

CAPITALIST POLITICS AND THE ECONOMIC CRISIS The Bourgeoisie in South Africa - by Molefe Mabiletsa

'The political, economic and social structure of South Africa rests on the foundations of the colonial dispossession and enslavement of the African people. To maintain and perpetuate that structure is the cardinal policy of all sections of the white ruling classes. Differences between them are and have ever been related only to the question of how best to achieve this policy. They are quick to sink their differences and join forces if the colonialist structure itself is at stake'.

A. Lerumo: Fifty Fighting Years, p70

In general, this analysis encapsulates the special type of colonialism that we have in South Africa. But it would be a mistake if we were not to add that the bourgeoisie's interest is the most predominant factor.

The history of South Africa from the period since the discovery of gold and diamonds has been governed, over and above everything else, by the power factor of British international capitalism and domestic monopoly capitalism.

Some historians who don't understand the phenomenon of neo-colonialism have found it rather puzzling that Britain should have given up such a lucrative colony in 1910 when the British passed the Act of Union. The answer is that this was a stroke of genius on the part of the bourgeoisie in that whilst the granting of independence would salve the wounds of the Boers who had been defeated in the bloody Anglo-Boer war in 1902, this Act also ensured that the African people were not enfranchised, except in the Cape. The consequence was that the British and South African English-speaking monopoly capitalists, who owned almost all the mines and secondary industry, would then on the one hand enjoy African cheap labour and have the Boers, who were employed in large numbers, as policemen, boss-boys and civil servants, delighted that South Africa now belonged to them without interference from the troublesome 'rooi-nek' British colonialists, would ensure that 'die kaffir is op sy plek'. It was a cosy arrangement.

Indeed, when Generals Botha and Smuts headed the first Union Cabinet, it was with a clear understanding that they were representing an alliance of imperialism, mining monopolies and the burgeoning class of capitalist large-scale farmers. Their primary task was to ensure that the mines and farms got African labour at the lowest possible cost.

The Land Act of 1913 was part of this massive harnessing process. The argument was that once Africans had been deprived

of their land, their only recourse for survival would be to give in to exploitation. Perhaps we didn't quite appreciate this bourgeois strategy when we made our representations to the British Crown and Parliament, both against the 1910 Act of Union and the 1913 Land Act.

1 lowcvc, as in all cosy arrangements the bourgeois arithmetic had not taken the unpredictable into account. This came in the form of the international economic crisis that immediately followed the First World War. Gold, that magic mineral which

still accounts for over 40% of South Africa's revenue from exports, experienced a price crisis. By November 1921 the price had fallen from 130s per fine ounce to 104s, and in December to 95s. The free fall continued for a while.

The Chamber of Mines was in a panic. In a desperate effort to avoid further loss, they decided to reduce the expensive white labour by introducing cheap African labour into certain white reserved categories of work.

Just before these changes were introduced their wage bill was as follows:

Number Employed	Annual Wage
Whites 21455	£10 640 521

Africans 179 987	£ 5 964 528
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(Chamber of Mines: 32nd Annual report)

What a vast disparity! The Chamber of Mines move led to the strike by white miners in 1922.

The ugly face of the evil marriage of government and bourgeoisie began to unmask itself. The Smuts government issued mobilisation orders for the Active Citizen Force and declared martial law. The bourgeois press in screaming headlines called the strike 'The Red Revolt' and Smuts told parliament (19 March 1923) that the aims of the Rand Revolutionaries was to establish a 'sort of Soviet Republic'.

Subsequent intervention by troops led to 250 killed and thousands wounded. Over 1 000 strikers and their leaders were arrested. Four white workers were sentenced to death for alleged murders committed during the strike. Of these, three were executed.

White workers were bitter. The Nationalist Party under the leadership of an Anglo-Boer War general, JBM Hertzog, capitalist and mobilised this anger in its opposition to the Smuts-Chamber of Mines Combination. They formed a pact with the Labour Party and defeated the Smuts government in the 1924 election. A coalition government was formed.

