action by African workers. This rather peculiar situation — rapid proletarianisation, the existence of organized trade unions, and yet a simultaneous decline in industrial action — is a phenomenon not yet fully understood. It is often argued that police repression, harassment of trade union leaders, and the fact that strikes were declared illegal in 1953, account for the lack of strike action in the '50s and '60s. But these factors alone do not provide a really satisfactory explanation. Firstly, because they all pertained prior to the '50s — including the prohibition on strikes which the War Measures formally instituted and which was in effect, provided for in the Masters and Servants Act. And, secondly, they all continued to hold in the '70s when strike action was regenerated. Moreover, offering these factors as an explanation presupposes a particular conception of industrial action, of the relationship between the trade union leadership and the rank and file, and of the relationship between the workers' party and the working class. In short, it implies that working class action reflects decisions made by the trade union leadership or the workers' party and, hence, totally denies the possibility of spontaneous action by the working class.
A fuller understanding of the industrial struggles of the '50s and early '60s will have to be located within a broader analysis of the conditions and forms of class struggle characterising this period as a whole, and in particular would have to examine the position of the proletariat in organized resistance taking place at the time. The leading organization behind this resistance was the Congress alliance — which was by the mid '50s a populist alliance articulating the demands of a number of classes, and which included within it the South African Congress of Trades Unions (SACTU) the leading African trade union federation. Any such analysis is however beyond the scope of the present paper.

The relative absence of strike action during this period, did not however totally eliminate the debate over African trade unions. While the state and almost all significant fractions of capital were relatively satisfied with the existing situation, the issue of African unions continued to be of importance to the white trade union movement. One wing of that movement sought to incorporate African unions in parallel organizations under their control, as a means of protecting the relatively privileged position of white wage earners. The other, agreed with official state policy towards African unions. This issue in fact split the Trade and Labour Council and is largely responsible for the existence of the three separate federations of white trade unions in existence today. The most liberal of these the Trade Union Council of South Africa (TUCSA), continues to be a prominent advocate of controlled African unionisation under its tutelage and hegemony to this day.

The first indications of a shift in the locus of this debate back to capital and the state, appeared, as already mentioned, during the strikes in Durban in 1973. In direct response to those strikes the legislature passed the Bantu Labour Relations Regulation Act late in 1973. This Act marginally widened the ‘powers’ of the Works Committees and introduced a new body, the Liaison Committee. As in the 1953 Act both types of Committee were restricted in their operation to factory level. Works Committees were to function according to highly restrictive regulations in the Act, whereas Liaison Committees were to function in a manner determined by the employer alone. The Act further stipulated that a Works Committee could only be formed where there was no Liaison Committee in existence. It is interesting to note that in the original Bill, the government envisaged the formation of Works Committees only, and that it was after representation from various employers’ organizations that primacy was given to the weaker, more directly dominated, Liaison Committee.

These bodies have however totally failed in their function as apparatuses for containing the struggles of African workers. For any such ideological apparatus to succeed it is necessary for it to gain at least some degree of ‘acceptance’ by the working class. Works and Liaison Committees have however totally failed in this regard. In the words of one perceptive observer:

They [African workers] reject Works Committees on the grounds that they are formed by employers . . . they are actually controlled by employers in that it is the employer who introduces these committees, especially at times of labour unrest, and the workers suddenly wonder why management approaches them.
on these questions. As one worker put it: 'Is it feasible for a man with whom you are quarrelling to give you a gun in order that you might shoot him?' (Nxa-
sana in Horner ed.)

Finally, in the context of continuing industrial struggle by African workers, continued trade union combination, and the above described rejection of established institutions the state published a new Bill in 1975. If enacted, it would provide for “direct negotiation” between employers and African workers at industry level, but it would still withhold recognition from African trade unions. As such it too has been widely rejected by African workers and trade unionists and the industry committees are likely to prove to be as much of a white elephant as their factory based counterparts — the Works and Liaison Committees — merely another unsuccessful attempt to forestall the demand for the recognition of trade unions.

Conclusion
We have attempted in this paper to show how industrial relations machinery exists in South Africa to disorganize wage earners as an actual or potential threat to the continued domination of capitalist interests over that social formation. We have shown how the Industrial Conciliation Acts have operated successfully in respect of white wage earners by specifying certain acceptable limits within which struggle may take place and by prohibiting forms of struggle regarded as dangerous.

We have particularly relied upon historical material because of the greater frankness with which spokesmen for the interests of the various fractions of the dominant classes spoke in the past. Today's debates are carried on within a much more pervasive and mystifying ideological framework. However, this is not to say that it is not possible to penetrate the ideological veil and analyse the underlying expression of bourgeois class interest. Lapses into a fairly frank articulation of class interest are not unknown, and when they do occur they can be highly revealing. For example, the chairman of one company, which claimed to be prominent for its outstanding liberality on the question of African trade unions, explained his position in a dialogue with members of a British parliamentary committee as follows:

Something has to be done to meet the frustration and sense of deprivation which Africans have felt and still feel today. So that in the long run, not maybe this year or next year, it is in the company's best interest to see that the confrontation is handled wisely and with skill, and that can only be done through proper representation and proper communication.
Q. A safety valve?
A. Exactly. (Smith to House of Commons Committee).

Moreover, the role of institutionalized trade unions as a means of exercising control over the African working class has even become a theme of certain trade union organizers and officials. One fairly prominent official, for example, recently argued for legal trade union recognition in the following terms:

Only a trade union can discipline its members and create acceptance of a package deal; or at least be able to attend to dissatisfaction, avoid rejection and formulate an acceptable compromise. (Dekker in Horner ed.)

We cannot say whether or not an industrial relations system covering
African workers and trade unions will come into force in South Africa. That depends upon the precise conditions of class struggle, and on the outcome of struggles between the different fractions of the dominant classes within the power bloc. Nor can we say whether there are or are not any tactical or strategic advantages to be derived for the African working class movement from the introduction of such a system at the present conjuncture. What is certain however is that if such a system is introduced and it does prove to yield tactical advantages, these will not derive from the fundamental nature or purpose of the system itself.

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Class Formation and Ideology:
The Transkei Region

Duncan Innes
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Introduction

The Transkei region of South Africa occupies an area of 16,500 square miles. Its total population in 1970 was just under 2 million - comprised of 715,032 resident males; 184,788 males away at work; and 1,029,531 females. Of this population 56,761 individuals lived in the urban areas just under half of them (24,838) in the capital, Umtata.1

On October 26, 1976, The Transkei became the first Bantustan to receive its independence under the South African Policy of Separate Development. This event has provoked much commentary from various sides, ranging from its epoch-making celebration in the National Party press to its dismissal as a fraud by most groups left of the Progressive-Reform Party. The handing over of power in a chronically under-developed region to a collection of paid functionaries of the South African state — groups whose political survival since 1960 has rested on the coercion of the Apartheid state — is clearly far removed from the exercise in self-determination claimed by the government, and at this level is tragic farce. Yet this formal transfer of the trappings of power on the 26 October does have a far reaching significance for the definition of the arena in which political action and political organisation occur. To dismiss the event as a sham or as meaningless misses this significance.

Opponents of the Vorster regimes and its Transkei lackeys have long been blinded by the fraudulence of the Transkei independence, and not yet really confronted its meaning, nor analysed the new factors it introduces in terms of political action and organisation. This paper is a tentative response to some of these problems. It seeks to pose questions for debate rather than present definitive conclusion; to stimulate fresh analysis of the region and its significance, rather than to answer these problems. It poses for itself two broad questions. Firstly, what are the class forces operating within the Transkei region? Secondly, what alliances do they make within the region, and more particularly, at the level of the South African social formation itself? The paper also makes a few general comments on the ideological mediations of these
alliances. Given our tentative aims our arguments are presented in the forms of hypotheses, and the projections which result are similarly speculative.

In attempting to come to terms with class formation within the Transkei region we do not pose the question of whether a capitalist mode of production is dominant within the Transkei economy. To do so assumes that there exists such a discreet entity as the Transkei economy. It concedes to state ideology the claim that the Transkei region is an autonomous entity, (an internal colony to be decolonised) and thus further serves to mystify its position within the South African social formation. Rather, we argue, that a capitalist mode of production dominates the South African social formation, of which the Transkei region forms an integral part. The questions posed then of the Transkei refer to the impact on the region of this dominance of a capitalist mode of production over the broad South African social formation.

Implicit in this argument is the assumption that the South African social formation consists in the articulation between a dominant capitalist mode and various subordinated pre-capitalist modes of production. However, whilst it is possible to identify pre-capitalist modes of production within the geographical area known as the Transkei, production relations within the region and within these pre-capitalist modes are structured by the dominance of the capitalist mode of production and its imperatives. This is reflected in class relations.

Conditions determining class formation: The Function of the Transkei within the South African social formation as a reservoir of labour. There are important structural differences between the incorporation of the Transkei region into the social formation pre – and post-1948. The development of the forces of production and capitalist relations of production in South Africa, together with the actions of the state to restructure relations of exploitation after 1948, have transformed the function and nature of this and other labour reservoirs. Prior to 1948, labour migrated between pre-capitalist modes of production (which covered the great part of the Transkei region) and the centres of capitalist production. The extension of capitalist relations of production across the South African social formation has proletarianised and/or marginalised the Transkei peasantry (see below), i.e. transformed pre-capitalist relations of production into fully capitalist relations. Displaced from the centres of capitalist production, migrant labour from the Transkei region is contract labour and/or proletarianised contract labour incorporated in capitalised production relations migrating from the labour reservoirs of the Bantustans to the centres of capitalist production. The role of the state in restructuring relations of exploitation post-1948 is central here, beginning with the 1951 Bantu Authorities Act as a prelude to the 1959 promotion of Bantu Self-Government Act. In distinction to the normal capitalist pattern, proletarianised agents are prevented by the state from moving permanently from the rural areas to urban slums. Instead of being located on the fringes of the industrial cities (as was increasingly the pattern in South Africa during the forties), the reserve army of Labour is located by the state in rural areas, and brought into the centres of industrial production, under contract, according to the needs of capital.
There is a further aspect to this. Though the relations of production within which the Transkei population is incorporated are thoroughly capitalist, the forces of production in the region are chronically underdeveloped. This paper argues that capitalist production itself cannot develop on any large scale in the Transkei region without the development of these forces of production. This would require massive capital expenditure. Thus, proletarianised agents are forced to sell their labour-power in the centres of capitalist production in the social formation. The underdevelopment of the Transkei region is thus structural, an ongoing process to be maintained in the interests of capital. This underdevelopment will be sustained despite (or probably because of) state intervention through development schemes and any general concern about the region’s economic viability.

In 1974, 257,000 Transkeians, or 83 per cent of the Transkei region’s male labour potential were employed as migrant labour outside the region. 47,500 males were employed within the region, 20,000 of whom were in the employ of the Transkei government. (These 20,000 were employed as follows: Government Departments 14,000; Local Authorities 1700; Public Corporations 2,000; Para-Governmental Agencies 1,000 and the Railways 1,300). Employment in the Transkei is concentrated in the growth points of Butterworth and Umtata.

Land Holding and ownership
Under the system of land tenure, land is communally owned, but its allocation is under the unchallengeable control of salaried chiefs and headmen acting as administrators on behalf of the South African state. The average size of the individual lots, to which every family is supposedly entitled under the provisions of the Glen Grey Act (1894), is between 1 and 2 hectares.

Under this system, economic ownership of the land is vested in the chiefs. That is to say, despite the de jure common ownership, de facto the chiefs have the exclusive right to allocate land within the kinship group framework, and thus the chiefs have de facto control over the means of production and their operation. The question to be answered is whether the de jure entitlement to a plot of land, i.e., access to the means of production, bestows on the occupants of such small plots possession of their means of production. Possession here refers to the ability to put these means of production into operation, to produce. If so, i.e., if the bulk of the occupants of the land are able to produce sufficient from these means of production to supply their wants, the question of their class place becomes highly problematic.

The nature of agricultural production in the Transkei region
The concomitant owners of the land, the chiefs and headmen, are salaried functionaries of the central state. Their function in a redistributive economy has been transformed to the point where they are now the prime agents of state agricultural policy in the region. But what of the structure of rural production?

The findings of a recent survey of 757 rural households in 10 of the region’s 26 districts reveal broad trends, supported by other sources. These households could be divided into 4 broad categories:
a. those which did no farming at all — 8.4 per cent of the total;
b. those which farmed for home use only — 83 per cent;
c. those which farmed for home use and sale — 8.4 per cent of the total;
d. those which farmed exclusively for the market — 0.1 per cent of the total.

Generalising these findings for the region as a whole (i.e. to indicate broad trends rather than the statistically precise position), only 8.5 per cent of all rural households in the Transkei (categories c & d) ever produce a marketable surplus, of which only 0.1 per cent (category d) has a basis for accumulation — though across the region we would expect this category to be slightly larger. Those households in category c are thus engaged in intermittent petty commodity production.

Breaking this down further on the criterion of the adequacy of production to feed the household during the year, the following emerges: the 8.4 per cent producing for home use and sale — category c — are able to feed and reproduce themselves. Breaking down category b — 83 per cent who farmed for home use only: a total of 23 per cent of all rural households are able to feed their members in a good year — i.e. their reproduction of the means of subsistence is thus dependent on only the intermittent sale of labour-power. (However reproduction requires more than mere food. Clothing, bankets, furniture etc., also enter, and the sale of labour-power may be necessary for the purchase of these commodities.) The remainder of category b, or 60 per cent of all rural households, are never able to produce sufficient to feed themselves. Their reproduction is thus totally dependent on the continued sale of labour-power. Such agents are forced to sell labour-power in order to subsist. (We have excluded category a — the 8.4 per cent who did no farming at all — from our analysis. These included not only agents totally dependent on remittances from migrant workers; substantial numbers of marginalised agents [see below]; but also certain petty bourgeois groups, e.g. teachers etc. Further specification of category a would be necessary before it could be incorporated into the analysis of classes.)

If, as we have argued, approximately 60 per cent of all rural households are dependent for their reproduction on the sale of labour-power, it must then be asked, what of the division of labour within these households? Has it been affected by the extention of capitalist relations of production, and how?

Historically, within both the redistributive system of production and the peasant system of production — which evolved out of the redistributive system through the requirement to produce a surplus for colonial taxation in the 19th Century — the household as a production unit spanned more than the two generations of the nuclear family. It was either the extended family, or it incorporated at least three generations under peasant production. Within this production unit, all members performed key roles in the production and reproduction of the means of subsistence and, under the peasant system, the production of surplus product. The productive/reproductive division of labour was not rigidly sexually based (except of course in biological reproduction). The extension of capitalist relations of production has transformed the
household division of labour — specifically the roles of second, and even more particularly, first generation women. The bulk of the Transkei region's first and second generation males are absent from the household for long periods as migrant wage labourers in the centres of capitalist production (83 per cent of the region's male labour potential according to the *Financial Mail* forced to sell their labour-power in order to subsist. Of the Transkei population between the ages 15 and 44 inclusive, 68.3 per cent are women. Though reliable statistics are unobtainable, we would speculate that very many middle or 2nd generation women are similarly in some form of wage employment — though influx control measures operate to regulate the sale of female labour-power even more tightly than that of males. (Recent reports indicate that the majority of the 4,050 workers employed in industry in the Transkei region are in fact women.) Rural production in the region is now virtually exclusively undertaken by women — the burden having fallen particularly heavily on the older (1st) generation women remaining in the Transkei. Thus the number of tasks performed by women has in effect at least doubled. Women, and more particularly older women, have now to perform tasks previously undertaken by males of two generations. This is now essentially *reproductive* work in a dual sense. The extension of capitalist relations of production has transformed the household (as a productive unit) into the servant of capital. Forced to sell labour power in order to subsist, 1st and 2nd generation males and, to a lesser extent, 2nd generation females, now perform the tasks of wage labour. Migrant wage labour in South Africa is paid below the value of its labour-power, i.e., wages insufficient of themselves to reproduce that labour-power. Given these wage levels women in the reserves — but particularly the older 1st generation women — are forced to perform not only *reproductive labour* itself (child-care, cooking, cleaning etc.) — the normal pattern under capitalism — but have also themselves directly to *produce* the goods necessary for the reproduction of the labour-power of the household (i.e. grow the food, prepare mud for hut walls, thatch for roofs etc.). Under *normal* conditions of capitalism, these would be supplied in the form of wage goods and services, to be paid for out of a wage at the level of the value of labour-power. The peasant and redistributive division of labour in which (biological reproduction aside) the production/reproduction division is not sexually rooted, has been superceded by the capitalist division of labour, male as wage labourer, female as (unpaid) reproductory labourer. Thus forced to perform both reproductive labour and produce the means of subsistence, women in the reserves, particularly older women, become the servants of capital in a dual sense.

Agricultural policy
There have recently been attempts to restructure agriculture in the region, with far reaching consequences for production relations and class formation. This policy has a number of aspects.

Its major aim is to end the practice that (in theory at least) every family in the reserves is entitled to a plot of land. It envisages a drastic reduction in the total number of *small farmers* in all the Bantustans from 500,000 to 50,000. The aim of this reduction is two-fold: Firstly, to create a large proletariat in the Bantustan townships. One
of the effects of this policy is to marginalise (see below for definition) producers. Unable to support themselves on the land they are forced to seek work in the centres of industrial production. Such superfluous appendages and illegal migrants are even expelled from these areas. Hence the notorious practice of forcible removals (or dumping) has, with enormous social consequences and human suffering, produced such devastated communities as Limehill, Dimbaza and Stinkwater; secondly, to create a small class of rich peasants/capitalist farmers on now much larger plots of land. Occupation of these plots is on a quit rent basis (i.e. long term leases from the state), making this group dependent on the state.

A secondary aim of agricultural policy in the region is a crude rationalisation of agricultural production through the establishment of betterment villages. These seek to make more land available through re-siting households, designed to permit a more efficient use of the land. This policy too seems to aim at providing the basis for the development of an independent, rich peasantry.

Agricultural policy aims further at the promotion of ranching through the Xhosa Development Corporation, with black participation. Ranching is a highly land extensive operation, promoting, in an already highly overpopulated rural region, the rise of a class of capitalist farmers dependent on state capital.

Other production in the region
At the end of 1974, manufacturing within the region employed a mere 4,050 workers most of whom were women (producing matches, timber, veneers, textiles, hardware, furniture and weaving). These, exclusively labour-intensive rather than capital-intensive operations, are concentrated in the growth points of Umtata, and more particularly, Butterworth.

The region’s biggest revenue earner is forestry, which brings in R 2m pa from 70,000 hectares. The afforested area has trebled since 1961, thereby pushing more people off the land.

