

CLASS STRUGGLE AND ECONOMIC DEVELOPMENT IN SOUTH AFRICA:
THE INTER-WAR YEARS

by

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I. Introduction

This paper seeks to develop an analysis of capital accumulation in South Africa, with particular reference to the growth of the manufacturing sector, which is different from two kinds of "conventional wisdoms" which have come to dominate the current literature. The first of these, basing itself on the wizardry of neo-classical economics, assumes a radical rupture and disjuncture between the spheres of "economics" and "politics", with the harmonious and marvellous development of the former restricted by the continuing mischievous intervention of the latter. While the sphere of "economics" develops in accordance with the laws of nature, laws which neither discriminate against nor favour any particular group, the sphere of "politics" is characterized by fierce struggles between various interest groups, some of whom (usually white Afrikaners) managed in 1948 to seize hold of the levers of government and power in the state and used these as a means to direct the natural development of the "economy" in their own selfish interests. (1)

This conceptualization has recently been the subject of strong criticism by various writers broadly identifiable as Marxists or neo-Marxists. Some of these who follow the work of Poulantzas particularly closely have developed a "conventional wisdom" of their own which, while parting from orthodox neo-classical theory in a number of critical aspects, none the less does reveal some remarkable similarities to that theory. For instance, as with neo-classical theory, the Poulantzians posit a necessary rupture between the economic and political instances (or spheres, in the neo-classical jargon), sometimes referred to as the "relative autonomy of the instances". Of course, the Poulantzian conception of both the economic and political instances is radically different from that of the neo-classicists: i.e., the essential relations are understood as exploitative and oppressive rather than neutral and natural. However, despite this difference, the similarity between the two approaches reveals itself more blatantly in the form in which the Poulantzians see the economic instance being developed. For, although development occurs through class struggle, since the unity of classes is constituted at the level of the state (i.e., at the

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level of the political instance), it is, as with the neo-classicists, the sphere of the political which is the forum for the enactment of fierce struggles between the various classes and fractions of classes. This leads to the development of analyses of particular periods of South African history which bear strong resemblances to neo-classical interpretation: for instance, the Poulantzians argue that, as a result of struggles between the various fractions of capital (interest groups in the neo-classical jargon) in the immediate post-war period, one fraction, usually identified as white Afrikaners, managed to gain access to state power and used this as a means of determining the form of development of the economic instance in their own (selfish) fractional interests. (2) Although the Poulantzian position usually includes relatively sophisticated and economic arguments about the relation between political parties and fractions of capital which are not to be found in the neo-classical literature, these two positions are nevertheless remarkably close.

We should state quite clearly at the beginning of this paper that, while we disagree with both of these approaches, we none the less feel that both "schools" have addressed themselves to a critical and complex problem area in the analysis of capitalist societies, namely the problem of the conceptualization of capital accumulation and its relation to economics and politics. While we do not intend to mount a full critique of these positions here, partly because these have been entered into elsewhere (3), a few comments on the Poulantzian approach would not be out of place before we develop our own analysis.

The essential inadequacy of the Poulantzian position lies in the failure to understand correctly the dynamic of capital accumulation. Although the Poulantzians all acknowledge the importance of class struggle to accumulation (4), their analyses in fact focus almost exclusively on inter-capitalist disagreements (struggles, in the Poulantzian jargon) between fractions of capital and on struggles between fractions of capital and the white wage-earning petty-bourgeoisie (white workers are not defined as workers by the Poulantzians but as "a new petty-bourgeoisie"). (5) In so doing these authors root themselves firmly in the Poulantzian tradition:

The contradictions most directly and acutely reflected within the state are those among the dominant classes and fractions and between these and the supporting classes, far more than the contradiction between the power bloc and the working class. The latter contradictions are basically expressed in the bourgeois state 'at a distance'. (6) (Our emphasis)