This Pact government soon found out that 'he who holds the purse calls the tune'. It was to their best interests to be in collusion with the largely English-speaking monopolists. The quid pro quo of the bourgeoisie was to endorse the Hertzog 'colour bar' legislative programme such as the Crosswell Wage Act (1925) which made it illegal to employ Africans in a wide variety of skilled and semi-skilled jobs on the mines and the Hertzog Bills (1926) Under which the Cape African voting rights were to be abolished. The latter was abandoned as a result of determined, concerted opposition that was organised by the ANC. The bourgeois did not want another crisis so soon after 1923.

However, Hertzog remained tenacious and the bourgeois supported him because it was in their interests to remove this last bastion of democratic protection of the African. It was the one area where the African could, even though to a limited extent because the franchise was a qualified one, flex their muscles through the ballot box. The opportunity came with the international economic crisis caused by the USA stock market crash in 1929, which resulted in a severe depression in South Africa. Smuts joined the Hertzog government, and together they formed

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a single Party, the United Party. This move was a direct result of the monopoly capitalist pressure and manipulation. They were ecstatic. Their tool of oppression had solidified into one iron fist. Its first victim was the Cape African franchise which was abolished by the Native Representation Act of 1936. Exploitation and repression intensified until the outbreak of the 2nd World War when, due to the fear of a Nazi German invasion, the Smuts government adopted a conciliatory attitude. Some Africans were duped.

They were disillusioned in 1946 when the monopoly capitalist interests were threatened by the African miners' strike which had been sparked off by a chronic spell of bad food, starvation wages and wretched living conditions.

The African Mine Workers' Union, under the leadership of .IB Marks, a leading member of the ANC and SACP, organised for industrial action. In an effort to pacify the workers, the Smuts government appointed the Witwatersrand Mine Native Wages Commission to examine the workers' case. Instead of addressing itself to the genuine grievances of the workers, the Commission attacked the union as communist-inspired and recommended its dissolution. The African miners, the Commission said, 'had not yet reached the stage of development which would enable them safely and usefully to employ trade unionism'.

This was the signal for a brutal suppression of the strike. War Measure 1425 was passed to ban meetings on the gold mines,

;i number of African strikers were killed and a whole host injured by the armed forces, the miners' leaders were arrested and charged with a number of offences, including sedition. Once more the threat of a communist insurrection had been used. Once more the bourgeoisie slept well. The crisis was over.

Repression was intensified under the Nationalist Party government (the apartheid government) which defeated Smuts in the 1948 general election. Its programme was primarily to create an Afrikaner bourgeoisie. The Suppression of Communism Act 1950, which banned (he SACP, and later the ANC and PAC, the Bantu Education Act of 1953 whose purpose was to create a servile African worker, and the Group Areas Act 1953, whose purpose was the further land dispossession of Africans and Indians whose businesses were in competition with the Afrikaners, were enacted as part of the bourgeois purpose. ANC organised resistance was met with treason charges and a trial that lasted for over four years.

There was a brief respite, when, as a result of the Sharpeville Pogrom of 1960, and the subsequent nationwide resistance organised by the ANC, there was some flight of foreign capital. But once the iron heel of the fascist state had been brought to bear heavily on the liberation movement and the Rivonia Trial,

in which Nelson Mandela and other important leaders of the ANC received life imprisonment, had taken place, the monopoly capital nightmares were over. The crisis was over. Repression continued throughout the 60s. Business confidence returned.

This litany of consistent bourgeois behaviour must pose the question: what is different now? Have the bourgeoisie suddenly become democratic? Why are they seemingly involved in fervent efforts to 'find a solution' to the 'South African dilemma'? Why did they go to Lusaka in 1985 to speak to that 'terrorist

organisation', the ANC, in 'defiance' of the Nationalist government? Why are leading Afrikaners, including the Broederbond, also involved in these efforts? Why have the Nationalist government Scrapped so-called 'petty apartheid' and to some extent relaxed the Group Areas Act where the interests of the black petty bourgeoisie were concerned? Why the Tri-cameral parliament and the recent 'liberal' noises from De Klerk?