The Transkei Development Corporation (TDC) and Bantu Investment Corporation (BIC)
These wholly-owned state corporations function in 2 broad areas: buying out existing white undertakings, mainly trading and farming operations, and leasing and/or selling them to black operators; and creating investment incentives in the region for the re-siting and expansion of industrial undertakings currently centered in the major areas of capitalist production.

The major aim of these corporations, as stated by the Managing Director of the TDC, is to protect white industrialists investing in the region. They therefore continually reproduce the Transkei region in its primary role as a reservoir of labour in the broad South African social formation, whilst simultaneously reproducing the general racial division of labour in various ways. The major incentives offered to white industrialists are exemptions from wage determinations under the Wage Act, i.e., sanctioning even lower wage levels than the barbaric
South African norms. (Wages in the Transkei are as much as 50 per cent lower than those paid to black workers for comparable work in the factories in the industrial centres.) In this sense, industry is lured to the Transkei by the inviting prospect of a huge reservoir of cheap, docile labour. (Matanzima has made it clear, African trade unions will not be allowed to operate in the region in the foreseeable future.) And the racial division of labour is reinforced in other ways. Of the total loans provided by the BIC 1959-1974, e.g. 82 per cent went to white-owned enterprises and only 18 per cent to African undertakings. Only 14 per cent of all applications for loans by Africans were successful. The terms of loans to white entrepreneurs are decidedly more favourable than those offered to Africans. Both the TDC and BIC are increasingly linked with Afrikaner capital through such financial institutions as Sanlam, Volkskas and Bonuskor. Any development in the region promoted by these two misnomered bodies is designed to further the interests of capital, and to reproduce the subordination of the region’s productive forces to capital.

Class formation and alliances
In the light of these questions then, what can we say about class formation, class forces and class alliances as they affect the Transkei region’s position within the structure of the broader South African social formation. Again, it must be emphasised, we do not claim any definitive status for our conclusions which are presented in the form of hypotheses — designed to stimulate debate.

The central questions revolve around the class determination of people living on the land; of those households which, though producing various amounts from the land, also sell labour-power on a migrant basis: i.e. are they peasants or proletarians? This question must be answered with reference to the categories of economic ownership, possession and commoditisation of labour power as dealt with in the preceding section. That is to say, we must inquire whether these agents control the utilisation of their means of production (economic ownership); whether they are able to put these means of production into operation — are able to utilise the land on which they live to reproduce themselves (possession); or are forced to sell their labour-power in order to subsist (the commoditisation of labour power).

Hypothesis A:
The trend shown by the general statistics cited on page 4 above, indicate that 60 per cent of the population is never able to reproduce itself through rural production. These agents can be divided into 2 categories: firstly, into those considered proletarianised, i.e. freed from possession (in the sense defined) of their means of production and forced to sell their labour power in order to subsist. Labour-power, in this case, thus becomes a commodity despite the fact that the household from which such labour-power stems (and in which it is reproduced), is located on land on which some production (for reproduction) occurs; secondly, into those considered marginalised. Marginalisation occurs as a by-product of the process of proletarianisation i.e. the process of separating producers from their means of production and commoditising their labour power. Thus while the development and extension of capitalist relations of production frees agents from their means of
production, it leaves a proportion of these without any possibility of functioning in capitalist production. It thus creates a relative surplus population: a social category of dispossessed and broken individuals, superfluous to and discarded by the system which created them. These agents are not incorporated in capitalist production relations (not even part of the reserve army of labour — those on stand-by for capital). They exist as a type of rural lumpenproletariat on the margins of capitalism, close to starvation and dependent for subsistence on handouts, scrounging, theft, prostitution etc. The acute poverty and degradation of such dumping grounds as Dimbaza and Limehill reflects this process.

Hypothesis B:
A numerically small, highly stratified peasantry exists. (A peasantry is distinct from a proletariat in that it retains the ability to put the means of production into operation, i.e. it is able to reproduce itself through production from these means of production. It thus retains possession of its means of production. Further, a peasantry is required to provide a fund of rent to either the economic/juridical owners of the means of production, and/or the ruling class. This rent may be in the form of labour, cash or kind. The peasantry are thus incorporated in highly unequal power relations with the central state.)

With reference to the 23 per cent of rural households which are able to feed themselves in a good year — i.e. able to reproduce themselves with only the intermittent sale of labour power (see p.4) these are not yet fully proletarianised, but subject to pressures of proletarianization. An index of this is the rapid rise in the number of migrants from the Transkei region seeking to sell their labour-power from 180,000 in 1970 to 250,000 in 1974.\(^{12}\)

The new agricultural policy — both the enforced reduction of the total number of small farmers and the rationalisation — intensified this process of proletarianisation and associated marginalisation.

The 8.4 per cent of rural households always able to reproduce themselves through agricultural production and occasionally able to market a variable surplus, form the basis of an independent peasantry, which, under the new agricultural policy, could potentially be transformed into a relatively rich peasantry.

This class fraction is composed mainly of the beneficiaries of state policy chiefs, headmen and their clients — i.e. those functionaries of the South African state whose role is to mediate, on behalf of capital, the reproduction of the Transkei region as a reservoir of cheap labour.

The stability of this fraction of the South African peasantry will be determined by the imperatives of capitalist accumulation — and therefore by the pressures of proletarianisation which capital may come to exert on such producers. However, within this fraction there are agents whose relationship with the capitalist state protects them against such pressure; i.e. those whose role in the distribution of land, the exercise of social control and the recruiting of labour (generally the chiefs and headmen) is necessary for the South African state to fulfill its role as
guarantor of the interests of capital in general. Further, the potential size and stability of this fraction, rests secondarily on the success of the new agricultural policy (resettlement and betterment schemes) — itself designed to reproduce the Transkei’s labour reservoir function. We would thus hypothesise that while there is little material basis for the development of a stable, rich peasantry in the region, elements of such a class, in particular those agents of the state, will remain. These form the basis of the Transkei National Independence Party’s (TNIP) rule in the region.

Hypothesis C:
There exists the potential for the emergence of a very small class of capitalist farmers. This refers to the 0.1 per cent of households farming for the market only but may in fact be slightly larger than this figure indicates.

As Colin Bundy has shown, the 1894 Glen Grey Act effectively destroyed the thriving commercial farmers and rich peasants in the Transkei in the period up to the thirties — though a small number of individuals may have survived this process. The promotion of Bantu Self-Government Act (1959) which established the Bantustan policy, created the conditions for the re-emergence of such a class. Land reform in the region has as its first principle the placement of selected black farmers on white farms to be incorporated into the Transkei in areas such as Mount Fletcher, McClear, Ongelusnek and Indwe. The farms are then owned by the Transkei state, and leased out on a quit rent basis. Recent press reports indicate that the Matanzima brothers have secured for themselves two choice such farms.

We would expect then that a new class of capitalist farmers would comprise largely those in the highest echelons of the Transkei government, and their clients — i.e. creatures of Apartheid. This group would thus form the core of a collaborationist bourgeoisie, i.e. a bourgeoisie emerging in the region as the product of the Apartheid state and dependent both on it and its prop, South African capital.

Other Class Fractions: Hypothesis D
Within the region there exist fractions of a small petty bourgeoisie, both in its traditional and new form. The traditional petty bourgeoisie refers to petty commodity producers (shopkeepers, garage owners etc.) who own their means of production yet themselves provide variable portions of the labour embodied in the commodities produced. The new petty bourgeoisie refers to those wage earners who neither produce commodities (and hence surplus value) nor exploit labour through the expropriation from and appropriation to themselves of surplus value. It includes such supervisory and mental labour as teachers, lawyers, bureaucrats etc.

Elements of these fractions were to be found in the region prior to the Promotion of Bantu Self-Government Act (1959), under extreme pressure from the Apartheid regime. African traders etc., were subject to pressures of elimination and no real economic opportunities within the region existed for the new petty bourgeoisie.
The 1959 Act created favourable conditions for an expansion of both fractions of this class within the Transkei region. The role of the TDC in buying out locally owned white trading operations and passing them onto blacks has widened the scope for the development of a traditional petty bourgeoisie. Since its inception in 1965, the XDC has bought up 522 white-owned trading stations in the Transkei and neighbouring Ciskei and leased or sold them to Africans to run on their own account. Similarly, the creation of the paraphenalia of an independent state in the Transkei, particularly the development of a local bureaucracy, has expanded opportunities for the new petty bourgeoisie in the area. The number of African civil servants in the region below executive level, has thus increased from 1,991 to 4,068 between 1963 and 1973. Similarly, the number of Africans in the police force has risen from 100 in 1963, to 750 in February, 1976. Yet the expansion of opportunities for both fractions of the petty bourgeoisie under the Apartheid regime, occurs under contradictory pressures. The South African state hands over trading operations, hotels, local administrative functions etc. to these class fractions, but at the same time devalues them as there are no funds for real expansion. Given the under-development of the region's productive forces, the Transkei government was only able to generate 32 per cent of its total revenue in 1972/73, or R 9m, from its own resources (taxes, fines, rents, liquor profits, etc). The remainder — R 28m — was provided by the South African state. This financial dependence on the South African state is in fact increasing. In 1974/75, the Transkei government raised only 14 per cent of its total revenue from its own resources — again R 9m —, while the South African state contributed R 64m.

The Transkei government's increasing financial requirements stem from the handing over of control of services previously adminstered from Pretoria. But the Umtata administration's resources have not expanded with its financial commitments, and in any event they have a limited capacity for expansion. The South African state, under increasing inflationary and arms spending pressures in particular, refuses to supply the funds necessary for the expansion of these commitments. Hence, while on the one hand the interests of both these fractions of the petty bourgeoisie have become increasingly tied to the Apartheid state since 1959, on the other hand, the failure of this state to act decisively in their interests through a commitment to the expansion of existing services and facilities, may generate severe antagonism towards that state. Hence the contradictory nature of the incorporation of these fractions into the social formation has established the possibility of a polarisation of this class in the region. Elements of this fraction of the South African petty bourgeoisie, particularly those in the local bureaucracy, could seek to transform themselves into a bourgeoisie in collaboration with the South African state, and together with the capitalist farmers mentioned above (constituting a collaborationist bourgeoisie — defined by its relationship with the South African bourgeoisie, through the capitalist state). Yet, we would argue, the contradictory pressures are such as to permit only a small number successfully to pursue such a policy, and leave the bulk of the petty bourgeoisie in the region in an ambivalent relationship with capital and the state. This too seems to be borne out by aspects of
the political practice of such agents. In the 1963 Transkei elections, the opposition Democratic Party (DP) appeared to have the support of the majority of these elements, winning the bulk of the urban constituencies in which they congregate. The 1968 elections saw a marked shift to the TNIP, confirming the recognition of the petty bourgeois position of dependence on the state, while the victories of independents in the areas in 1973 suggest a growing disillusionment with the TNIP and the state's ability to secure the long term interests of this class. Whilst this clearly also reflects the bitter conflict within the DP, both the general trend and this conflict itself over party strategy, reflect these contradictory pressures on the petty bourgeoisie.

Hypothesis E:
A critical question to consider is whether there exist the possibilities for accumulation through production independent of South African and imperialist capital, and hence the emergence within the region of a Transkeian national bourgeoisie, standing in a certain contradiction to South African capital (and which might rally popular opposition to South African capital in the region). The interest displayed by bourgeois social scientists and other commentators in the question of the economic viability of the region is in a large part motivated by a need to seek re-assurance on this point — reflected in the United Party claim that the Transkei will become a hotbed of opposition and resistance.

We would argue that no such basis for accumulation and the emergence of a national bourgeoisie in the region exists. The development of the productive forces of the region requires massive investment, available only from South African capital, the South African state as its agent, or foreign investment. The injection of capital from any of these sources will in no way establish an independent basis for accumulation. As the organisation designed to promote the development of the region, the TDC functions as the organ for the creation of a collaborationist, rather than a national, bourgeoisie. For such a class to emerge in the region would rest on a total collapse of links with South African and imperialist capital, and more particularly the full internal development of the region's labour resources. In fact, the reverse is the case: dependence on the South African state and capital has increased, whilst the Transkei's labour resources continue to be drained from the region. The establishment of industries on the Transkei's borders (and those of the other Bantustans) does not alter this latter process, despite their physical proximity to the Transkei, the wealth produced in these factories is appropriated by capital for consumption and/or investment outside the Transkei region.

Possible Alliances
We have argued that the South African state, as the guarantor of South African capitalism (i.e. capital in general, rather than specific fractions of capital), seeks to maintain the Transkei region as a labour reservoir. Such development as occurs will be to foster the interests of South African capital and its small groups of Transkei collaborators, and will in no way be allowed to threaten this labour reservoir function of the area. The question of class alliances should be seen in this light. It is
incorrect to analyse alliances within the region, at the level of the Transkei. These should first be analysed at the level of the South African social formation and then related specifically to the Transkei region. Put another way, the rule of the Matanzima government in the region rests on a series of alliances at different levels: firstly an alliance between the class forces the TNIP represents and the class forces controlling the South African state — i.e. capital; and secondly, an alliance between specific class forces in the region — itself determined by the alliances these various forces make at the level of the South African social formation. We would argue that any attempt to come to terms with both the political significance of Transkeian independence for South Africa as a whole, and to understand the nature and dynamics of internal Transkeian politics, must begin at the level of the imperatives of South African capitalism, their mediation by the state, and the impact on the region. It thus transcends the view that Transkeian independence and the Bantustan policy generally are meaningless and fraudulent. While recognising the significance of Bantustan policy for the definition of the limits in which political and ideological action and organisation can occur in South Africa, the real changes Transkeian independence introduce into this arena should be situated within the determining context, i.e. the imperatives of South African capitalism.

Thus in analysing the question of class alliances in the area, these interests of capital, and the need of capital to forge alliances in order to maintain the relations of exploitation, must be seen as primary. However, while all fractions of the South African bourgeoisie are acutely aware of the need to forge an alliance with the black middle class (i.e. the petty bourgeoisie) in order to continue their exploitation of black workers there are substantial and significant differences between factions of that capital on precisely how such an alliance is to be forged, and particularly, the concessions necessary. Thus the Bantustan policy and its concomitants on the one hand, and the Progressive-Reform party’s qualified franchise on the other, are both attempts to forge such an alliance to preserve the ability of capital to exploit black workers. This has crucial effects for the nature of the alliances entered into in this case by class forces found within the Transkei region.

Thus, in its attempt to forge alliances with class forces within the region, the South African state seeks to establish firstly an alliance between itself and a collaborationists bourgeoisie — a bourgeoisie which the South African state itself brings into being and maintains in a relationship of dependence. This collaboratorist bourgeoisie consists, secondly, of an alliance within the Transkei between the capitalist farmers brought into being by the land policy of the Apartheid state (Hypothesis C above) and elements of the petty bourgeoisie which seek to transform themselves into a bourgeoisie through collaboration with the Apartheid state. Two points must immediately be made here. Firstly, given the contradictory conditions under which the expansion of the petty bourgeoisie occurs within the region, only a small proportion of petty bourgeois agents in the region can be accommodated in such an alliance. Thus the majority of the petty bourgeoisie will remain outside this alliance, or on its fringes. The bulk of this class
force will thus at least be available for other alliances of various sorts (see below). Secondly, this *internal* collaborationist bourgeois alliance rests on the support of yet another class force dependent on, and agents of, the Apartheid state — the peasantry based on the chiefs, headmen and their clients, identified in Hypothesis B.

In such a situation we would argue, that given the impossibility of the emergence of a *national* bourgeoisie in the region, there is no possibility of this alliance grouped round the collaborationist bourgeoisie drawing support from either the proletariat or those elements subject to intense pressures of proletarianisation. This paper argues that the collaborationist alliance functions primarily to mediate the exploitation of such groups by South African capitalism. As such, these groups are part of the South African, rather than Transkeian proletariat (and peasantry subject to proletarianisation). The potential alliances they forge must be seen in these terms. (There is of course a tiny fraction of the proletariat actually employed in the Transkei itself. The position of this group is structurally that of the South African proletariat as a whole — in that it faces the same trade union restrictions and suffers, in general an even higher rate of exploitation. This fraction of the proletariat thus stands in an antagonistic relationship with South African capital and its collaborationist dependents in the Transkei. Further, the collaborationist bourgeois leaders in the region, unlike Buthelezi, have not sought the political support of such workers.

Neither the Transkei state nor the general South African capitalist state can buy off the proletariat. To do so would demand at the least a form of welfare state and a profound alteration in South African capitalism and the state. Rather, the proletariat must be controlled through its political and ideological division (reinforced possibly through encouraging economic differentiation). At its most obvious, this is seen in the attempts to introduce ethnic divisions — to divide Xhosa from Zulu, etc. Thus the alliances formed by the proletariat based in the Transkei and the peasantry subject to proletarianisation must be seen in terms of such attempts at division and control. Here too, both fractions of the petty bourgeoisie and the divisions within capital over the best means of effecting such division and control become significant.

Given the structure of the system of exploitation in South Africa, significant ambiguities in the experience of such exploitation by producers is introduced, to affect the consciousness of exploitation and hence political and ideological practice. We would argue that though the South African state maintains the sale of labour power on a migrant basis, it is primarily at the points of production themselves — the industrial centres of the Republic — that the contradictions of South African capitalism are most manifest. That is to say, it is here that the exploitation of the proletariat is most acutely experienced by *those agents who themselves produce surplus value*, i.e. the male migrant labourers (and those female labourers similarly involved) and hence determines their consciousness. Yet, classes do not just exist at the points of production. They must reproduce themselves. *The proletariat* refers not just to those aggregate male workers who themselves labour to produce surplus value, but rather to the aggregated basic
social units which makes possible the reproduction of the labour power thus expended, i.e. the family or household. As we argued above, the migrant labour system to which workers from the Transkei are subjected, depends on the maintenance of a three-generation household — rather than the two-generation nuclear family normal to capitalism. Within the household as the unit of the reproduction of labour-power, we have argued that women are chained to capital in a dual sense. They both perform the reproductory labour and directly produce much of the product necessary for the reproduction of labour-power. However, this double bonding of women of proletarianised households (i.e. households from which the sale of labour power is the sine qua non of its reproduction) is not experienced by them at the points of capitalist production, but on the land itself. Thus this double oppression of women is experienced as a problem of rural, rather than industrial production. Though the link may well be obvious to such women, it is the actual experience of exploitation and oppression which mediates consciousness, and may well be reflected in political and ideological practice.