By concentrating the analysis on problems within the power bloc, the dynamic of accumulation comes to be situated, not in the relations of conflict between capital and labour, but in the relations of competition within capital itself. These competitive relations then become fetishized, as they very often are in neo-classical theory, so as to become explanatory concepts for the dynamic of accumulation itself, thereby undermining the very basis of Marxism. Since inter-capitalist relations are situated in the forefront of these analyses, they become the prime movers of history - the motor of accumulation - while the real class struggle, defined as the struggle between capital and labour, gets relegated to a subordinate position in the analysis, i.e. it is only "expressed in the bourgeois state 'at a distance'". Consequently, we find that in an article purporting to deal with class struggle and the state in South Africa (7) the resistance waged against capital by black workers (and they constitute, for the Poulantzians, the overwhelming majority of the South African working class, since white workers are part of the new petty bourgeoisie) over a twelve-year period (1920-1932) is analysed as follows:

So far as the principal dominated classes were concerned the Pact was essentially a period of continuity. The state continued to intervene to secure labour for all the various fractions of capital, and to use its repressive and ideological apparatuses to prevent political organization 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 support of all fractions in the power bloc.

Again, the effect of the Draconian Hertzog Bills on the African workers' struggle is dismissed as follows:

As such, the segregationist policy contained in these measures was perfectly consistent with the continuing hegemony of national capital ... The segregationist 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. (8)

These bland generalizations and descriptions are hopelessly inadequate as a basis for a serious Marxist analysis of class struggle, and of the state's involvement in that struggle, in South Africa over a twenty-year period. One cannot dismiss two decades of African working class resistance during a period of intense struggle and fundamental economic and political change simply by claiming that "the state continued to intervene to secure labour for all the various fractions of capital". We have to analyse and explain the changing forms of that intervention or else we are left only with abstract generalizations about the capitalist state which, while adding nothing to our understanding of class struggle, in fact detract from the possibility of a correct analysis. For the contradictions between capital and labour are not expressed in the bourgeois state "at a distance" (as the Poulantzians claim); on the contrary, they manifest themselves most directly in the form of the capitalist state. An example of the kind of incorrect analyses which arise out of the Poulantzian approach is to be found in the following statement:

But, a differing approach with respect to Black Trade Unions became evident towards the close of the period [i.e. 1930s]. 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 capitalists as is evidenced in the next period. (9)

In this analysis, the black working class appears only "at a distance" and is seemingly passive throughout. Black Trade Unions are "emerging", although the forces giving rise to their emergence, the level of that emergence, its implications for capital, etc., are all ignored. Furthermore, the "emergence" does not seem to have any momentum of its own or, at least, the state does not respond to that momentum in the slightest. Thus, in this analysis, the struggle for black unions is presented not as a struggle between capital and labour (which is essentially what it is) but as a "struggle" between particular groups of capitals, each trying to influence the state to act in its own interest. The state here weighs up the arguments and strengths of the various contending interest groups and then acts to support the one against the other - i.e., it acts to promote the interests of particular groups of capitals against other groups rather than acting to secure the conditions for the reproduction of capital in general against labour. It is difficult to see precisely how the Poulantzian conceptualization of the role of the state differs from the pluralist model. In general terms, the state's response can be understood only in terms of the necessity imposed on it as a capitalist state to secure the conditions for the expansion of capital in general at a time of rising working-class resistance to oppression and exploitation. Consequently, the black working class must be active at the centre of the analysis, and not peripheral to the analysis, since it is their struggle which determines the form of capital's response through the state. Unless the analysis is situated in this form it cannot fail but fall victim to pluralism since, as soon as the working class is prevented from intervening in the centre of the analysis, we are left only with the differing interests and interventions of a plurality of groups as providing a basis for state policy.