The reply to these questions is myriad. To merely find an answer in the present 'economic crisis' in South Africa is to play the fool because the crisis is not yet that serious as to bring the government and the bourgeoisie to its knees. If anything, the bourgeoisie is becoming optimistic.

In 1985 it was fashionable for businessmen to protest against apartheid because the South African rand was in a free fall, township 'violence' and resistance appeared endemic and the pro-sanctions lobbyists had gained the initiative. In 1988 this mood had changed because the State of Emergency, whose imposition the bourgeoisie had supported, had 'restored order'. After a deep and prolonged recession the economy was moving into a moderate upswing. 'A GNP growth of 2-3% was being forecast' (Daily Telegraph 27.1.88).

In an article entitled 'Business Suffering from Reform Fatigue', Ttle Star 16.1.89, a report on the research by the SA Foundation indicated that businessmen were no longer keen to get involved. As Dr Gavin Lewis, Research Director of the SA Foundation put it: 'Business has played a role in breaking down apartheid structures, but has tended to do this as a by-product of its pursuing its own economic concerns rather than by any direct role in structural reform'.

The recent rescheduling of SA international debt of Â£ 13-billion, which was due to be repaid in June 1990, has given a lifeline to the bourgeoisie.

Indeed, as Dr Frederick van Zyl Slabbert, former leader of the Progressive Federal party who now heads the bourgeois-inspired and maintained Institute for a Democratic Alternative in South Africa (Idasa) is reported to have said: 'It would be a serious mistake for opponents to believe that because the regime relaxes conditions it is on the point of collapse or capitulation. For the time being, the regime can work with a

simple rule of thumb; if the costs of tolerance begin to out weight the costs of repression, then a clampdown can be considered, and vice versa'. (The Guardian 3.11.89).

The message is clear. If the so-called reform process begins to threaten the ruling bourgeois class interests the old methods will be reverted to. Africans must behave, otherwise?!!!

Indeed, on 3rd November (the same day) De Klerk, the president, in an address to a passing-out parade of the SADF, announced that the ANC will remain banned until it renounces violence. This was obviously the reply to Comrade Sisulu's call for the continuance and intensification of the struggle, including the armed struggle at the historic Soweto Rally the previous Sunday.

It is obvious that the economic crisis has been caused by the sustained struggle internally and internationally. But we are not yet there. But why are the bourgeoisie seemingly putting pressure on the government not to resort to the old methods? First we must understand the changed complexion of the

bourgeoisie from the British and English-Speaking monopoly capitalists from the period before 1945 to the capitalists of today, which include a large number of Boers and state capitalism. The differences between the public sector and the private are somehow blurred.

In the 30s, the poor Boers began to organise an economic incursion through bodies like the Reddingsdaadbond which launched hundreds of new Afrikaner businesses, etc. In 1948 after they had captured political power through DE Malan's Nationalist Party victory over the Smuts United Party, a massive plan of acquisition was hedged.

By 1968 the state, in addition to owning and controlling forests, posts, telegraphs and telephones, railways and airlines, broadcasting etc, it had entered into the field of private industry in electric power generation (Escom), printing, manufacture of arms and ammunition, the production of steel (Iskor), heavy engineering (Vecor), insecticides (Klipfontein Organic Products), oil, gas and chemicals from coal (Sasol) and fertilizers (Foskor). It had also founded the Industrial Development Corporation (IDC) which financed a host of Afrikaner businesses. Almost all the directors of the state-owned businesses are Afrikaners. Professor Houghton's (Wits University) calculations of gross capital formation in the period 1950-65 provides the following breakdown:

Public Authorities 4 581m rand

Public corporations 1 018m rand

Private firms &

Individuals 8 831m rand

These figures have since escalated.