Thus, we are suggesting that the structure of the relations of production of South African capitalism of themselves introduce ambiguities into the consciousness of the proletariat, with potentially divisive effects for political and ideological practice. While those male and female migrant workers who labour at the centres of capitalist production are likely to see the solution to their poverty in terms of changes in these centres and more particularly in the structure and relations of production, such as occurred, for instance, in Natal in 1973 and after the Soweto killings in 1976, those women who labour in the reserves to reproduce such labour power are more likely to locate the necessary changes in these areas. In particular the oppressive and parasitic function of the chiefs and headmen as the functionaries of the Apartheid state is most likely to generate hostility and opposition from these rural producers — the black collaborator class seen by women in particular as the instrument of their exploitation and oppression, and who were the objects of mass popular resistance in the 1950's and '60's.

On the other hand attempts by women to escape the trap of rural impoverishment through the sale of their labour-power at the points of capitalist production are frustrated by apartheid legislation — particularly the pass laws. Hence we are suggesting that the consciousness of women in the reserves who are doubly subject to capital is not mediated solely by the rural experience of such subjection, but coloured too by the specific manner in which Apartheid legislation prevents them from moving off the land they no longer possess — and their political practice is likely to reflect both aspects in terms of opposition to the collaborationist bourgeoisie and the influx control legislative props of apartheid. We are further suggesting however, that this differential experience of exploitation and oppression by the male and female members of the same proletarian household introduces a structural division at the heart of the proletariat which affects the alliances it might forge and the willingness of this class to organise against capital.

It is this differential experience of capitalist exploitation and its effect on consciousness which partially explains the susceptibility of the
proletariat to African nationalism of various forms. The common feature of the urban and rural experience of capitalist exploitation is not overt capital itself. Rather it is the white man and his oppressive system of apartheid (and particularly the pass laws) which can be seen as responsible for both the urban and rural poverty and degradation of African proletarians of both sexes — and it is through an understanding of white oppression that the struggle of women in the reserves and men at the points of production can be linked together. In both cases the appalling poverty induced by capitalist exploitation and the brutal oppression exercised by the capitalist state to mediate such exploitation, can be laid firmly at the door of its racial agents.

This too has significant effects for the proletariat’s alliances. For those fractions of the petty bourgeoisie for whom the Apartheid state offers few or no opportunities, the doors of economic advance and political participation are more obviously locked by the white man with the key, than by the capitalism which controls its use. This class too is attracted to forms of African nationalism, particularly in its mass form — the petty bourgeoisie allied with the proletariat. Historically this has been its specific response. However, given its position between capital and labour in the class struggle, the petty bourgeoisie firstly tends to see the solutions to its problems in purely political terms — reform in the political structures rather than changes in the relations of production. Secondly, the petty bourgeoisie is notoriously timid in the presentation of its demands and eager to abandon these when offered concessions. Its aim is not the overthrow of capitalism, but a fairer share in its product and changes in its political structures. The willingness of some former militants of the liberation movement to work within the structures of the Apartheid state, exemplifies this point. And as state response to the recent urban revolts indicates, the state seeks to divide the petty bourgeoisie and proletariat so as to prevent a mass movement emerging.

It is here that the divisions between fractions of South African capital over the nature of the concessions to be made to the black petty bourgeoisie are significant. We would argue that the solution presented by Separate Development is no solution. Though it will create a black collaborationist bourgeoisie, it cannot contain the aspirations of the bulk of the African petty bourgeoisie. While this policy is in force, we would argue that the bulk of this fraction of the South African petty bourgeoisie would be susceptible to, and eager to lead, some form of African nationalist alliance with the proletariat. However, were there to be substantial concessions to this class, more particularly along the lines proposed by the Progressive Reform Party, we would argue that these may be sufficiently attractive to this class so as to break this popular alliance. The proletariat would then be substantially isolated. However, that is in the realm of fairly long term speculation. What significance does the above have for the class forces operating within the Transkei region?

In the period since the first Transkei elections in 1963 — after which, despite the electoral victory of the anti-Apartheid Democratic Party, the support from the chiefs gave power to Matanzima’s TNIP — the organisational and ideological limits of legal political action by blacks
at the level of the social formation and within the region itself, have been fixed by the alliance between the collaborationist bourgeoisie and the state. Within the region, an alliance between the proletariat, the peasantry subject to proletarianisation and the unincorporated elements of the petty bourgeoisie in opposition to the Matanzima regime is likely. However, such an alliance will be (and is) not only subject to extreme repression under Proclamation 400 (as well as the full range of South African repressive legislation) — the recent detention of DP leaders being a case in point — but these class forces within the region appear dispirited and more inclined to define their alliances at the level of the social formation. Thus not till a viable African nationalist alliance re-emerges at this level, are we likely to find a powerful combination between these class forces within the Transkei region.

A Note on Ideology
We wish here to focus very briefly on the possibility of the development of a Transkeian nationalism in the region, rooted in the symbols of Xhosa culture and history.

Again, we would suggest that the only class forces with any interest in developing such an ideology are those which we have identified as the collaborationist bourgeoisie. Such an ideology would firstly sanction their collaboration with the South African capitalist state — enabling them to present independence as a victory for self-determination and as decolonisation. Secondly, given the social base of TNIP in the chiefs, it would give the sanction of traditionalism to their rule — a continuation of Xhosa society after an interruption by white, colonial rule. Given the inability of the collaborationist bourgeoisie to transform itself into a national bourgeoisie and so gain popular support for its class interests (defined as opposed to those of the South African exploiters of the Transkei's labour and resources), attempts by these class forces to develop a nationalist alliance centred on the Transkei, is unlikely to find much support from the classes whose exploitation by capital is mediated by the collaborationist bourgeoisie.

Evidence tending to support this view lies in the differing ideological practices of Matanzima and Buthelezi. Though both undoubtedly represent petty bourgeois fractional interests, their respective ideological positions require explanation. Buthelezi seeks to articulate a nationalist ideology by transcending the narrow boundaries of a KwaZulu nationalism and appealing to an African nationalism evidenced most recently in a militant speech in Soweto. It is only on this basis that a Bantustan leader, formally co-operating with the Apartheid state, can mount popular support for a form of nationalism. Buthelezi espouses an apparently democratic and national ideology precisely because he does not confine his role to that of representative of the collaborationist bourgeoisie, presenting himself instead as the representative of a much broader African, national (aspirant-) bourgeoisie seeking support for this position from working class and peasant groups. As the flood of memoranda from the African Chambers of Commerce, etc. make clear, he is perceived in this role by this class.16
Matanzima on the other hand rejects this broader African nationalism, functioning as the representative (and leader) of the collaborationist bourgeoisie within a broadly anti-democratic ideological context. Precisely because the material base for the development of a Transkeian nationalism is absent, Matanzima has exhibited a marked reluctance to attempt its development (as opposed to the South African state which has made considerable efforts in this regard). And the collaborationist bourgeoisie's dependence on the South African state renders the development of an anti-South African nationalism virtually impossible (though periodic token attempts to display independence are to be expected).

Conclusion
In terms of the argument of this paper, the independence of the Transkei is seen essentially as an aspect of state intervention to restructure relations of exploitation within the broad South African social formation. It is designed both to maintain the Transkei region's function as a labour reservoir and to create and extend divisions within and between the proletariat and the petty bourgeoisie. All classes are fracturated according to various criteria — position in the labour process; the historical experience of becoming a class, particularly when race, language and cultural differences impinge on that process of class formation. One of the most potent weapons wielded by capital over labour is the power to play upon these fracturating forces, to intensify and formalise them so as to divide the working class against itself, thereby weakening it in the struggle against capital. One of the main political purposes of the Bantustan policy is to sow racial division amongst the African proletariat, and in this capital and the state are assisted by a collaborationist African bourgeoisie — itself fracturated into Xhosa, Tswana, Zulu, etc. It is the thrust of this paper firstly that such divisions must in the long term prove illusory, that the material base of the collaborationist classes is too weak (unless far-reaching structural changes are introduced to alter the definition of the situation) to implement the policy successfully. Be this as it may, the paper argues secondly that Bantustan policy generally and the independence of the Transkei in particular do alter the context in which political and ideological action and organisation occur in South Africa. The illusion of Transkei independence must be seen in this light, and its specificity analysed, as the other Bantustans do not automatically have identical effects for class alliances and political and ideological practice.

FOOTNOTES
An earlier draft of this paper was presented at a seminar held at the Centre of International and Area Studies, University of London. We are grateful to all the participants for their extremely useful comments and criticisms. However, we alone are responsible for possible errors of fact and interpretation.

2. All migrant labour recruited through officially approved channels (labour bureaux, NRC, etc) is contract labour. The official figures for migrant labour cited on p.3 thus refer to contract labour.
for permission to utilize the findings of this study. The responsibility for
the interpretations placed upon those findings rests with us alone.
5. Ibid., Chapter III, p.6, Table VI.
6. Ibid., Table VII.
7. Deputy Minister of Bantu Administration and Development, Financial
9. Ibid.
10. Quoted Ibid.
11. Barbara Rogers, Divide and Rule: South Africa's Bantustans, (London,
1976), p.68.
Affairs, October, 1972.
14. "Decentralisation: Growth Points, 1974", Department of Planning and
the Environment (Johannesburg, 1974) p.XX; Rand Daily Mail, 26 Feb-
uary, 1976.
15. Eg. see Volkshandel, organ of the Afrikaanse Handelsinstituut, June 1976,
and Transvaal Chambers of Industry "Blueprint", quoted in The Star,
16. Various appendices to Minutes of Conference of "Eight Black Leaders
with the Honourable Advocate B.J. Vorster, M.P. . . . 22 January, 1975".

Africa News is a bi-weekly information service offering up-to-date
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This, then, is the function of the native territories, to serve as cheap breeding grounds for black labour — the repositories of the reserve army of native labour — sucking it in or letting it out according to the demands of industry. By means of these territories Capital is relieved of the obligation of paying wages to cover the cost to the labourer of reproducing his kind.

D.I. Jones, *Communism in South Africa* (1921)

Over the last decade and more, radical analysis of South African society has been based on the explicit or implicit premise that all Africans, indeed all those not classified as white, share an equal and common interest, if not in the revolutionary transformation of the political and economic structure of South African society, at least in the destruction of its structure of racial domination. In recent years a body of political and academic writings have begun to appear which questions this approach. This literature, which reflects a renewed interest in class analysis, is concerned to establish the conditions which define the political positions of different classes at particular moments in the history of South Africa. Clearly, it is the dynamics of capitalism in South Africa itself, the transformation of class structure, and the consequent political/class struggles which have led to this focus on class analysis.

The articles in this issue of *RAPE*, in various ways, make an important contribution to the class analysis of South Africa. Here we wish to note, in particular, the article by Innes and O'Meara, which takes up the much neglected question of class formation and relations within the African national group. In this article, Innes and O'Meara, with the creation of the independent Transkei in mind, focus almost exclusively on that Bantustan. They do not deal with the Bantustans in general, still less with class relations existing within the African (or Black) group as a whole. Nonetheless, their article raises extremely important theoretical and political questions which go far beyond the confines of the Transkei.

The article is concerned with three related issues: firstly, with the effect of South African state policies on the formation and reproduction of various classes (including, particularly, the proletariat, reserve army and
marginalised groups) within the Transkei; secondly, with the nature of and social relationship between certain classes and class fractions in the Transkei — chiefs, headmen, kulaks, capitalist farmers, traditional and new petty bourgeoisie; thirdly, with the nature of the actual or potential alliances of these classes and class fractions with classes and class fractions within the South African social formation as a whole.

This note addresses the first of these issues. We have a number of reasons for restricting our comments in this way. To begin with, the question of class formation raises matters of the greatest theoretical and political importance and, in our view, Innes and O'Meara have not carried the analysis far enough, even in summary form. Furthermore, we believe that a more adequate account of class formation in the contemporary phase of capitalism in South Africa will contribute towards an analysis of the causes and implications of the recent (June to September, 1976 and after) surge of mass resistance in the African townships. Finally, in making the comments which follow we are able to draw on some ideas from a more extensive paper on the relationship of the Bantustans to capitalist development on which we are at present working.

Innes and O'Meara make it clear that they recognise that class structure and class relations in the Transkei cannot be considered independently of the dynamics of capitalism in South Africa. Their central point is that "the extension of capitalist relations of production across the South African social formation has proletarianised and/or marginalised the Transkei peasantry, i.e. transformed precapitalist relations of production into fully capitalist relations." As a general tendency, this penetration and transformation of precapitalist relations of production is indisputable. However their characterisation of the central elements in this process, its chronology, and its consequences is inadequate or, at least, incomplete.

In the first place, Innes and O'Meara situate the explanation of the restructuring of the relations of production in the direction of capitalist relations at the level of state policy. Thus, in defining the conditions determining class formation they allocate a central role to the state. Indeed, their analysis of the conditions of class formation is restricted entirely to a specification of state legislation and practice. These are: (a) the role of the state in situating the reserve army of labour, generated by capital accumulation in South Africa, in the rural areas rather than, as in the normal capitalist pattern, in urban slums; (b) intervention in agricultural production to intensify (or produce?) a differentiation between a small, but independent, rich peasantry and rich farmers on the one hand and the mass of petty agricultural producers, unable to reproduce themselves from agricultural production on the other hand. This intervention refers both to the vesting, by the state, of economic ownership of land in the Bantustans in the chiefs, who are thereby given exclusive right to allocate land and to the policy of reducing the number of landholders in the Bantustans from approximately 500,000 to 50,000; (c) the extension into the Bantustans of capitalist relations of production in non-agricultural production through the geographical redistribution of capital investment from the major centres of South African capitalist production. Here, the key state instruments have been the policy of industrial decentralization, the Bantu Investment Corporation and the Xhosa Development Corporation.
which have been the means for establishing non-agricultural production and, finally, the Bantu Authorities Act, 1951 and the Bantu Self-Government Act, 1959.

Leaving aside the question of whether or not this account of state intervention includes all the major relevant state measures, two problems arise from the analysis. The basic problem is that these policy measures are in no way situated in, or related to, an analysis of the specific characteristics of the dynamics of capital accumulation in South Africa. That is to say, the starting point of Innes and O’Meara’s analysis are certain political policies which are said to institute processes of class formation and to promote the extension of capitalist relations of production; but these policies, precisely because they constitute the starting point, are not themselves located in the context of the phase of capitalist development in South Africa in which they came to be adopted.

There is a related problem which derives from this approach. This concerns the precise relationship between the state and capital. The only explicit statement on this point, which occurs in another context, asserts the necessity for “the South African state to fulfil its role as guarantor of the interests of capital in general”. Now, while it may be argued that if the capitalist mode of production is to reproduce itself then certain political/economic conditions must be secured, and that in that sense the state may be said to function to guarantee “the interests of capital in general” so long as it does, in fact, secure those conditions. Nonetheless, it is not sufficient to stop at this formulation of the state-capital relationship, because the reproduction of the capitalist mode of production is always a contradictory movement such that, in the very process of reproduction, different classes and fractions within classes come into conflict. This applies not only to the relationship between capital and labour but also, albeit in a different way and with different significance to the relationship between different fractions of capital. If it is the case, for example, that “the development and extension of capitalist relations of production . . .” leaves a proportion of those freed from the means of production without any possibility of functioning in capitalist production, or, therefore, in the capitalist market as consumers, then is it in the interests of capital in general that the state should intervene to accentuate this process, which is both socially destabilizing and has the effect of retarding the growth of the home market? Again, if the function of the Bantustans is to act as labour reservoirs for the centres of capital accumulation through the contract labour system, then what precisely is the purpose of encouraging (through the XDC/BIC) some expansion in the forces of production in the Transkei? Such questions, however, cannot be answered if the relationship between capital and the state is posited merely as a relationship between capital in general and the state as its instrument of policy and unless the contradictory interests of different fractions of capital are specified through an analysis of the contemporary phase of capitalist development.

In the second place, Innes and O’Meara, with reference to the Bantustans, distinguish between the existence of the proletarianized (those obliged to sell their labour-power in order to subsist even if their households do produce on the land) and the marginalised, those freed from
access to means of production who are "without any possibility of functioning in capitalist production ... a social category of dispossessed and broken individuals, superfluous to and discarded by the system which "created them". Here again there are two problems. The first relates to the fact that while they refer to the reserve army of labour, they do not explicitly explore the relationship between this concept and those of relative surplus-population, marginalization and proletarianization, although in their analysis of the impoverished petty agricultural producers and of the sexual divisions of labour, they provide some of the means for such an analysis. Secondly, and this relates back to the point made above, Innes and O'Meara do not attempt to delineate the conditions of the capitalist mode of production which lead not only to a rapid process of proletarianization, but also to a vast expansion of the reserve army of labour to the point, in their terms, of the marginalization of a substantial portion of it.

The formulation of these criticisms, of itself, serves the purpose of posing questions of fundamental importance which have been largely neglected, not only by Innes and O'Meara, but in the literature generally. Indeed, to some extent Innes and O'Meara, implicitly draw on some of our earlier writings and to this extent to point out inadequacies in their approach is simultaneously to engage in a re-examination of our own analysis.

Marginalisation
The concept of marginalisation derives from Latin American Marxism, and was first explicitly raised with reference to South Africa in a paper by Fransmann (1975). For Quijano (1974), marginalization of a section of the population is a consequence of the latest stage of Latin American dependency which is itself the consequence of the articulation of the dependent social formations with (a specific stage of) monopoly capital, which is inserted into these formations from the outside. Monopoly capital articulates with and dominates two other sectors: a competitive capitalist sector, and a marginal pole which is itself produced as one effect of the dominance of monopoly capital, and which is characterised by "lack of stable access to basic resources of production which serve the dominant levels of each economic sector", and operates "around residual resources and, for the most part, residual activities". The marginal pole is an attempt to conceptualise what, in some bourgeois literature, is characterised as the informal sector.

The effect, for Quijano, of this particular articulation of the economic structure is to create a marginalised labour force:

In the same way as the changes in the rural economy produce a labour market in whose structure there is no longer any room for growing numbers of the labour force, the changes in the urban economy engender a labour market in whose structure the highest levels tend to exclude labour and in whose intermediate levels there is not the stability or capacity for expansion necessary to admit in a stable way the labour force which assembles around it, or to retain that which it already has. Here, consequently, it is inevitable that a marginal market of labour for the occupations and roles which form the marginal pole of the economy be expanded and diversified. (Quijano 1974, p414)

The argument recognises the general tendency of capital accumulation to produce, "in the direct ratio of its own energy and extent", a relative
surplus-population, that is, a population of labourers deprived of access to the means of production of "greater extent than suffices for the average needs of the self-expansion of capital" (Capital I, 630). But it insists that, in the Latin American case, the relative surplus-population is not constituted in the form of an "industrial reserve army", performing the classic functions identified as (a) acting as a reserve contingent of labour for disposal when the market expands or new branches of industry are established; (b) maintaining the level of wages as low as possible and hence increasing the level of surplus value extraction.