Finally, we would like to examine one statement by the Poulantzians which is particularly illustrative of some of the points made above:

... 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. [We are unsure of the precise purpose of this sentence: D.I. & M.P.] 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. (10)

While we are fully in agreement with the argument expressed in the final sentence, what we cannot understand is, if the Poulantzians agree that anti-imperialist policies are made possible only through an intensification of proletarian exploitation and oppression, why are the forms of these intensifications, and the resistance to them, not the central focus of their analysis. If no anti-imperialist strategy was possible without the intensification of the struggle of capital against labour, surely one cannot hope to explain the development of the state strategy (its twists, turns, advances and set-backs) without analysing it as a manifestation of the new forms of class struggle - i.e., without situating it directly in the struggle between capital and labour. This is of course not to argue that particular capitals or particular groups of capitals seek the same solutions - there are, of course, differences within capital. But these differences do not evolve around desired trajectories of capitalist development abstracted from the conditions of class struggle. Nor does the state weigh up the various solutions of various "fractions" and impose one or other, depending on which "fraction" is hegemonic at a particular moment. The state is the political form of the domination of capital in general over labour and seeks to impose this domination (and not the whims of particular capitals) on labour. The extent to which it can do so - i.e., the extent to which it can wage a successful struggle against labour - determines the trajectory of capitalist development. Its failure to do so results in the destruction of capitalism.

II. The Roots of Industry in South Africa

The transition to capitalism in Europe had far-reaching consequences even for those areas, like southern Africa, which were geographically far removed from the centres of capitalist production. The expansion of mercantile capital during the 16th, 17th and 18th centuries led to the colonization of the Cape and the gradual extension of capitalist market relations to the region. By the 19th century capitalist relations, operating through the market, had been extended throughout much of southern Africa, although it was almost solely along the coastal region that the immediate process of production was organized along capitalist lines. However, the demands engendered on international capitalism for new sources of gold led to the large-scale intrusion of capital into immediate mineral production in South Africa (especially gold, diamonds and coal) and to the further extension of capitalist relations of production in the region. This extension was, however, by no means smooth and manifested itself in the form of continuous crises in the social relations and in the restructuring of these relations. Particularly important in this regard were the wars of conquest waged by capital against the African communities in the 1870s and 1880s and against the independent Boer republics, which secured the final dominance of capitalist social relations in the region and laid the basis for the formation of a unitary capitalist state in South Africa. The intense struggles in early accumulation in South Africa thus manifested themselves economically in the form of the development of capitalist industry centred around mining, and politically in the form of the segregationist state (1910).

During the 20th century (prior to World War II), the form of South Africa's incorporation into the system of international capitalism - i.e., its role as a major exporter of minerals (particularly gold) - stimulated the development of other sectors of the economy and the transformation of the relations of production in these sectors: following the expansion of the local market, capitalist agriculture was transformed, secondary industry developed, commerce, trade and finance expanded together with infrastructure (roads, rail, telecommunications, electricity, etc.). The mines provided both a direct market for many of the products of secondary industry (e.g., explosives, boots, steel, cement and candles) and also indirectly led to the establishment of a wider market for other light industry goods like clothes, textiles, brick, tiles, bakeries, soap, etc. The expansion of these markets led, on the one hand, to the transformation, especially in the coastal areas, of existing small-scale craft industries into capitalist enterprises and to the destruction of artisanal craft production in the African areas, and, on the other hand, to the influx of some foreign capital to establish plants to supply the local markets. These developed in these early years under the modest protection of the state. In 1906 the state introduced protection for, inter alia, the following local commodities: boots and shoes, biscuits, confectionery, sugar, soap, blankets and rugs, printing, and harness and saddlery. (11) In 1910 the Cullinan Commission, which was appointed to investigate the possibilities of developing local industries, recommended further protection, which was implemented by the state in 1914 (the Union Customs Tariff Act, No. 26 of 1914). Yet, despite these developments, the secondary industrial sector remained relatively insignificant, contributing only 7% to the National Income in 1911-1912, and the local economy remained primarily dependent on mining, contributing 28%, and to a lesser extent agriculture, contributing 16%. (12) Over the next few decades, however, the structure of production in the economy was to undergo a substantial transformation. By 1942-43, secondary industry was making the largest contribution to the National Income (19%), followed by mining (17%) and agriculture (13%). What, then, were the forces which brought about this transformation?