In the private sector the Afrikaner breakthrough was equally spectacular. In banking they established Volkskas; building society Saanibou, in insurance Sanlam and Santam, in mining Fcdcralc Mynbou, etc. By 1967 the Afrikaner bank Trust Bank, formed in 1955, was the fourth largest in the banking world (Die Transvaler 16.11.67). Federale Volksbeleggings, formed in 1940, had assets worth R84 385 000 (Die Transvaler 16.11.67). These are just examples.

The Afrikaner had used political muscle to thrive. It is now generally accepted that there is now very little difference between the English-speaking and Afrikaner bourgeois earning capacity. As Brian Bunting points out in his book 'The Rise of the South African keich', the Afrikaners, through their 'tightly-knit communal structures ... constitute now the predominant influence in the economy'.

The off-spin of this phenomenon has been to internationalise the Afrikaner bourgeoisie and expose them to transnational ideology of survival through globalisation economics. For instance, the International Confederation of Trade Unions (ICFTU) has exposed that 88 South African multinationals control some 437 companies in 44 countries, ranging from the USA, Britain to Hong Kong, Virgin Islands to Liechtenstein. The Anglo American Corporation group is linked to 110 of the 437 listed subsidiaries. The other large owners are Sanlam, Barlow Rand, Anglo-Vaal, Liberty and Rembrandt etc (Citizen 22.6.88

- SA Multinationals set up subsidiaries abroad).

The SA companies are also reputed to be major investors in the USA and European economies. Recently in the UK we were

able to witness the predatory activities of Minorco, an Anglo-American/De Beers subsidiary, against SA Gold Fields, a UK company. This expansion of the bourgeoisie poses the logical problem of gaining and expanding markets and trading in an international environment that is hostile to apartheid which has been declared by the United Nations as a crime against humanity. Sanctions have aggravated the problem.

The need to expand into virgin Africa with untold limitless possibilities, has made apartheid an albatross around the bourgeois neck. As Aiken and Peat of KPMG, the international accounting and management consultancy, point out, although SA companies spent A£1.2billion on acquiring six overseas companies in the 12 months to March 1989, they may be on a losing end of world trade which is racing towards globalisation in barrier-free markets.

An obvious concomitant of this development is the increasing need for skilled labour and the creation of an internal market to accommodate economic growth. These are the most compelling reasons why the bourgeoisie began to apply pressure on the government to allow for a free Upgraded competitive labour force. If Africans were working at the skilled labour level, they reasoned, the dual goal of economic expansion and consumerism would be attained. This *raison d'être* is also behind the policy encouraging the creation of the black middle class. 'Colour Bar' legislation in labour was largely repealed as a result.

Apartheid, which acts as a braking mechanism on economic growth and the creation of massive unemployment and impoverishment, particularly of Africans, has led to the economic crisis.

Apartheid is therefore bad news for the bourgeoisie. Both the private and public sectors recognise this. That is why the recent commission which was sponsored by the Ministry of Justice recommended the abolition of all apartheid legislation as a precondition to the drafting of a Bill of Rights for all South

Africans and a universal franchise. One of the reference documents employed by the Commission was the ANC's Freedom Charter.

Part of private business, fed up with the snail pace half-measures and the stagnated reform programme of the Nationalist government, decided to form the Democratic Party whose programme includes universal & adult suffrage. They had a dramatic success in the last election winning ... seats. This only shows how powerful the ideas of the ruling class can be.

Why have they supported the idea of a universal franchise? An anecdote is told of an encounter between PW Botha, then president, and an old school chum of his, who is a successful businessman in Kenya, in a hotel somewhere in Europe. After an exchange of pleasantries, the businessman wanted to know in what business PW was engaged. When PW boasted that he was now State President, his old friend was flabbergasted: 'God man, dai is mos kaffer besigheid in Afrika!'.

Is the bourgeoisie plan for us neo-colonialist?

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