Quijano's argument depends on several premises. Firstly, the hegemony of the monopoly sector is characterised by means of production which are products of the scientific-technological revolution. Secondly, that in consequence, the "increase of the productivity of labour is today fundamental and increasingly independent of the competition between workers for employment and wages, but it is the product of the capacity of the very means of production themselves". Hence expansion of production depends upon the quality of technological innovation and therefore, he continues, the key sectors of capital do not need a vast mass of disposable labour in order to be able to expand production. Thirdly, because these sectors utilise predominantly skilled labour, of which there is a comparative shortage, wage levels are determined autonomously from the general wage/employment situation. Therefore the relative surplus-population performs the functions of an industrial reserve army only with reference to the competitive capitalist sector, which, as a result of its domination by the monopoly sector tends to decline rather than to expand. Even here, then, there is the tendency for permanent exclusion of large parts of the relative surplus-population. Marginalised in these terms, the only possibilities for employment are in the unstable, precarious, and depressed marginal pole of the economy.

This argument requires to be examined both for its general theoretical cogency and for its relevance to the examination of capital accumulation in South Africa, particularly with relation to the Bantustans.

A Critique of Marginalisation

In attempting to situate the relations of production in Latin America within the context of the specific conditions of capitalist accumulation on a world scale, at a determinate stage of its development, Quijano has raised an issue of general importance: the analysis of the articulation of the monopoly capitalist sector, originating in the metropolitan countries and based on advanced technology, with the competitive capitalist sector. The effect this has on the labour market, the reserve army and the emergence of a marginal pole is of relevance in all social formations.

There are, however, a number of problems in Quijano's analysis. Here we wish to refer to two which are of considerable importance in the present context. In the first place, the notion of a marginalised labour force and the processes by which it is said to be constituted are open to question. In Quijano's account, the effect of the dominance of monopoly capital is twofold. Firstly, the increasing capital intensity of monopoly capitalist production expresses itself in a relative decline, in the ratio of variable capital to constant capital in that sector and, to a contraction of the labour force in the declining competitive sector.
Secondly, the consequent unemployed mass becomes marginal to the expanding monopoly capital sector because, given the advanced technology of that sector, demands are set up for a highly skilled labour force which cannot be met from this untrained, ill-educated and unskilled mass of unemployed. The unemployed become the unemployable. In this respect, Quijano comes perilously close to simply taking over bourgeois conceptions of the economically active population, unemployability and such like. The inadequacy of such concepts can be briefly indicated by the following observations.

First, Quijano simply assumes that the expansion of the technological base of monopoly production leads to a secular increase in the demand for skilled labour-power. As is well known, it was Marx's general argument that the emergence of modern industry, and the consequent continuous revolutionizing of the forces of production, produced a tendency to the homogenization of the value of labour-power, towards an elimination of differing values based on the costs of re-production of different skills. Furthermore, this homogenization takes place at low levels of skill. (Braverman 1975) At the very least, there is considerable evidence to suggest that the perpetuation of the skill structure of the labour force in industry is as much an expression of resistance to de-skilling, that is a form of the class struggle between labour and capital, as a reflection of a significant necessary input of labour training. In the Latin American case, or in South Africa, investigation of the relationship of skills to wage-levels can only be undertaken on the basis of careful and critical empirical investigation of the labour process, occupation role structures, and forms of training across industrial sectors and in monopoly/competitive conditions. Second, the relegation of those engaged in activities outside of capitalist production to the marginal pole of the economy, leads, both to a neglect of the analysis of the articulation of the sectors (relations of production?) within that pole, to the capitalist mode, and to the neglect of the role of the classes existing under non-capitalist production in the class struggle. Third, the relegation of a section of the unemployed to a more or less permanently marginalised labour force derives from a failure to conceptualise properly the changing structure of the reserve army of labour. Thus, if the reserve army is seen as undergoing a continuous process of restructuring, a process which is the outcome of the class struggle taking place in determinate conditions of capital accumulation, then the marginal pole can be seen more adequately as being composed of a group of agents which tend to oscillate between the lumpen-proletariat, petty commodity production, petty army of labour. This point is further, reinforced if, contrary to Quijano, we do not conceive of the reserve army as existing simply within social formations whose boundaries are defined by the limits of the nation states: for the reserve army in the era of late capitalism becomes restructured on a world-scale. Thus, the population which becomes marginal to capitalist production in a single nation/state or region, at the same time may constitute a section of the reserve army of labour on a world scale. In this sense the process of world capital accumulation since the 1870s has been associated with a tendency for the reduction of the relative surplus-population in the metropolitan countries and for its expansion in (displacement to) the underdeveloped areas. (Mandel, 1975) Furthermore, since the Second World War the use of immigrant labour in metropolitan countries has
enlarged their relative surplus population through a reintegration of labour between metropoles and underdeveloped areas.

The second major comment on Quijano's analysis is that in part, the above difficulties in his argument stem from the fact that he simply takes as given the phase of monopoly capitalism he discusses. As a result, he fails to explain the conditions in capital accumulation which, on a world scale, account for its specificity. What we mean by this can be made clearer by reference to Mandel's analysis in his Late Capitalism. In drawing on this text we do not wish to indicate that Mandel's discussion is free of problems; it does, however, suggest a line of argument which provides some of the elements for filling the gap left by Quijano.

For a combination of reasons, since the 1870s there has emerged a tendency for the export of capital from metropolitan to underdeveloped areas, to flow particularly into production of raw materials based on plantation systems or on mining enterprises. Capital export to, and the consequent restructuring of relations of production in, the underdeveloped world created conditions for absolute surplus value extraction in such areas, for the stifling of local primitive accumulation in favour of foreign capital's domination, and for the rapid expansion of the relative surplus population in those areas.

Mandel goes on to argue that a comparable qualitative transformation of the division of labour and of relations of production within world capitalism has been under way from the 1930s to the present. The conditions of raw materials production in the underdeveloped areas (stagnation of labour productivity, combined with rapidly increasing labour productivity in the metropolitan countries) caused raw materials prices to rise. What had initially been a source of colonial surplus-profits for world capitalism became a brake on world capital accumulation. Hence there has emerged a restructuring of the relations of raw materials production, with an increased concentration of synthetic materials, a major growth in organic composition and productivity of labour, and hence a tendency to situate/resituate such production in areas of advanced capitalist production. The process of prolonged transition, creating both economic and socio-political crisis in underdeveloped countries, has produced a general tendency for international capital flows between advanced countries, rather than from advanced to underdeveloped countries. But at the same time conditions exist for international monopoly capital to transfer its investments from raw material production in the underdeveloped countries, to the production of finished goods under conditions of increased capital intensity. For Mandel these favourable conditions include (a) the possibility of selling such finished goods at monopoly prices (b) the need of advanced capital export goods industries to sell capital goods rather than consumer goods (c) the possibilities of taking advantage of high rates of exploitation in such areas. Such an increased rate of surplus value is made possible (a) because increased productivity in the wage-goods sector (initially through imported goods, now through locally produced goods) lowers the value of labour power and (b) the large relative surplus-population acts as an industrial reserve army enabling labour-power to be bought not
simply at a very low level (little emergence of new needs) but below its value.

Mandel's characterization of the current phase of capital accumulation in underdeveloped areas thus explains the conditions which lead to certain forms of secondary industrialization under the domination of imperialist monopoly capital in those areas. In particular (in terms of the metropolitan needs for the export of capital goods) it offers an explanation as to why comparatively capital intensive industries should emerge in conditions of abundance of labour. (G. Kay 1975)

At the same time, Mandel's argument locates the contradictions of this situation: the conditions of foreign investment create inhibitions on the extension of the market, and the possibilities for capital accumulation: The effect is to brake the concentration of capital, impede the extension of production, promote the drain of capital into non-industrial and non-productive spheres and increase the army of unemployed and underemployed proletarians and semi-proletarians (p68). Moreover, to the extent that the size of the relative surplus-population does create more favourable conditions for such investment, it is not marginal to capital accumulation.

The Industrial Reserve Army and the Bantustans.

It is clear from the above discussion that, in our view, an analysis of the changing structure and forms of both the labour force and the reserve army of labour must begin from a recognition of the primary determination of this by the dynamics of capital accumulation on a world scale. It must proceed by an investigation of the specific manifestation of that dynamic within the South African social formation. Such an analysis includes (a) examination of the changing forms resulting from the insertion of the South African social formation into the constantly changing process of world capital accumulation. Such forms are not confined to the narrowly economic, but include the political and the ideological. They include, for example, the institutions of segregation, including the political/ideological forms embodied in the African reserves, the racial and other forms of trade union organization, the modes of (radically structured) political representation etc (b) an examination of the effects, within the domination of the capitalist mode, of the specific history, of South Africa, i.e. of the effects on non-capitalist relations and modes of production as they enter into and are transformed by, capitalist relations. While it is not possible in the present state of our knowledge and within the confines of this paper to provide anything like a full treatment of those questions, we shall suggest, in part through comment on earlier work, some elements of an analysis. In particular we attempt to situate the state measures relating to the Bantustans which Innes and O'Meara set out in their paper.

In some earlier papers, Legassick (1974a, 1974b, 1976) drew attention to the rapidly rising organic composition of capital in South African industry from the 1960's, and to the directly associated phenomenon of the emergence of a relative surplus-population constituted as an industrial reserve army. The basis of this argument is to be found in two conditions. Firstly, in the statistics (however unsatisfactory) of
capital-labour and capital-output ratios which suggest a rapid increase in the organic composition of capital, which tends to be confirmed by the structural changes in the ownership of capital in the period since 1960. Not only was this a period of considerable economic growth (growth of GNP) following the comparative stagnation of the late 1950's, it was also a period of rapid concentration of capital, in mining, in the manufacturing sector, and in agriculture. Also, as a related but separate process, there occurred, with the encouragement of the state, and in association with a massive increase in the volume of foreign investment, an interpenetration and centralisation of mining, manufacturing, and agricultural capitals.

Secondly, the effect of this rapid rise in the organic composition of capital was (and is) to increase the level of African unemployment. Recent analysis suggests that the rate of unemployment rose during the 1960s and that, at present, it stands at something between 15 per cent and 28 per cent of the black labour force and that it is likely to continue to rise. The calculations made indicate that there are now between 1 and 2 million unemployed Africans in South Africa. (Cf. Simkin, 197: Saldru, 1976)

The growth of this relative surplus population was accompanied by substantial state intervention in the control and distribution of this population. The institutional nexus of the Bantustans, Legassick argued, formed the means through which the surplus-population could be dispersed around the peripheries of South Africa, where social control is easier and cheaper, and from where it could be mobilised, as and when necessary, through the contract labour system. Thus, on the one hand, state intervention in the socio-geographical distribution of the black population took place through the actual physical removal and resettlement of Africans from the urban areas and areas of capitalist farming into the Bantustans where a large proportion of the unemployed are concentrated. (A recent conservative estimate of total unemployment indicates urban African unemployment of 151,000 last June, platteland African unemployment of 377,000, and Bantustan unemployment of 396,000: Guardian 5.2.1977.) On the other hand, the direction of Bantustan policy was to delegate certain social control and representative functions to the Bantustan governments, and to consolidate and elaborate the system of labour bureaux (which had first been instituted in the 1950s) as the means for channelling contract labour into employment.

But this argument leaves unanswered problems which must be dealt with by clarifying the concepts of surplus population and industrial reserve army. We want to suggest, following Marx, that two clear analytical distinctions must be made: (a) between the creation of absolute surplus-population and relative surplus-population, and (b) between the existence of surplus-population in latent and in floating form. Moreover, one must distinguish among different conditions of capital accumulation, generating surplus-population in different forms.

In periodizing these conditions of capital accumulation, one must distinguish first of all between the effects of primitive accumulation and those of the self-expansion of capital in modern industry. Indeed (as
Mandel argues) these are not distinct stages occurring at separate serial moments of time; but neither are they simultaneous. On a world scale, the self-reproduction of capital comes to dominate and supplant processes of primitive accumulation, but the importance of these distinct processes in any specific place and time depends on the specific conditions of the uneven development of capitalism.

As for Primitive Accumulation, the basis, though not the totality, of the process of primitive accumulation is the expropriation of agricultural producers from the soil. (Capital I, 716; Grundrisse 471). This can take place either through “. . . the forcible driving of the peasantry from the land . . . ”. In this case conquest, enslavement, robbery, legal spoliation and so on (“reckless terrorism”) play the main part in transferring the land into modern private property as a means of capitalist agricultural production and thus separating the direct producer from the land. (Capital I, Ch xxvii) Following Banaji (1976) we can say that the domination of the law of value (capitalist relations of production) is accompanied by the establishment of capitalist relations in the immediate process of production.

Otherwise producers can be separated from the soil as a result of the impact of capitalist production in agriculture on continuing forms of non-capitalist production. The production of agricultural goods as commodities has a tendency, on a world scale, to reduce the socially necessary labour-time embodied in particular use-values. The result is that non-capitalist forms of agricultural production, under the domination of the law of value, become rapidly reduced to forms of producing an ever-diminishing proportion of subsistence. This is the effect of the domination of the law of value (capitalist relations of production) unaccompanied by establishment of capitalist relations in the immediate process of production. Engels discussed, in The Housing Question, the effects of a similar process on the domestic industry of Germany:

Rural domestic industry carried on in conjunction with kitchen-gardening or small-scale agriculture forms the broad basis of Germany's new large-scale industry . . . Thus, as regards industry there exists today a state of affairs over widespread areas in Germany which appears at first glance to resemble that which prevailed generally before the introduction of machinery. However, this is so only at first glance. The rural domestic industry of earlier times, combined with kitchen-gardening and agriculture, was, at least in the countries in which industry was developing, the basis of a tolerable and, here and there, even comfortable material situation for the working class, but at the same time the basis of its intellectual and political nullity . . . With the introduction of machinery all this was altered. Prices were now determined by the machine-made product, and the wage of the domestic worker fell with this price. However, the worker had to accept it or look for other work, and he could not do that without becoming a proletarian, that is, without giving up his little house, garden, and field, whether his own or rented. Only in the rarest cases was he ready to do this. And thus the kitchen-gardening and agriculture of the old rural hand-weavers became the cause by virtue of which the struggle of the hand loom against the mechanical loom was everywhere so protracted and has not yet been fought to a conclusion in Germany. In this struggle it appeared for the first time, especially in England, that the same circumstance which formerly served as a basis for comparative prosperity for the worker — the fact that he owned his means of production — has now become a hindrance and a misfortune to him . . . while the collective labour of many and the application of machinery and science became the social rule in both fields of production (industry and agriculture), the worker was chained to the antiquated method of individual production and hand labour by his little house, garden, field and hand loom. The possession of house and garden was now of
much less advantage than the possession of complete freedom of movement. No factory worker would have changed places with the slowly but surely starving rural hand weaver. (Selected Works I, 550-552)

In both the above cases the tendency is for the creation of an absolute surplus-population:

As soon as capitalist production takes possession of agriculture, and in proportion to the extent that it does so, the demand for an agricultural labouring population falls absolutely, while the accumulation of capital employed in agriculture advances, without this repulsion being, as in non-agricultural industries, compensated by a greater attraction. Therefore part of the agricultural population is constantly on the point of passing over into an urban or manufacturing proletariat, and on the look-out for circumstances favourable to this transformation. This source of relative surplus-population is thus constantly flowing. But the constant flow towards the towns presupposes, in the country itself, a constant latent surplus-population, the extent of which becomes evident only when its channels of outlet open to exceptional width. (Capital I, 642)

Clearly, therefore, the extent to which the surplus-population remains latent or takes a floating form in the towns, is influenced inter alia, by the extent to which capitalist relations of production seize hold of the immediate process of production in agriculture. Here the forcible expulsion of labour has a greater tendency for generating surplus-population in floating form.

As for the generation of surplus-population through the self-expansion of capital, here one must distinguish the effects of the self-expansion of capital in agriculture from that occurring in industry.

In agriculture, the rise in the in the organic composition of capital operates to continue to diminish absolutely the numbers employed in agricultural production:

It is in the nature of capitalist production to continually reduce the agricultural population as compared with the non-agricultural, because in industry (in the strict sense) the increase in constant capital at the expense of variable capital goes hand in hand with an absolute increase in variable capital despite its relative decrease: on the other hand, in agriculture the variable capital required for a certain plot of land decreases absolutely; it can thus only increase to the extent that new land is taken into cultivation, but this again requires as a pre-requisite a still greater growth of the non-agricultural population. (Capital III)

This generation of absolute surplus-population, and in predominantly floating (though possibly latent) form, thus occurs to the extent that cultivable land reaches its limits.

In modern industry the increase in the organic composition of capital leads to the generation of a relative surplus-population:

The accumulation of capital, though originally appearing as its quantitative extension only, is effected, as we have seen, under a progressive qualitative change in its composition, under a constant increase of its constant, at the expense of its variable constituent. . . . Since the demand for labour is determined not by the amount of capital as a whole, but by its variable constituent alone, that demand falls progressively with the increase of the total capital, and at an accelerated rate, as this magnitude increases. With the growth of the total capital, its variable constituent or the labour incorporated in it, also does increase, but in a constantly diminishing proportion . . . This accelerated relative diminution of the variable constituent, that goes along with the accelerated increase of the total capital, and moves more rapidly than this increase, takes the inverse form, at the
other pole, of an apparently absolute increase of the labouring population, an
increase always moving more rapidly than that of the variable capital or the
means of employment. But in fact it is capitalistic accumulation itself that con-
stantly produces in the direct ratio of its own energy and extent, a relatively re-
dundant population of labourers, i.e. a population of greater extent than suffices
for the average needs of the self-expansion of capital, and therefore a surplus-
population ... With the magnitude of social capital already functioning, and the
degree of its increase, with the extension of the scale of production, and the mass
of the labourers set in motion, with the greater breadth and fullness of all sources
of wealth, there is also an extension of the scale on which greater attraction of
labourers is accompanied by their greater repulsion. (Capital I, 629-631)

In the centres of modern industry ... the labourers are sometimes repelled,
sometimes attracted again in greater masses, the number of these employed in-
creasing on the whole, though in a constantly decreasing proportion to the scale
of production. Here the surplus population exists in the floating form. (ibid 641)

With the increasing domination of modern industry, therefore, the sur-
plus-population is generated increasingly in a relative manner; and the
absolute population generated by the two forms of primitive accumu-
lation and the self-expansion of capitalism in agriculture becomes ab-
sorbed as a component of this relative surplus-population. Increasingly,
moreover, this surplus-population manifests itself in a floating rather
than a latent form. It is with respect to this self-expansion of capital
that the surplus-population acts as an industrial reserve army, as the
pivot determining the absolute level of wages around which the law of
supply and demand operates. It must be stressed also that this gener-
ation of increasing relative surplus-population is not identical with a
progressive increase in actual unemployment: it implies only an increas-
ing intensity of repulsion and attraction, depending on the actual rate
of capital accumulation. This repulsion-attraction exists, however, on a
world scale, and subject to numerous mediations, so that in particular
societies (as Mandel suggests), repulsion may come to dominate for long
periods over attraction.

Legassick's argument applied the concept of industrial reserve army to
the period of the 1960s in South Africa. What relevance can be attached
to this concept, and those of surplus-population as we have outlined
them, in analysing the relationship of the Native Reserves to the process
of capital accumulation in prior historical periods in South Africa? In
an earlier article one of us (Wolpe, 1972) addressed the question of the
specific relationships between the process of capital accumulation in South
Africa and the policy of segregation, that is, the state policy
which consolidated the socio-geographic separation represented by the
Reserves, and which excluded some 13 per cent of the land from entry
into the free market. This policy, it was argued, had the crucial function
of maintaining "the productive capacity of the pre-capitalists economies
and the social system of the African societies." This paper did not
address the questions of relative surplus-population or of the reserve
army of labour, but was directed to the effects of the maintenance of
non-capitalist agricultural production on the value of labour-power of
migrant workers who both entered the capitalist labour market and
engaged in that pre-capitalist agriculture. However, if placed within the
present arguments, this argument is relevant to the explanation of the
specific forms and characteristics manifested by the industrial reserve
army in South Africa. Thereby it is also possible implicitly to clarify
some of the issues which have emerged in the debate around that paper.
(Williams, 1975; Morris, 1974; Fransmann, 1975; Fransmann and Kaplan, 1976; Legassick, 1975.)

Firstly, the South African case does not constitute an exception to the general rule that processes of primitive accumulation, basically the penetration of capitalist relations into agriculture, generate an absolute repulsion of labour from the soil. However these processes manifested themselves in specific forms in South Africa as a consequence of the specific conditions of the era of segregation. This era, as periodized by Wolpe (1972) is precisely that which Mandel (following Lenin) characterises as the epoch of classic imperialism. It was the period, in other words, in which local nineteenth century processes of primitive accumulation became subsumed under the domination of monopoly capital. In South Africa this domination took several forms, among them the establishment of the domination of British and European finance capital in mining and other sectors, and the importation of agricultural commodities produced under capitalist relations in the immediate process of production (principally in the United States). It was this penetration of agricultural commodities (as also of other commodities competing with forms of domestic production) which had the major effect of generating an absolute repulsion from the land. But in South Africa this effect was structured by the state policy of segregation, which operated: to separate, on a racial basis, two sectors of agriculture within South Africa; to encourage the emergence of capitalist relations of production, though in a particular form, in the white sector; and to inhibit the emergence of capitalist relations in the immediate process of production in the black Reserve sector.

In both sectors, therefore (white and black), there was a tendency towards an absolute repulsion from the land, but a tendency for this repulsion to remain latent. That is to say, the extent to which the agricultural population actually passed over into an urban or manufacturing proletariat was inhibited by the specific conditions under which it was formed. In the white sector, this was because the institution of capitalist relations in the immediate process of production took, as Morris (1976) has argued, the form of a labour-tenancy relationship. In the Native Reserve sector, this was because of the preservation (though in new forms and conditions), of forms of non-capitalist relations of production.

The effect of these forms was two-fold. By virtue of the existence of such forms, which included in each case possession of (increasingly devalued) means of production (land), the rate of translation of this latent surplus population into a floating surplus population was retarded in that agricultural producers remained constantly on the point of passing into the urban proletariat without in fact doing so. Furthermore, the basis was provided for agricultural labourers to pass into the industrial proletariat and from there, upon repulsion, back into the latent surplus-population in agriculture rather than to augment the floating surplus-population generated by the self-reproduction of capital. That is to say, the process of absolute expulsion was both slow and incomplete.

The details of the emergence of this latent surplus-population and its
transformation in these ways cannot be examined here. It would involve: an analysis of the demand for labour generated by capital accumulation; an analysis of the precise forms of restructuring of the relations of non-capitalist production which occurred through the domination of the capitalist mode. (At a later stage we hope to develop some ideas on this relating not only to the transformation of household production, referred to by Innes and O'Meara, but also to the tapping of surplus labour already constituted by the relations of exploitation (varying from region to region no doubt) within the tribal societies); an analysis of the specific mechanisms through which this latent surplus-population entered, or was inhibited from entering, mining and other urban employment whether through the market or through coercion. In this respect, another aspect of the policy of segregation was to attempt to divide the pool of emerging labour between the mines (drawing on the Native Reserves) and farms (drawing principally on squatters transformed into labour tenants).

By the time of the Second World War there had emerged a significant floating surplus population in the South African cities. Besides the poor whites, who were the earliest representatives of this form, (and who constitute a subject for separate analysis) this floating surplus-population was mainly composed of blacks, and principally of Africans. The racially segregated institutions which had been developed for African urban settlement — the municipally-run locations, were increasingly unable to cope with the situation. Around the major cities were burgeoning shanty-towns of squatters.

This emerging group was partly constituted by the migration to the towns of increasing sections of the latent surplus-population of the white capitalist farms, and of the reserves. Both Wolpe (1972) and Morris (1976) have drawn attention to the processes which caused this: the causes of the erosion of non-capitalist productive capacity, and of the labour-tenancy system on white farms. More investigation is perhaps needed on the extent to which the urban floating surplus-population was drawn from each of these sectors. Equally, Legassick (1974a) implied that, in part, this urban floating surplus-population was being generated also by the capital accumulation process itself. That is to say, there was an overlapping of the processes generating surplus-population: one in an absolute form by primitive accumulation, and one in relative form, by the self-reproduction of capital and the tendency of the organic composition of capital to rise. This was expressed particularly in the growth of secondary manufacturing industry, which was coming to replace mining as the major component of production in South Africa.

The causes of the development of a local manufacturing capacity in South Africa, initially in wage goods, and subsequently to some extent in capital goods, have been the subject of a number of recent papers. (Kaplan, 1974, 1976a; 1976b; 1976c; Legassick, 1974a; Innes, 1976a; Innes and Bienefeld, 1977; Williams, 1975; Bozzoli, 1975) These have raised important issues, but have left unresolved a number of problems, on which we touch only in their relevance to the discussion of the significance of the industrial reserve army, of the relative surplus-population. Mandel, as we have outlined above, suggests that the
impetus to transform productive capacity in the *periphery* from raw materials and mining exploitation to certain levels of secondary industrialisation can be explained in terms of the restructuring of capital on a world scale. An important factor in this restructuring, argues Mandel, is the low value of labour power and low wages, produced precisely under conditions in which there is a large surplus-population in *peripheral* areas. The emphasis in most (though not all) of the papers we have cited, however, is on the role of the South African state in *countering* the interests of imperial capital on behalf of national capita. Clearly, the further investigation of these questions requires research which is as much concerned with the international operation of the law of value, and the formation of an average rate of profit in the South African situation, as well as with the relationship of *fractions* of capital to the state.

This can be expressed in another way. We suggest here that the size of the surplus-population in South Africa, as created absolutely (first in a latent, and increasingly in a floating form) was an important condition of the emergence of secondary manufacturing industry in South Africa. Furthermore, we suggest that it was the emergence of this secondary manufacturing capacity which was a principal impetus towards a rising organic composition of capital in South Africa, and hence towards the increasing generation of a relative surplus-population swelling the size of the *industrial reserve army*. However, no more than in the case of the creation of the *absolute* surplus-population is this a linear and uniform process. For Marx, the rate of accumulation of capital is uneven: the general *tendencies* for increasing the social productivity of labour, for a rising organic composition of capital, for a falling rate of profit, manifest themselves in a multiplicity of contradictory forms and instances: in a constant, but uneven, restructuring of capital.

“Considering the social capital in its totality, the movement of its accumulation now causes periodic changes, affecting it more or less as a whole, now distributes its various phases simultaneously over the different spheres of production. In some spheres a change in the composition of capital occurs without increase of its absolute magnitude, as a consequence of simple centralisation; in others the absolute growth of capital is connected with absolute diminution of its variable constituent, or of the labour-power absorbed by it; in others again, capital continues growing for a time on its given technical basis, and attracts additional labour-power in proportion to its increase while at other times it undergoes organic change, and lessens its variable constituent; in all spheres, the increase of the variable part of capital, and therefore of the number of labourers employed by it, is always connected with violent fluctuations and transitory production of surplus-population, whether this takes the more striking form of the repulsion of labourers already employed or the less evident but not less real form of the more difficult absorption of the additional labouring population through the usual channels.” (Capital I, 630)

This is particularly relevant to the analysis of the period in South Africa during which manufacturing industry increasingly displaced mining production as the *central motive force* in the economy, and in which white capitalist agriculture has become subject to a rising organic composition of capital: i.e. the period principally since the Second World War. As Wolpe (1972) wrote, the policies pursued by the South African state in this period (which can be generalized under the label of *apartheid*) “can best be understood as the mechanisms specific to South Africa in the period of secondary industrialization, of maintaining a high rate
of capitalist exploitation through a system which guarantees a cheap and controlled labour-force”. It is true (Legassick, 1974a; Williams, 1975) that this formulation did not explicitly address the question of the rising organic composition of capital, and the related tendency of the rate of profit to decline, or the increasing role which followed, in due course, from the higher organic composition of capital of relative surplus-value extraction in maintaining the rate of exploitation. However, much of the subsequent discussion of the roots of state policy in this period has missed the point by seeing it in terms of the competing labour requirements of different sectors/fractions of capital, rather than situating such an examination in terms of a prior analysis of the conditions of accumulation of total social capital. Indeed, the ways in which state and Bantustan institutions operate to structure and control the flow of labour, between reserves and centres of employment, among mines, capitalist farms, and industry, is of central importance. But the possibility for the existence of such severe forms of extra-economic coercion is constituted by the condition of accumulation of total social capital. As Marx wrote, in criticising the political economists on a closely related issue:

According to them (the economists) wages rise in consequence of accumulation of capital. The higher wages stimulate the working population to more rapid multiplication, and this goes on until the labour-market becomes too full, and therefore capital, relatively to the supply of labour, becomes insufficient. Wages fall, and now we have the reverse of the medal. The working population is little by little decimated as the result of the fall in wages, so that capital is again in excess relatively to them, or, as others explain it, falling wages and the corresponding increase in the exploitation of the labourer again accelerates accumulation, whilst, at the same time, the lower wages hold the increase of the working-class in check . . . . The above economic fiction confuses the laws that regulate the general movement of wages, or the ratio between the working-class - i.e. the total labour-power and the total social capital, with the laws that distribute working population over the different spheres of production. If e.g. a consequence of favourable circumstances, accumulation in a particular sphere of production becomes especially active profits in it, being greater than average profits, attract additional capital, of course the demand for labour rises and wages also rise. . . Here the political economist thinks he sees the why and wherefore of an absolute increase of workers accompanying an increase of wages, and of a diminution of wages accompanying an absolute increase (decrease, it should be) of labourers. But he sees really only the local oscillation of the labour-market in a particular sphere of production - he sees only the phenomena accompanying the distribution of the working population into the different spheres of outlay of capital, according to its varying needs.

The industrial reserve army, during the periods of stagnation and average prosperity, weighs down the active labour army; during the periods of over-production and paroxysm, it holds it pretensions in check. Relative surplus-population is therefore the pivot upon which the law of demand and supply of labour work. It confines the field of action of this law within the limits absolutely convenient to the activity of exploitation and to the domination of capital. (I, 630-9)

In South Africa the state exerts, inter alia, a power to intervene in the workings of the law of supply and demand. The forms in which it does this are important, but it is the possibility for such forms of intervention which is most central. In the period following the second World War, we would suggest, the possibilities for such intervention, for the existence of a state-regulated and coercive labour market, are established by the conditions of accumulation which have generated an increasingly large absolute and relative surplus-population as an industrial reserve army. To reformulate Wolpe's proposition (1972),
apartheid, as the mechanisms specific to South Africa in the period of secondary industrialisation under conditions of rising organic composition of capital, is an expression of the possibility of maintaining a cheap and controlled labour-force, and a high rate of capitalist exploitation, which is in large part a consequence of the character of the industrial reserve army.

This suggests the need for more detailed research into the rate of capital accumulation, and the modes of surplus-value extraction, in the period since the 1930s/1940s. The process of capital accumulation, is an uneven one, and is expressed in a multiplicity of contradictory economic, political, and ideological forms. Here we shall refer only to the contrasts between the 1950s and the 1960s in this respect, before concluding with some comments on the relevance of our analysis to the recent surge of mass resistance in the townships and elsewhere.

In the 1950s the rate of accumulation of capital was slow. In the 1960s it was rapid. In the 1950s state policy was pursued in a context of substantial struggles between fractions of capital, as well as of protracted confrontation between the state and a mass political movement of Africans and others. Only in the 1960s, the re-establishment of greater political unity among capital (a reflection of the processes of concentration and centralisation to which we have referred), and with the defeat and repression of the mass political movement, was there rapid and sustained implementation of the policies which constituted the Bantustans as the major site of surplus-population of the industrial reserve army. The restructuring of capital in South Africa, in other words, was achieved only in the teeth of substantial resistance, from a variety of quarters. But, the contemporary forms of the process of capital accumulation having been achieved, it is clearly necessary to relate strategies of resistance and class struggle precisely to the contradictions manifested by the contemporary forms.

Postscript

Both the rapid rise in the organic composition of capital in the 1960s and the continued disintegration of the conditions (forms of labour-tenancy and non-capitalist relations) which acted as a brake upon the process of absolute expulsion of the agricultural population, have accelerated the growth of the relative surplus-population functioning as an industrial reserve army to regulate the absolute general level of wages in the economy. Despite its scale it cannot be rigorously differentiated into a marginalised and an unmarginalised sector. Nevertheless, its size is a structural rather than a cyclical phenomenon: that is to say, the rise and fall in the levels of African unemployment are likely to take place around a high absolute percentage of unemployment.

The policies and institutions of the South African state operate to restructure the work force and the industrial reserve army in South Africa in a variety of ways. One crucial aspect of this restructuring in the contemporary phase is the division in the African population between those with residential rights in the cities (under the notorious Section 10), and those regarded as citizens of the Bantustans. This is a division in law, not symmetrically reproduced in reality. It must be assumed that the numbers of Africans living permanently, with fami-
lies, in townships such as Soweto considerably exceeds those with legal rights to do so. Moreover, as the recent battles regarding citizenship of the Transkei and Bophuthatswana testify, there is a constant tension and interaction between de facto urban residence, and the passage and implementation of legislation. Nevertheless, in the current period a large, and increasing, part of the African working population exists as contract labour hired on yearly contracts through the labour bureaux system of the Bantustans. That such people spend the overwhelming part of their working lives in the cities, that they constitute a part of the proletariat in South Africa is not here the point. The point is that this system constitutes an effective form through which the state can regulate the socio-geographical siting of the industrial reserve army to suit the general rate of capital accumulation and the particular needs of particular economic sectors.

In the metropolitan centres of the global process of capital accumulation, the effects of a rising organic composition of capital, and hence of the generation of increasing relative surplus-population, have been offset in a number of ways. Firstly, the decline in the relative proportion of productive labour, surplus-value producing labour, has been accompanied by a rise in the proportion of unproductive labour, wage-earning which is non-surplus-value producing. Secondly, the export of capital coupled with controls on the movement of labour tend to displace the formation of relative surplus-population to peripheral economies.

This, it may be noted, has had the effect, at the same time, of producing a relative surplus-population, functioning directly as an industrial reserve army for the metropolitan centres, which is reproduced in these countries of origin of immigrant labour. Thirdly, and in consequence of the above, through Keynesian economic policies and welfare statism, the redistributive functions of the state (taxation, welfare benefits etc.) become a part of the circuits of capital in which the rate of accumulation of total social capital is expressed. The relevant effect is the increasing tendency for the conditions of reproduction of that part of the relative surplus-population classified as citizens to be based on income derived through the state.  

Similar mechanisms have developed in South Africa, but to a much more limited degree, and in specific forms structured by the system of racial differentiation. In particular, the extent to which the physical maintenance of members of the black (and especially African) relative surplus-population is effected through the state is far more limited: provision of housing, some level of elementary education, minimal unemployment insurance, all at racial discriminatory standards, being the principal areas. The vast majority of the expenditure in the Bantu-designed accounts of the South African state, including the subsidies to the Bantustans, and the revenue generated in the Bantustan areas, goes to provide infrastructure for capital, rather than increments to the total wage of the employed and unemployed working-class. Therefore, in South Africa, the physical maintenance of members of the relative surplus population depends much more crucially on the forms of redistribution of income within the working class as a whole, independent of the intervention of the state. To the extent that, progressively during the twentieth century, the production of use-values
in non-capitalist social relations in the rural areas has diminished, this redistribution has taken two main forms. First, the emergence of so-called informal sector in all its usual manifestations (shebeens, prostitution, theft, quack-medicine, separatist sects). Although this has been one of the avenues for the formation of a black petty-bourgeoisie, the possibilities for the consolidation of such a class have varied at various times (Wolpe 1976), and the most lucrative forms of such activity (sale of beer, sale of insurance policies, etc.) have tended to be appropriated by the state or by big capital. Second, the redistribution of income along family and extended family /kinship networks. Given the instabilities of the informal sector, this has probably constituted the main form of redistribution.

These conditions, we would suggest, have several implications for an understanding of the contemporary situation and the current struggles in South Africa. Firstly, the situation of inflation and recession, the lack of intervention by the state in these processes of redistribution created a common interest among large sectors of the African population in resisting the commonly experienced and shared effects on living standards. This common interest expresses itself in the form of African nationalism or of black consciousness.

Secondly, these conditions, in a situation of inflation and recession, create the possibility for manifestations of sectional division in the black majority of the working class, through the rupture of redistributive links. Remittances by urban workers to the rural areas might decline or cease. Families in the townships might manifest greater individualisation, or ruptures might occur in linkages between the families of workers organised in trade unions or other organisations. Whatever other factors were involved, this may also have been an element in the conflicts which occurred at moments in 1976 between hostel workers and township youth: the legal structuring of the working class into resident and contract workers has a tendency to sever redistributive linkages between them.

The question of the forms through which members of the relative surplus population are physically maintained therefore has an importance for the developing strategy of political struggle; as also for potential reforms open to the ruling class. Our discussion, we believe, situates more precisely the addressing of these issues by Innes and O'Meara. Struggle over the forms of redistribution is an arena of class struggle, both in the cities and the rural areas. White advisers to the Transkei Government, for example, see the solution to the territory’s inadequate tax base in terms either of the development of commercial agriculture, or of a heavier tax on the rural population. Either would affect the form of redistribution. (Financial Mail, 22/10/1976). In the cities, equally, the class struggle over the forms of redistribution, and the role played by the state in these, will be an important factor in determining the character of the forces that will continue to pose a revolutionary challenge to the South African capitalist state.
FOOTNOTES

1. These comments on the relationship of the state to the process of capital accumulation beg a number of questions because of differences of approach between the two authors which we felt it unnecessary to resolve for the purpose of this particular paper.

2. Though the establishment of industry under such conditions then has the tendency of abolishing these particular forms of extraction of super-profits and replacing them by continually new manifestations of uneven development.

3. The available figures from which an organic composition of capital can be calculated are rarely, if ever, adequate to the task (whether in South Africa or elsewhere). There is therefore considerable debate over the modes of translating different figures into measures of organic composition. However, even on every crude method of calculation, at least the rapid increase in technical composition in South Africa in the 1960s is evident. This is a subject on which further research would be desirable.

4. Marx, (Capital I, 625-6) makes a clear and important distinction between the concentration of capital and the centralisation of capital.

5. The estimates of African unemployment that have been made recently have differed, and a major contributory factor to the difference has been in terms of the assumptions made about underemployment, particularly in the so-called subsistence sector. This relates in part to our discussion below on latent surplus-population, and reflects also the ideological prisms through which the subsistence sector is viewed in the era of apartheid.

6. We do not consider here the weight to be attached to the arguments of Williams (1975) concerning the importance to be attached to the production of the money-commodity (gold) in the understanding of the determinants of the rate of exploitation in the period dominated by gold-mining.

7. It should be pointed out that the policy of segregation did not create this separation out of a situation where there was a homogeneity of rural social relations. Already, in the nineteenth century, there was developing a distinction between the character of relations of production in the immediate process of production on white farms (feudal, slave, tributary), and those in areas of African occupation (tributary, redistributive, petty commodity production). See for example Bundy (1972); Trapido (1975).

8. We leave aside the question as to the extent to which such redistributed income derives from surplus value, and how much from redirection within the working class.

9. It should also be noted that the state or employers (e.g. the Chamber of Mines) may, through for example the Mozambique convention or the deferred pay agreement written into contracts, enforce forms of this redistribution.

10. This discussion ignores what are the more obvious forms of rupture of redistributive links, between the black working-class and various non-working-class elements in the black community.

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Briefings

Introduction

Sparked by a student strike in Soweto in June, there raged in South Africa during the next three months an ever-growing veld fire of mass activity. It is without much doubt the most sustained mass eruption of struggle against the South African state ever. It raged in major cities and in small towns, with only the countryside comparatively quiet. What presented itself initially as a protest against the use of Afrikaans in African schools took on ever new dimensions as its social base widened and deepened. The struggle culminated in September in a disciplined stay-at-home by large sections of the black working class: and, in this stay-at-home as the President of South Africa's Association of Engineering Employers commented with some consternation, "the emphasis in the leaflets distributed . . . had switched from being anti-government to being anti-business". (Financial Mail, 17.9.1976) This briefing could not hope to provide anything like an adequate assessment of events of such a momentous kind for the revolutionary movement in South Africa. At this stage it is only possible to situate them in their historical context, to provide a brief chronology of the events themselves, and to offer some preliminary remarks on their implications.

In 1960, a decade of mounting mass mobilisation in South Africa, of open nationalist and democratic struggle against the apartheid regime in the cities and the countryside, was brought abruptly to a halt by the massacre of Sharpeville and the banning of the two major organisations involved, the African National Congress and the recently-formed Pan-Africanist Congress. Though forms of above-ground mass mobilisation persisted for a while, the momentum of the struggle moved underground. The banned movements established missions outside the country, while cadres inside prepared for sabotage and armed struggle. But both mass and underground struggle suffered major setbacks as the South African state launched a wave of terror against the democratic opposition, a wave spearheaded by Vorster who became Minister of Justice in 1961. The democratic forms which had surrounded harassment of the movement in the 1950s were cast aside as the South African state institutionalised a system of detention, solitary confinement, imprisonment, torture, and murder, drawing on every available weapon in the machinery of advanced capitalist repression. Not only the cadres underground, not only those who had left the country and returned clandestinely, but every identifiable participant in the mass movements of the 1950s was a target. It was a time of acute internal demoralisation, and of an internal political vacuum. The demands which had characterised the movement in the 1950s echoed only from a distance, through the increasing mobilisation of an international anti-apartheid movement. This, and the uneven progress of the liberation movements in the Portuguese colonies, were the only hopeful notes.

The vacuum of internal opposition gave greater leeway to the South African state, in a period of massive economic growth, to legislate and implement the framework of the apartheid system: massive resettlements, labour bureaux, increased state intervention in the economy.
Politically, there was a space which could be partly filled, on the right, by the Bantustan leaders in the countryside and by Urban Bantu Councils in the towns. Opposition dwindled into defensive protests against authoritarianism by liberals and some radicals, white and black, and into welfare activities for the imprisoned and the impoverished.

By the later 1960s, however, there was emerging a generation of black youth who had escaped the demoralisation of seeing a mass movement almost totally destroyed: a generation who took for granted, and had learnt to cope with, not only the most brutal aspects of repression, but the insidious network of spies and informers which grew out of it. The first task of this generation was the recovery of morale, and its first target was the institutional white liberalism whose subjective help was the objective perpetuation of dependency. The Black Consciousness movement which emerged drew on the confident self-assertion of the black power movement in the United States, and was influenced at a more diffuse level by the spirit engendered by the struggle of the Vietnamese people against American (technological) capitalism. But the Black Consciousness movement was primarily rooted in the rediscovery of a heritage of African culture in South Africa. The government had taken over the direction of black education from the missions in the 1950s in the form of Bantu education. The parents of the first generation schooled under this system rejected it as inferior tribal education. The third generation transformed the negative, parochial, static and fragmented conception of tribal culture imposed by the government into the positive articulation of black consciousness, of intellectual and psychological liberation from white or Western forms. This redefinition had the vastly important effect of widening the concept of black to include Indian and Coloured as well as African.

The Black Consciousness movement began in the universities, found its organisational expression in SASO, and spread from there along an educational axis to high school students and others. Its second target was the Bantustan and urban African leadership: the demolition of black forces in political collaboration with the apartheid state. It was not, at this stage, concerned with specifically economic issues. But roughly contemporaneously with the development of black consciousness, though almost completely separated, there re-emerged activity among the African working class. Class organisations of the African workers had been comparatively strong in the 1940s, and autonomous working-class economic action continued, in Natal and the Eastern Cape particularly, during the 1950s. But, in the ferment of the mass movement it tended to take second place to a political struggle around democratic and nationalist demands. Local economic struggles re-emerged in the late 1960s: in the Durban docks, for example. These struggles gained in momentum and geographical spread as 1970s inflation began to bite, and the real increases in wages which African workers experienced in the 1960s boom period began to erode. (In absolute terms, of course, these wages were largely at basic subsistence levels and no higher.) Support from outside for such struggles came, paradoxically, at first from white rather than black students. When cooperative action was rebuffed by the Black Consciousness movement, white students engaged in a brief spell of mass struggle in the university in the late 1960s, and then turned to support for other forms of black action.
The most massive eruption of economic discontent came in Durban, in January and February 1973, when the city experienced a near-total mass strike. To a large extent, this and earlier working class activity was spontaneous, that is, co-ordinated at a local level among the workers themselves. But, as it developed, working class activity began to take an institutionalised form in the re-emergence of open trade unions. Between 1973 and the present, several trends of trade union organisation have emerged at various centres, expressing different tendencies on questions such as relationships to existing state legislation, the relationship to TUCSA and white-dominated trade unionism, and the relationship between economic and political struggles.

In many respects, the direct connections between the re-emergence in South Africa of such forms of activity, and the activities of the external missions of the liberation movements, have been tenuous. Repression meant that the centre of gravity of the organisations of the 1950s moved outside. Poised on the frontiers of independent Africa, these movements have reinfilitrated cadres whose most visible existence has necessarily been seen in their defeats: in a series of trials of activists. Against this must be set the facts that leaflets and periodicals were sporadically produced and circulated, and that a succession of people kept the demands and perspectives of the liberation movement alive in a period when other struggles were only partial in their identification of opponents. Indeed, many of the demands of the 1950s have re-emerged as part of programmes of far more respectable organisations: in the studies sponsored by the Study Project on Christianity in Apartheid Society (SPROCAS), for example, or the political party, Inkatha, established by Gatsha Buthelezi, the Kwazulu Bantustan leader, in 1974. And the promulgation of these perspectives from international platforms has also provided a constant point of reference.

Since 1973, the oppositional political scene has reflected various forms of interaction and non-interaction among the externally-centred liberation movements, the Black Consciousness movement, and the organs of the black working class. These forms of interaction have been complex, and have generated both changed perspectives, new accommodations, new contradictions. Political activity has also been taking place in a dramatically changed atmosphere, transformed by the victories of FRELIMO and the MPLA in Mozambique and Angola. At one level, these victories have generated a massive optimism and solidarity in South Africa: they have appeared to bring liberation both geographically and temporally closer. The fact that FRELIMO and the MPLA proclaim socialism and a non-racial, rather than a black, nationalism has also been of significance. At the same time these victories have necessarily transformed the options open to the South African State. Presenting itself in Africa from the late 1960s as advocate of detente, presenting itself to the metropolitan capitalist world as undergoing steady liberalisation, the South African state has now been forced on the defensive. South Africa’s military intervention in Angola was paralleled internally by a vast increase in repression, particularly against SASO, and increasingly against trade union activists, who had both been left alone between 1970 and 1973. It was in this context: economic recession after rapid growth, renewed repression after apparent relaxation, the southwards thrust of African independence — that there began a series of protests and strikes in African high-schools organised by the South African
Student Movement (SASM). Protest by African school children was nothing new in South Africa: the records of the old mission schools are littered with evidence of food strikes, arson, boycotts. The new feature of this activity was that it was occurring not in boarding schools, but in dayschools. Rather than being isolated in remote areas, it was taking place in the heart of urban townships, and in day-to-day contact with the remainder of the black community.

THE ORGANISATIONS

South African Students Organisation (SASO). Inaugurated in 1969 after its first generation of leaders split from the multiracial, and as they saw it, white led, National Union of South African Students (NUSAS). Gained widespread support on all black campuses and initiated protests at the universities and elsewhere against the bantu education system, even in part encouraging drop outs, and also some community projects.

Black People's Convention (BPC). Brought together in 1971 both student activists and older blacks representing a range of church, welfare, educational and other groups, including some political factions from the Indian and Coloured communities. Gradually transcended original "umbrella, culturally-oriented" aim taking on increasingly the form of an organisation designed "to unite and solidify the Black people ...(and) to preach, popularise and implement the philosophy of Black Consciousness"

Following the FRELIMO rally in 1975, government switched tactics from selective bannings and detained main SASO and BPC leaders and finally brought them to trial for treason, mainly on grounds of propagating their ideology rather than any specific acts of subversion.

South African Students Movement (SASM). An extension of SASO into the schools, in 1973, and reportedly drawing on an even more militant mood among black youths of school age. Involved in early Soweto and other school protests.

Black Allied Workers Union. The only union which officially espouses Black Consciousness is conceived as an 'umbrella organisation catering for all job categories' seeking to unite all black workers. It does not organise and operate at shopfloor or industry level. Unlike SACTU (see section on trade unionism) it has not striven to make the link between economic and political struggle; it has also stressed productivity and pride rather than class struggle. It is supported by West German churches and has had some assistance from foreign companies.

In addition there are a large number of other bodies — Black Journalists, Black Community Programmes, IDAMASA (a black theological body), the National African Federated Chamber of Commerce, and several others — that in a general sense hold to the black consciousness philosophy.
BLACK CONSCIOUSNESS

We present below a series of extracts of documents of the Black Consciousness movement. They articulate a new mood of anger, resistance and militancy, and an unequivocal rejection of white domination in all its forms, political, economic, psychological and cultural. Black consciousness is a term adopted by a range of groupings — notably by SASO, SASM, BPC and BAWU, but also by many other groups as well: theatre and other cultural and community groups, educationalists, journalists, theologians. The Black Consciousness Movement contains within it a whole number of different views and tendencies: there are broad common themes, but no single coherent philosophy. It seeks to instil the idea of self-determination in the black community: to restore feelings of pride and dignity to blacks after centuries of racist oppression, to restore to them the knowledge of their own history and to assert their right to make history. Apartheid-inspired institutions are roundly rejected: the Bantustan policy in particular, also Bantu Education and the Urban Bantu Councils — Collaborationists — such as Bantustan leaders — are identified and denounced: the notion of working within the system is rejected. There is a strong identification with national liberation struggles (as evidenced by the pro-FRELIMO rallies on the occasion of Mozambican independence). In line with this, South Africa's detente policy is exposed as a sham. Spokesmen of the movement do not advocate the need for armed struggle — which would of course court immediate reprisal from the State — they speak of the need for blacks to come together and close ranks. White paternalism is rejected and white radicals are exhorted to show their support by playing an enabling role (see BAWU piece below). Clearly there are differences of approach to the question of political organisation, tactics, and armed struggle itself. There are also differences about the character of South Africa's economy and class formation — it is here, perhaps, that the Black Consciousness movement is least coherent or unified, in its ideology as much as in its practice. Some espouse a philosophy of black communalism, or humanism, while others envisage a struggle against capitalism and imperialism.

Until recently Black Consciousness groups have still operated above ground, their activities consequently more visible than those of underground movements, though this does not mean they have usurped, or intend to usurp, the role of the latter. Evident is the emergence of a new generation which demonstrated its anger and courage in the face of the gunfire of Soweto and elsewhere. Black consciousness itself, while the issues it sei
d often relate to the demands of the black workers and the liberation movement, started initially as a cultural phenomenon; it has no clear class composition and is not a party political movement. The working class organisations have not, in fact, subscribed to the rhetoric of 'psychic' liberation. It is too early to say how the different strands of the protest movement of the youth, the working class and other fronts of the liberation struggle will come together (or whether they will pull apart), but a change in the political atmosphere in South Africa is clearly evident. If the gunfire of Sharpeville produced demoralisation, that of Soweto has produced defiance.
We are in a position to use our special skill and training to articulate the aspirations of the downtrodden Blacks so that they can be in a better position to throw off the yoke of racial and economic subjugation...

In order to succeed in our mammoth task we must first clearly identify our enemies.

Obviously we must fight the naked racialism of apartheid and its propagators till it is finally eradicated.

But there are two other fronts on which we must fight as well. The elimination of racialism alone would be a hollow victory if we are still oppressed by economic exploitation.

On the narrower front we are faced with divisions in our own Black community which are cancerous obstacles to Black unity which must be achieved at all costs, for without unity the struggle can never advance.

Tribalism and regionalism, two of the struggle’s most emasculating enemies, are being used by the rulers to entrench White domination.

The diabolically clever homelands policy has added a further dimension to this problem with many Blacks overwhelmed by the establishment’s enormous propaganda machine reaching for the poisonous carrot dangled before them.

The danger, for instance, of an independent Transkei to the eventual duration of the struggle cannot be underestimated.

We have a long hard haul ahead of us.

2. From the People’s Experimental Theatre: Newsletter Sept-Oct 1973

Q. What accounts for the burgeoning of so many Black writers, poets and dramatists?

A. Black artists have realized the dearth of true representative Black art; because they are writers of conscience they have responded to their people’s needs and to the true creative urge within them...

Q. Is there a readily perceptible theme in the works of all these writers?

A. The theme of anger has, in Black creativity, become a positive force. It is not merely anger in frustration but a channel for liberation. Some writers are searching in their people’s past to bring to realization themes that unite the contemporary Blackman to his ancestors... Black artists are also bringing to the attention of the Blackman the role of the many heroic leaders who had sacrificed their lives in their striving for the realization of the aspirations of their people. These forgotten people and their contributions and impact are revived and assessed.

Q. What is Black Theatre?

A. Black Theatre is related to the lives of all Black people. Black Theatre
does not just show — it shows the way, it leads and is led, it proceeds from reflection to action, it rejects the fantasy for the reality, it emphasises the conscious rather than the subconscious. It cannot make compromises with foreign drama, it seeks its own mode.

3. From the SASO Newsletter Vol.5 No.1, May/June 1975.
Black Consciousness is:

a. an attitude of mind, a way of life;
b. its basic tenet is that the Black man must reject all value systems that seek to make him a foreigner in the country of his birth and reduce his basic human dignity;
c. it implies an awareness by the Black people of the power they wield as a group, both economically and politically and hence group cohesion and solidarity are important facets of Black Consciousness;
d. The Black man must build up his own value systems, see himself as self-defined and not defined by others;
e. Black Consciousness will always be enhanced by the totality of involvement of the oppressed people, hence the message of Black Consciousness has to spread to reach all sections of the black community;
f. Liberation of the Blackman begins first with liberation from psychological oppression of himself through an inferiority complex and secondly from the physical one accruing out of living in a white racist society;
g. Black people are those who are by law or tradition, politically, socially and economically discriminated against as a group in the South African society of their aspirations.

4. Excerpt from “The movement in relation to the Black community”:
SASO Newsletter May/June 1975.
First, it is important for us to accept the fact that any meaningful change in this country’s social, political and economic situation, shall be brought about by the proletariat — the people who really feel the pinch of white domination, exploitation and oppression. They possess the power to effect radical changes because they are at the base, and thus shoulder the whole weight of all social, economic and political pyramids of this country . . .

. . . The Black intellectual finds himself alienated from the rest of the Black community by his educational background, the attainment of certain “refined” manners. Which is why most educated people find it hard to communicate with fellow Black people in a train, who are uneducated . . . The frustration here is that the Black intellectual is all the time aware that the “message” should be taken to the man in the street. The “how” is the problem . . .

. . . Communication is a vital aspect of the revolutionary process. For communication to be meaningful and healthy, there should prevail throughout the process a spirit of sharing of ideas, rather than the condescending-ascending mood. The attitude of the Black leader is thus very crucial. He must always be aware that on “taking the message to the people”, he is not telling them anything new — something
they neither know nor understand. But he is merely articulating their everyday feelings and aspiration. He must allow, throughout the process of communication, for communication to be two-way. We have a lot to say to the masses as we have analysed the problem, but there is a world of things we have to learn from our people.

5. From “Call to organise and form Black Trade Unions in South Africa”, issued by Black Allied Workers Union, n.d., (1973?). Black Allied Workers Union welcomes co-operation with any good-willed and well-intentioned organizations or individuals. But, forcefully rejects domination. By virtue of their historical experience in trade union movements and because of their skill and know-how, together with their material resources, Whites would automatically dominate the situation if Blacks would agree to merge with them in the organisation of Black Trade Unions. This would be an entrenching of patronisation that is so unpalatable to Black Workers.

We welcome material assistance, with no strings attached. Our stand is based on the principle of self-determination. Blacks should take the initiative in the effecting of a change in the labour system that is so much oppressing to them. Blacks should draw their own agenda structure and formula in the process of their liberation from economic shackles that are so much gnawing their flesh. Black Workers must take the lead in organising themselves. They should not be incited by Whites into doing of things. Blacks must decide whether they want multiracial or parallel Unions — or they wish to form Unions of their own pattern. It is not for TUCSA or American or British or Chinese trade Union leaders to tell us what to do in order to meet a situation that is so peculiar to us. The Whites’ role should be that of enabling. Whites, with their skill and material power should enable Black initiative to achieve its final goal. Whites could offer skilled or qualified personnel to assist in the training of Black Workers — only when Blacks ask them to do so. Whites could play an effective role by offering, also, financial assistance with no dictates on how and on what these monies should be spent. Whites should also go and evangelise their lot into accepting a Black worker as a human being deserving all respect due to him.

Let it be emphasised that: the Black man’s task in the Black Trade Union movement is not limited to the achieving of physical and material benefits such as good working conditions, increased wages, social fringe benefits, etc. Our concern and priority is the formation of a people and the development of a sense of responsibility in them . . .

6. From the underground Newsletter of the African National Congress (Vol.5 No.2). The extract shows the response of the ANC to the events of mid-1976; its view of the significance of those events; and its calls to action. This mimeographed newsletter was distributed in the second half of June, shortly after the ‘Bloody Wednesday’ massacre of Soweto students. Comrades and Countrymen, this is not the time to weep over our fallen heroes. It is time to hit back at the enemy with everything we have got. It is time to be more skilful and to strike at the enemy in small groups so as to vanish quickly. It is time to hit where he is weak and least
prepared. Let us disperse him and scatter his forces by hitting at the same time in Cape Town, Pretoria, Port Elizabeth, Bloemfontein, East London, Maritzburg and other places. Let us make him confused so that he should not know where next we will attack. The African National Congress which leads the National Liberation struggle in our country has created its military wing, Umkhonto Wesizwe to provide you with the art of fighting. Let us, therefore, join Umkhonto in even bigger numbers and train so as to become better fighters. Bloody Wednesday has shown the urgency of the task to smash the Vorster regime of terror and violence.

Countrymen and Comrades, you have already shown your guts and determination. With such courage and unity, our victory is assured. Therefore, in order to have our effective and merciless revenge, let us prepare ourselves secretly in small groups and get in touch with our organisation. The ANC is there and lives amongst you; let us convert our anger into revolutionary action. With heads held high let us follow the example of Soweto and the rest of the Reef, Ngoye, Thabong, Turfloop, Gugulethu, Nyanga, Edenvale Coloured Township, Wentworth, etc., and harass the enemy on all fronts . . .

. . . In the last few months, we have witnessed massive demonstrations by African pupils against the Nazi-type enforcement of Afrikaans in African schools. So well organised, so determined have been the boycott of classes that the ruling class has begun to issue threats of expulsion and blacklisting. Police have quickly moved in to harass and to arrest the striking school children. Yet the strikes continue and the school children refuse to be intimidated.

It is not just a strike against Afrikaans as a medium of instruction but a political protest by an enslaved, oppressed people against the whole concept of Bantu Education. This education system is an instrument for entrenching white domination. It prepares the African child for the role of an underdog, a supplier of cheap labour who will not identify himself with the oppressed masses for the aspirations of national liberation.

. . . Ever since the advent of Bantu Education, schools and institutions have been plagued with strikes, boycott of classes in complaints about maladministration, bad food, prison-type restrictions at schools, police interference, demands for freedom of speech and general improvement of facilities. The present campaign by Soweto students and pupils is in the best tradition of the struggle of Black students. The cry Asingeni started by the Phefeni Junior Secondary School must be taken by all students. The time has come for all of us to cry in unison: “Parents and students of South Africa Unite.” This declaration must be supported by a solid unity between parents and students. We must declare in unison: “Smash Bantu Education Now”. The ANC, the spear and shield of the oppressed people of South Africa puts before all the oppressed and democrats the following tasks:

(i) massive demonstrations throughout the country in solidarity with the students;
(ii) election of Student-Parent committees to co-ordinate the campaign against the hated Bantu Education;
(iii) organisation of pickets in front of all places administering Bantu Education;
(iv) campaign for the election of truly representative organs to run the education of your children;
(v) demand for free, compulsory and universal education for all children.

There then followed a section of the leaflet devoted to rules for clandestine organisation. 'If an underground shadow-leadership has been prepared, it must be brought into action to continue the activities of the unit in the area ...' A set of safety rules was outlined to constitute precautionary measures for underground organisation which included 'screening of all those to be recruited; ensuring that the enemy does not infiltrate the unit; the use of false names by all members; the coding of all documents; checks on enemy security and its use of informers; emergency plans for dispersing to hide-outs prepared for emergencies ...' Those arrested and detained, as a rule, must hold out for at least 24 hours to give time for manoeuvre for the untouched comrades of the group'.

*   *   *

BRIEFING ON UNIONISM AMONG BLACK WORKERS

In the 1950s and early 1960s black workers were organized by the South African Congress of Trade Unions (SACTU) and the national stay-at-home as a form of political opposition to apartheid was formulated by the Congress Alliance of which SACTU was a part. Stay-at-homes were organized every year from 1950 to 1961. SACTU itself was crushed by political repression in the early 1960s although large sections of workers in Cape Town, Durban, and Johannesburg still feel part of the movement of working class struggle that SACTU led. Many of these workers have joined the trade unions formed since 1973.

Following the 1973 mass strikes in Natal working class struggles found expression in a growing black trade union movement. Important strikes took place, including strikes for union recognition, against the contract labour system, against the victimisation of shop stewards, as well as for increased wages. While wage concessions could be made in the climate of liberalism following the 1973 strikes the struggles for union recognition have been viciously repressed. Large numbers of trade unionists were banned in November 1976.

The Trade Union Advisory and Coordinating Council (TUACC) in Natal brings together the following open trade unions (membership figures of July 1974):

National Union of Textile Workers (5000)
Metal and Allied Workers Union (3900)
Chemical Workers Industrial Union (600)
Furniture and Timber Workers Union (300)
Transport and General Workers Union (18000)

By 1976 TUACC had organized some 60000 workers.
From its inception TUACC has been in the lead of opposition to the whole system of Bantu labour relations and in particular to the state system of factory committees. Many strikes have taken place to insist on the recognition of the union in the industry and the dismantling of factory committees, for example, in factories such as Leyland, S.A. in Durban. From 1973 virtually all strikes in the textile industry (the centre of industrial action in Natal) have been organizationally or financially supported by the National Union of Textile Workers. The TUACC unions have refused being drawn into Inkatha Kazulu (organized by Gatsha Buthelezi to incorporate Zulu speaking blacks in Bantustan politics) despite an earlier ambiguous relationship.

The Western Province Workers Advice Bureau in Cape Town is an advice group which encourages the formation of factory committees and their registration as 'works committees' in terms of the Bantu Labour Relations Regulation Act. The Bureau argues that registration helps workers gain management recognition and could provide some protection against victimisation for committee members. It argues that African workers in Cape Town are relatively unskilled and that industrial unions are inappropriate to the local conditions.

The Urban Training Group in Johannesburg is an educational institution which does form a loose association of the following black trade unions in Johannesburg:

- Engineering and Allied Workers Union (3000)
- Transport and Allied Workers Union (2700)
- African Chemical Workers Union (600)
- Sweet, Food and Allied Workers Union (400)
- Laundry and Dry Cleaning Workers Association (200)
- Building, Construction and Allied Workers Union (300)

Explicitly non-political the Urban Training Group sees itself as an 'educational institution and service organization' with a primary function of helping develop works committees both in industries with and without black trade unions. The British TUC described the Urban Training Group as 'a modest and cautious organization, working within severely practical limits'. Despite this characterization two of its key organizers were banned in November in the wake of a protracted strike at Pilkingtons organized by the relatively new Glass and Allied Workers Union.

The Industrial Aid Society also in Johannesburg was formed initially with the idea of building a benefit society in the Transvaal on the lines of the successful benefit society in Durban which lead to large-scale union organization. Later it has come to work closely with TUACC and in particular to support the organization of Leyland workers the Metal and Allied Workers Union. Heinemann workers striking on 26 March 1976 demanded recognition of the metal union and the winding up of the official factory committee. It is supported by former SACTU militants who see the Urban Training Group unions as having opposed the former SACTU unions.

The largest black trade union in South Africa is the National Union of
Clothing Workers (18500) which is a parallel trade union to the registered garment union and which has encouraged its members to work in during the September stay-at-home. Shop stewards are fighting to replace its compromised leadership.

* * * *

A CHRONOLOGY OF RESISTANCE IN SOUTH AFRICA

1973
Jan-Feb Half of Durban’s 160,000 black workers involved in strikes.
July-Sept Culmination of growing campaign of boycotts and strikes in black universities. Fort Hare, Western Cape and Northern Transvaal closed.
Aug Strikes in textile and other industries in Durban.
Sept 12 miners killed during ‘riots’ over wage dispute, at Western Deep mine.

1974
Jan 10,000 textile workers supported by (unregistered) National Union of Textile Workers on strike in Durban demand recognition of union.
Feb-Nov Strikes, demands for repatriation, tribal ‘faction fights’ against the frustrations of compound life, rioting and symbolic destruction of mine property occur at several mines. 50 mineworkers killed in incidents at 8 mines.
Sept 25th ‘Viva FRELEM’ rally planned in Durban; organisers arrested.

1975
Feb Workers at Leyland (South Africa) in Durban strike and demand recognition of Metal and Allied Workers Union. All fired.
Oct 27th Textile workers supported by National Union of Textile Workers in Durban strike against appointment of security police agent to personnel manager.

1976
March 30th Heinemann strikers demanding recognition of Metal and Allied Workers Union. Baton-charged, many injured, 600 dismissed.
April Boycotts and strikes at several schools in Soweto and around Johannesburg.
May 17th Total strike at Orlando West school after refusal by local school board (in Soweto) to implement ‘Afrikaans’ instruction.
23rd Strikes in 4 other Soweto schools.
24th to June 10th More schools join in strike and other forms of protest.
16th School demonstrators shot dead by police in Soweto; at least 100 killed.
17th Protests massing in Soweto; more pupils join demos/boycotts.
18th Protests on several black University campuses, and in Alexandra township (Johannesburg) and on other parts of
19th Resistance reported in Germiston, Cape Town, Durban.

20th Over 1,000 students sent home from training Institute in Bophuthatswana.

June

21st-26th Student resistance, including burning of property and vehicles. Spreads to Pretoria, Pietersburg (N. Transvaal), Orange Free State and Lebowa (Bantustan).

22nd 1,000 workers strike at Chrysler Factory, Pretoria.

22nd Attack on farm north of Pretoria.

July

12th Worker unrest at Welkom gold mine (scene of 1974 riots). Police called in.

15th Emergency measures announced; all schools closed; Soweto closed to whites.

18th Fort Hare University — 1,800 students sent home after demo.

19th-26th Schools burned, trains stoned and official property attacked in many places: in N.E. Transvaal, Ladysmith, N. Zululand, Durban and elsewhere in Natal and even white farm area of E. Transvaal.

22nd Schools officially reopened but almost total boycott.

27th-30th Reports from country areas of crops/buildings destroyed. Burnings and stoning of 13 schools reported from Natal, all over Transvaal and even Orange Free State.

Aug

4th Thousands in protest march from Soweto; road to Johannesburg blocked. Call to workers to stay at home. Estimated 60% answer call.

4th-6th Buses, township officials, buildings attacked at variety of places (Nr Durban, Pretoria, Johannesburg, as well as smaller towns in W. Cape and E. Cape, E. Transvaal).

7th Durban reported ‘seething’.

9th Bophuthatswana Bantustan’s Legislative building fired.

9th-11th Schools and other public buildings attacked in N. Transvaal Pietersburg, Marizburg, Port Elizabeth, Pretoria and also in Bantustans — Umtata (Transkei) and Qua Qua.

18th-19th Port Elizabeth — ‘total resistance’. Factory area stoned.

19th-20th Schools burned in Cape, Durban, Port Elizabeth.

22nd Police on alert after demos in Indian township, Durban.

23rd 3 day ‘stay away’ in Soweto, Krugersdorp, W. Rand — 80% successful first day.

24th-25th Use of Zulu hostel mineworkers and police against people.

23rd-25th Schools fired at E. London, Bloemfontein among other places.

25th-26th Continuous unrest, ‘like a battlefield’ in Coloured and African towns near Cape Town.

26th-27th ‘Continuous unrest’ reported from Johannesburg, Soweto, Alexandra

31st Pupil protest in remote rural areas of Great Karoo.

31st Post Elizabeth townships: call for stay-away.

31st East London, train set on fire.

Sept

2nd Ban on all meetings and ‘gatherings’ for 2 months.

2nd Cape Town: rent offices and official buildings fired, petrol poured on road.

3rd Student march through city centre in Cape Town — police use birdshot and gas.
3th Schools burnt — Port Elizabeth, Mafeking, etc.
5th-6th Businesses, buses, schools attacked in E. Transvaal, Coloured areas of Cape Town.
6th Strike at Pilkington plant for recognition of Glass and Allied Workers Union begins, lasts 10 weeks.
6th-7th Crowd march on Cape Town airport; ‘tamper with railway’ in Soweto.
7th Continuous and generalised violence and protest in many Coloured and African areas around Cape Town, including Stellenbosch and rural ‘dorps’ (villages).
8th Police escort workers to factories in Cape Town after ‘industries rendered inoperable’.
9th Generalised resistance in Cape Town continuous, roads closed buses stoned to prevent workers going to work — 12 killed in area. Spreads to Paarl and other areas of Cape where businesses attacked.
10th Police adopt new methods of mass arrest. 400 pupils in Port Elizabeth.
10th-12th Petrol bombs and other attacks on stores and many buildings Cape Town; airport vicinity stoned.
13th Soweto — 3 day strike call. 80% response — 150,000 workers involved.
14th Alexandra and other Johannesburg areas join stay-way. 1,000 plus arrests.
14th Port Elizabeth, New Brighton, Durban — 755 pupils arrested for demos.
15th Soweto stay-at-home came to an end, Cape Town stay-at-home began. Virtually 100% success. Clashes in Port Elizabeth and Bloemfontein.
17th Six Soweto school children shot dead during anti-Kissinger demonstration.
20th Three day stay-at-home by Tembisa residents begins, with 100% support.

and so it continues...

The chronology above is a summary of just some of the more significant incidents that took place during the resistance that occurred in South Africa during the middle of 1976, up to mid-September, plus some of the key events that led up to this explosion. According to one count, press sources reported over 350 such incidents within 5 months. And of course the actions undertaken by black workers, students and others were everywhere met with vicious and increasing repression; there were beatings, shootings, arrests. Just to underscore the source of most of the violence against people, a Government pathologist told the official commission of enquiry into the disturbances that two thirds of the 229 dead examined were shot; and that out of a good sample of those shot, half were shot in the back!

Even a cursory analysis of an extremely shortened chronology of the events shows the spectacular spread of the demonstrations of the school pupils. They occurred in most of the major industrial cities, in many rural towns, and even spread to two of the African ‘Homelands’ (QwaQwa on the borders of Lesotho and Bophuthatswana), which is unusual in
struggles initially urban-centred. But the spread was more than geographic. It involved new forms of protest, and also the passage to organised forms of leadership.

The actions of the school pupils and students were projected by the press as mindless rioting; but their forms of protest were far more directed. The targets attacked in townships were the government agencies which regiment the lives of the people: government offices, banks, institutions which implement the Bantustan programme, and liquor retailers, not out of a sense of puritanism but because the proceeds of liquor sales augment government revenue. Initially the protests took the form of mass demonstrations and the destruction of symbols of white rule. The brutality of the police response drew other generations and classes into the struggle. This had a direct bearing on the improvisation of forms of more organised leadership, and to the employment of new and different tactics. Street processions which had led to confrontations with the armed police gave way to the marshalling of the economic power of black labour in the two strike waves. The call for the use of the strike weapon more or less originated simultaneously both from the Johannesburg secondary school students and from the ANC underground. Initially, during the first phase of the rebellion in the schools, working class response was muted; not many issues were raised in the student struggle which related to that class. But as the demands of the struggle grew from a denunciation of the Bantu Education system to an assault on the total system of oppression, the working class responded in the first general political strikes since the 1960s, in all its traditional bastions: Johannesburg and the surrounding industrial complex of the Reef; Port Elizabeth and Cape Town. Only Natal, which generated the massive series of strikes in 1973, remained relatively quiet this time.

By now, among the students, the demonstration effect of the initial school protests had matured into forms of organised leadership. There was a student underground in the townships, maintaining contact, however loosely, with other regions. For instance, initially it was communication with the Rand, then in its second phase of action and repression, the message was carried to the cape by students returning home to the Cape, who went round those schools giving an account of the situation in Soweto and prompted the wave of struggle there.

The method of communication and decision-taking was the daily mass meeting, held at constantly differing places, whose results were carried from house to house by those present. By October and November, after the high point was passed the attendances at these daily meetings had dropped to about 600. Many deliberately lived underground in the townships; some were known to be wanted by the police. In Cape Town itself, where action from within the schools rose to its climax during September, the principal tactic of the riot police was to break the coordinated action of the first few days which took the protestors into central Cape Town; the method was to try to terrorise the protestors at source by beating up, tear-gassing and shooting students systematically where they gathered, and randomly in their school grounds, whether or not the students were engaged in or preparing actions. It was this brutality which evoked a more violent student retaliation, which had not been part of their original strategy. At this point there
was also solidarity from township residents when the students took their protest on to the open streets.

This point had already been reached in Soweto with the activities of the Black Peoples Association, a broad collection of bodies which rallied to the support of the students. But if the three month struggle forged a coalition in action between students and workers and thus illuminated the strata of the rebellious, it also helped to identify elements of real or potential collaboration with the system. Not all elements in the townships were equally engaged in the assertion of the students' rights or in their protection under fire. The African petit-bourgeoisie showed itself divided between a radical protesting group and conservative and even collaborationist groups. Unlike its response during the Congress-led strikes on the 1950s and 1960s, the commercial class did not close its shops across the board. This time it tried to conduct business as usual. Teachers showed that they saw themselves not as part of an independent profession, but as cogs in an all-powerful government bureaucracy; some were sympathetic to the students; others held aloof. Where township middle class elements crossed over openly to the student side, they tended to be professionals not in government service: doctors, lawyers and religious ministers. Predictably the most blatant sources of collaboration were found among the township boss-politicians who have been co-opted into the government system of Urban Bantu Councils.

From the start of the struggles, these latter elements called for the restoration of calm — by demanding the students' return to their schools — and made attempts to negotiate with the government over the heads of the students. But their settlement formulae proved unworkable — and ultimately a threat to themselves. These collaborationist elements, having tried and failed to organise vigilante groups, had in the end to depend on police protection. However, the most dangerous source of division sown by the government and its township agencies was the incitement and support of contract workers in the hostels to act as scabs during the workers' general strike; this underlined the political implications of the government's policy of using migrant labour to divide the African working class within itself.

By November the rebellion had begun to recede. There were thought to be at least 400 persons held under the security legislation, as distinct from the many thousands held under arrest as a result of demonstrations and disturbances. Virtually every prominent member of the BPC and SASO is in detention; the arrests and summary trials were followed by the placing of severe restrictions on trade union activists. Hundreds of young school pupils and students have made for the borders of the country, many to join the ranks of Umkonto we Sizwe.

Inside the schools the struggle is being continued through a boycott of the examinations; it is a rock-solid campaign in many of the Johannesburg township schools. At the same time, in the schools and in the townships, the lessons of the three explosive months are being assimilated. At the level of tactics, some teachers in the Cape, though within the ranks of the liberation movement, have questioned from the start the appropriateness of street confrontations or school boycotts for
achieving the wider and more long-term aims of the student programme. Second, the antagonism between generations and the difficulties of linking student activities to worker activities, have shown how difficult it is to generalise the struggle and to carry it to yet greater heights. The student movement has produced sets of demands, but not yet a fully-fledged programme. Its perspectives have proved, in action, to be more than mere black consciousness. They have been closely linked to the visible face of repression, to every-day social and economic suffering, and to the desperation of a student generation facing a dead-end in a recessionist apartheid society. It is a movement that demonstrated an impressive collective durability, built, partly through its stress on self-reliance. It has produced a generation of committed and self-confident militants.

Will these militants forge a more general political programme and provide the inspiration for a long-term strategy of revolution? To this question there is no simple answer, but the seeds of a national liberation movement have been scattered all over South Africa. The two most vigorous saplings are manifested in the vigorous self-assertion of educated black youths (organised initially under the slogans of black consciousness) and the organised demonstrations of worker consciousness in industry and the mines. The alliance of these two revolutionary forces would provide the basis for a movement embracing several classes and strata; a movement whose mass actions can interrelate positively with an armed struggle initiated from the liberated territories to the North. Such a development, however general, points to a scenario that would have the liberation struggle transform the system, rather than just consciousness.

UGANDA

An open letter from The Uganda Group for Human Rights (101-103 Gower Street, London) to The Secretary General, The Organisation of African Unity, Addis Ababa, Ethiopia. 12 March 1976

Dear Sir,

Re: Gross violations of human rights in Uganda

1. We write to request you urgently to bring to the attention of all African Heads of State and governments the blatant violations of human rights and callous disdain for the sanctity of life that has characterised Field Marshal Amin's six year rule in Uganda. Ugandans who have fled Amin's reign of terror have hitherto remained silent for fear of endangering the lives of their relatives and friends in Uganda. It is now clear to us that this silence can no longer serve any useful purpose. Our silence has merely allowed Amin to oppress and murder the Ugandan masses. We, Ugandans exiled in the United Kingdom, have formed the Uganda Group for Human Rights to expose the inhumanity of the Amin regime, and to rebut the despicable falsehoods perpetuated by the apologists of fascism in Uganda.

2. The enduring reality of life for all Ugandans has been a constant struggle to cope with the wanton destruction of life and property by the Amin regime. Yet Amin still receives the political and military
succour of foreign governments, and of people whose concern for human rights we would otherwise have no reason to question. We believe that this support is based on a misconception of the real nature of Amin's regime. Idi Amin is variously conceived as the champion of African independence, the apotheosis of black consciousness and the paragon of Moslem righteousness. To many people in Africa, particularly as one gets further away from Uganda, Idi Amin is a heroic revolutionary constantly vilified by the imperialist press. Nothing could be further from the truth.

3. The full extent of the murder, torture, persecution and break-up of families may never be known. Estimates from several sources put the death toll between 100,000 and 300,000. We believe that this underestimates the toll of Amin's reign of terror. In 1973 a Minister in Amin's own government submitted a memorandum to several heads of African governments, citing as a 'conservative estimate' of the death toll in the first two years, between 80,000 and 90,000. Since then the reign of terror has intensified. We recognise that some people may genuinely want to question these estimates. But this should not be the cause for equivocation about the gross violations of human life since there are hundreds of well documented cases of murder committed by the Amin regime. Details of some of these cases were put before the Assembly of Heads of State and Governments in a letter by ex-President Milton Obote in May 1973. The International Commission of Jurists, Amnesty International, and the All African Council of Churches have also documented such cases. We have no doubt that Amin is guilty of the worst crimes committed against humanity in peacetime since Adolf Hitler, whom Amin admires so much that he wanted to erect a statue of Hitler in Uganda.

4. The misleading impression is sometimes given that Amin's persecution is always directed against certain religious or ethnic groups. Amin has ruthlessly moved against every conceivable group, including his own wife and son. The recent assassination of the Archbishop of Uganda, Dr J. Luwum, and the two Cabinet Ministers, Lt Col. E. Oryema and Mr Oboth Ofumbi only highlights the bestial criminality which has been meted out to hundreds of thousands of ordinary citizens. The death toll includes Moslems, non-believers, followers of African religions and Christians. The very first murders in the wake of the coup included the Army Chief of Staff, Brigadier Suleiman Hussein, a Moslem. On 12 January 1973, 200 people attending the funeral of Hadji Shaban Nkutu, a leading Moslem murdered by the army, were massacred for their audacity to bury their dead publicly according to Moslem rights. Christians form more than half the population, and have long been prominent in most of our national institutions. Their prominence in the register of the dead should not, however, detract from the great suffering of other groups.

5. Atrocities against humanity should be condemned whenever and wherever they occur. This is sufficient reason to deplore the silence of Africans on the atrocities in Uganda. But the nonchalant attitude of many African governments to fascism in Uganda provides the white regimes in Southern Africa with a sharp propaganda weapon. Of course the case against apartheid and white hegemony in Southern Africa does
not rest on the good behaviour of this or that African government. Moreover, those African governments most closely engaged in the front line of the struggle against white hegemony in southern Africa have also been the only African governments which have consistently condemned Amin. Nevertheless, the overwhelming majority of African countries have given the impression that black fascism can be tolerated, and the apologists for the white supremacists have been quick to use it effectively.

6. We note with grave concern that every time the issue of human rights is raised, African governments resort to the principle of non-interference in the internal affairs of other states. We believe that the sanctity of human life, and the inviolability of human rights should take precedence over that principle. Consequently we note with consternation that African governments have actually blocked the UN Human Rights Commission in its efforts to investigate events in Uganda. We therefore call upon you to use your good offices to work for the establishment of an OAU watchdog on human rights in Africa. Genocide cannot be an ‘internal matter’ of any state. Idi Amin cannot be allowed to get away with his crimes against humanity. Yet his government continues to get active support from a motley assortment of mercenaries, the governments of Libya, Saudi Arabia, the USSR, and a certain faction of the Palestine liberation movement.

7. Amin has been extremely successful in his attempt to portray himself as the champion of African independence. It is important to remember that Amin’s coup was actively supported by the Israeli military mission in Uganda; that the British government recognized the Amin regime with indecent haste; that Idi Amin was the conduit for Israeli supplies to the Anyanya guerrillas; and that Idi Amin did not start his anti-Zionist speeches until Gaddafi provided the money which Israel and Britain refused to give him. Amin came to power avidly supporting dialogue with South Africa, and as late as 1976 prevaricated over support for the MPLA in Angola. It is not possible to argue that Amin has changed his ideological stance. Far from it. Amin is as rabid a racist, as he is an extreme anti-socialist. His so-called economic war of independence is nothing but a facade for fascism and booty capitalism. His nationalisation measures were forced on him by the economic chaos he has created.

We look to the OAU and to African Heads of State and governments to support the struggle of the Ugandan people to rid themselves of Amin’s dictatorship.

Yours sincerely
Chairman,
Uganda Human Rights Group.

c. African Heads of State
Reviews

Class, Race and Gold: A Study of Class Relations and Racial Discrimination in South Africa by F.A. Johnstone (Routledge & Kegan Paul, London) £5.95

The publication of this book, based upon the author’s 1972 Ph.D. thesis, is most welcome. The thesis has already made an important contribution to the struggle against the previously dominant position which bourgeois liberal ideology held over the conceptualization of the South African social formation. It is to be hoped that publication will serve to extend its influence further.

The author’s object of study is the struggles which occurred within the goldmining industry between 1910 and 1926. These struggles had crucially important effects on the economic, political and ideological development of the South African social formation. Among other things, the so-called Rand Revolt — the climax of the process analysed — proved to be the crisis point in the rule of the mining capitalist faction, and thus created the conditions for the first Nationalist Party government to come to office in 1924.

Bourgeois liberal ideology has traditionally presented these struggles in the industry as arising out of ‘racial conflicts’ between white and black workers. Race prejudice on the part of white workers is seen as leading them to demand the exclusion of African workers from these grades of work (the more skilled) occupied by whites. Against this ideologically derived tendency to create colour bars, it is said the tendency is for capitalist economic development to promote a non-racial structure of relations of production. The struggles climaxing in the armed confrontation of 1922 are thus presented as struggles between the influence of ideology and the influence of the economy. Moreover, as the major, if not only, source of hardship experienced by black workers is held to be their exclusion from skilled work, black workers and capital are presented as being, over the period, in an effective alliance. Racial prejudice is thus treated not as a phenomenon which itself required explanation and analysis; rather it is treated as an exogenous and determining variable in South African social development — in effect as the motor of South African history.

Johnstone decisively rejects such methods of analysis — and offers one of the most comprehensive critical reviews of the liberal school in the introductory and concluding sections. Against their perspective — often as he shows, an explicit and self conscious apologia for capitalism — he seeks to apply the tools of Marxist theory in order to analyse and explain this form of racial discrimination. His central thesis is that the

“racial system (in the goldmining industry) may be most adequately explained as a class system — as a system of class instruments . . . generated and determined in its specific forms and its specific nature and functions, by the specific system of production, and class structure of which it formed part.” (p.4)

The author begins with an analysis of the structures of the goldmining industry. Mining capitalists, he argues, like all capitalists sought to
maximize the profits which they derived from the unpaid labour of others. In South Africa however they had to operate within certain constraints. In particular, they had a low average grade of ore and an internationally fixed price for gold to contend with. And these factors imposed upon them the imperative to constantly seek to minimize costs — especially labour costs.

At the time when the mining industry was beginning to develop, there was developing in South Africa a system through which “white property owners” applied “extreme extra-economic compulsion and coercion” in order to obtain labour from Africans, whom they had previously dispossessed of much of their means of production. As large inputs of cheap labour were just what mining capitalists needed, they actively encouraged and accelerated this process, which eventually resulted in the establishment of a comprehensive system of coercive laws and practices summed up in the phrase “exploitation colour bars”. Through the “exploitation colour bars” Africans were made “ultra exploitable” and their labour power thus “ultra cheap”.

At the same time, however, mining capitalists required a proportion of skilled and semi-skilled employees to perform various functions. These were obtained from two sources — the skilled, originally from Europe, and the less-skilled, mainly from among the local white proletarians, who had been proletarianized through the spread of capitalist relations in the white rural areas of South Africa. Though these white workers were differentiated in terms of skill, they had in common the fact that they were not subjected to the exploitation colour bars, and were politically free in the specific sense that they were not subjected to the coercive laws applied to Africans and that they had the rights to form recognized trade unions, to vote in elections, etc. Thus, their labour (power), unlike that of Africans, could not be made ultra cheap.

This differential exploitability of white and African workers rendered the position of all white workers extremely insecure. The skilled were faced with the possibility that Africans could acquire skills and thereby displace them, and the less skilled were restricted to a narrow range of job categories within which they were even more vulnerable to displacement by ultra cheap Africans. The response of both strata was to seek to construct barriers against Africans as a means of protection. In the case of the skilled, these took the form of the exclusion of Africans from trade union membership, and through the mining regulations also from certain categories of work. In the case of the less skilled they took the form of a demand for a white labour policy i.e. for a progressive extension of the range of job categories filled exclusively by whites.

“The job colour bars”, the author writes, “may thus be explained as a response to a particular class problem... The extension of the exploitability of the majority of workers, by the racially discriminator forced labour system of the employers, extended the insecurity of the proletarianised but politically free and less exploitable (white) group of workers... It was thus a case of one system of class colour bars — the exploitation colour bars of the dominant (owning) class — generating another — the employment colour bars of the politically free section of the economically dependent (working) class.” (p.74)

Having analysed the structure of the industry, the author then turns to
an analysis of the struggles which followed in the aftermath of World War I. Their immediate cause was a reduction in the premium price of gold, which led mining capitalists to intensify their efforts to reduce costs by replacing whites by ultra cheap Africans in certain selected categories of work. It was this attempt which eventually led to the general strike and the armed struggle of 1922. Based on an extensive investigation of documentary evidence, he shows that it was never the intention of mining capitalists to eliminate or radically overhaul the racial division of labour in the industry per se. It was a question merely of seeking an adjustment favourable to their interests at the margins. Furthermore, in his analysis of the struggles between mining capitalists and African workers, he shows that factors related to the job colour bars were not the major issues at stake in the defensive struggles waged by African workers against their exploitation. The job colour bar regulations really affected in practice only a minority of the more skilled Africans. The majority of African workers were more immediately affected by, and therefore more immediately concerned with, low wages, appalling living and working conditions, and factors such as the loafer ticket system, which denied the African worker the whole of his meagre wage unless he fulfilled a certain quota of work. These grievances all derived from the operation of the exploitation colour bars.

On balance, this study has succeeded admirably in its central task of establishing a definite relationship between the class practices of the white miners and the places which they occupied in the division of labour within the industry. Furthermore, it has shown that the assignment of agents to particular and distinct class places along racial lines was in accordance with the interests of mining capital. As such, the study represents a major contribution towards the reconceptualization of the South African society, and in particular towards a reassessment of the relationship between racialism and capitalism. This is not, however, to say that there are no problems with the analysis as it stands. As with any work which breaks new ground there are inevitably several areas in which this analysis has already been superseded.

In my view, the major problems in the work as it stands derive from the author’s conceptualization of the role of the state and of the political in a capitalist social formation in general, and in the South African social formation in particular. In a nutshell, he accepts the standard bourgeois interpretation of the rights and freedoms conceded by a capitalist state to non-dominant classes, seeing these as instruments of class power. He consequently operates with a concept of the capitalist state as an entity which non-dominant classes may come to control and wield to their own benefit against the political interests of dominant (exploiting) classes. In these important areas he therefore fails to break from bourgeois ideology.

This affects his analysis of the differing class positions (strictly speaking class places) of white and black wage earners. It leads him to introduce a descriptive notion derived from bourgeois ideology — politically free working class (even if qualified) — as the major explanatory factor for the occupancy by whites of differing places in the industry’s division of labour. Any such notion of a politically free working class under capitalism is totally foreign to Marxist theory, which has seen the prin-
Principal role of the capitalist state being in the political disorganization of the working class. Later work has suggested instead that there are a number of other factors which need to form part of any analysis either of the places occupied by whites in the division of labour, and/or of the assignment by mining capital of white rather than black agents to those places. Simson\(^1\) and Wolpe\(^2\) have convincingly argued that many white miners were in fact supervisors, and should on the grounds of their involvement in the task of exercising surveillance and control over the (African) working class, be identified not as part of the working class but as part of the new petty bourgeoisie. Legassick\(^3\) has argued that the assignment of white agents to such places must be seen in terms of the prevailing political and ideological relationships, which obliged mining capital to seek allies among other classes in white society. And the present reviewer has suggested\(^4\) that the exclusion of whites from the exploitation colour bars with the consequent non-assignment of whites to places as unskilled labourers, was of significance not because it left them politically free but rather because it resulted in differing structural conditions within which white and African labour power was reproduced.

More important than any of these points perhaps, is the way in which the author's treatment of the political affects his interpretation of the Nationalist-Labour Pact Government and the legislation introduced by it. Although he does not anywhere refer explicitly to the Pact as inaugurating a white workers' state, at several points he comes very close to it. His views could thus be interpreted as supporting a major part of the liberal thesis viz that the South African state is not fundamentally a capitalist state. For example, he concludes his study of the 1926 Mines and Works Legislation as follows:

"The pendulum had come full circle. The state which in 1922 had served as the instrument for the repression of the white workers was now in the hands of their representatives, and implementing a protectionist policy for them." (p.167)

Perhaps the reason for this (purely empirically derived) characterisation is that the author has examined the colour bar legislation exclusively. The Pact Government's position towards a number of the other demands of the white miners was actually far more ambiguous. For example it failed to enforce the favourable de Villiers wage award in 1926/7, and it failed to implement such fundamental aspects of Labour Party policy as their election pledge to prohibit the importation of foreign African labour for the mines. If the Pact represented the rule of the representatives of the white workers how are we to explain the split in the Labour Party in 1927/8 and the subsequent withdrawal of support from the Pact by the majority of the white labour movement? Kaplan's work\(^5\) suggests a far more satisfactory basis to account for the seeming paradox of the Pact: it represented the achievement of hegemony by national capital and the white wage earners were in the position only of an allied class to a member of the power bloc. As such they were of course able to gain some economic concessions, but they were certainly not placed in a position of dominance over capital. Indeed, in my own view, many of the most important of the state's policies towards white wage earners over this period, have to be seen as interventions which served in the last analysis to advance capitalist interests. Economic concessions made to white wage earners, largely at the expense of Africans,
functioned to further divide white from black wage earners and to ensure that the whites increasingly saw their future within the confines of capitalist society. And the industrial relations legislation administered by the Pact disorganized white wage earners as a militant social force.

These and any other criticisms should not however be allowed to detract from the merits of this book. Both as a critique of the conventional wisdom and as a Marxist historical study, it can confidently be predicted that the book will have a lasting importance.

5. D. Kaplan: 'Class and State in South African Development' (Sussex University seminar paper 1974), also subsequent work.

Robert Davies
CURRENT AFRICANA No. 12

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There are two additional abbreviations:

ARBE; ARBP  Africa Research Bulletin, Economic/Political series
BCEAO  Bulletin de la Banque Centrale des États de l’Afrique de l'Ouest

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