It was essentially the period of conquest in the latter part of the 19th century which secured the conditions under which an African migrant labour force emerged on a sufficiently large scale to feed the requirements of capitalist production in South Africa. This labour force came to be regulated and controlled by the segregationist form of the state in South Africa through a complex set of regulations and laws (e.g., the administrative measures of 1903 and 1909, the Native Labour Regulation Act of 1913, and the Administration of Persons to the Union Regulation Act of 1913) which together with other legislation (such as the Land Act of 1913) perpetuated the smooth flow of black labour to the centres of capitalist production. (13) The expansion of all forms of capitalist production during the second decade of the 20th century, particularly through the "War Effort", intensified capital's requirements for labour, enabling black workers to capitalize on the increased power which the shortage conferred on them. Serious strikes by African workers (inter alia, by African mine workers, dockers and municipal workers) (14) occurred over this period, and in 1919 the first large-scale combination of African workers, the ICU, was formed. At the same time, white workers, whose monopoly over skills and whose organization in unions put them in a somewhat different position in relation to capital, intensified the struggle against capital (the major strikes of 1907, 1909, 1911, 1913 and 1914), forcing the state to restructure industrial relations with regard to white workers. (15)

Thus we find that, by the end of the second decade, production had expanded considerably in South Africa; in particular, secondary industry had benefited from the decline in imports of manufactured goods during the war, so that by the end of the war the nucleus of a secondary industrial structure had been formed, whose main pillars were electricity, steel, chemicals and fertilizer, engineering (mainly maintenance and repair work), construction materials, clothing, and the processing of agricultural goods. (By 1917-18, secondary industry was contributing 10% of the National Income and employing 124,000 workers, 78,000 of whom were Africans.) (16) However, internationally, capital in general emerged from this period weakened by the ravages of a World War and a depression and faced with the world's first socialist revolution, while, locally, there was intensification of working-class struggle and the development for the first time of serious white unemployment as the relations of production in agriculture continued to be transformed. (For instance, following the recession of 1916, whose immediate cause was a severe drought, large numbers of white "bywoners" were left in a state of "destitution".) (17)

Faced with this crisis, capital was forced to initiate a process of restructuring which would again force the working class on to the defensive. The basis of capital's assault against the working class was to seek to develop the divisions which had already been established between European and African workers through restructuring the relations of exploitation and oppression in South Africa. The intense struggles of the '20s arose out of working-class resistance to this strategy. For the first few years of the '20s, capital sought to expand production in all sectors of the economy, and to this end the Far East Rand gold fields were developed, base metal and coal mining were expanded, infrastructure was further developed with the establishment of ESCOM in 1921, while the Board of Trade and Industries was founded in 1921 to redraft the Customs and Excise Tariffs and "to advise the government in respect of assisting and developing industries in the Union". (Between 1921 and 1924 Tariff protection was extended to 16 further industries.) (18)

Yet these changes were neither fast enough nor sufficient to stem the tide of rising militancy among the working class. While, on the one hand, the influence of the ICU was extended among black workers, on the other hand white unemployment continued to rise, exacerbated by mining capitalists who, in attempting to revolutionize the labour process, sought to expel large numbers of white workers from employment, thereby provoking the 1922 Rand Revolt of white workers. (19) The state was forced, initially, to repress the revolt with brute force, and then to intensify the policy it had begun earlier by (i) interceding more forcefully in the economy to secure the necessary expansion of production, (ii) exercising a tighter discipline over particular capitalists so as to safeguard the reproduction of capital in general, and (iii) ensuring the emasculation of both sectors of the working class (but particularly, in the mid-'20s, the white workers). The Pact Government, which came to power in 1924 in the course of the restructuring of these relations, was the major agent of capital in this regard.

By the latter part of the '20s the state had made important advances in this struggle. Regarding its more forceful intervention in stimulating economic development, by 1925 it had passed the Customs Tariff and Excise Duty Amendment Act, which provided important new forms of protection for industry; by 1928, it had created the steel giant ISCOR, which was to become the focal point for future expansion in secondary industry; and it had introduced other reforms to facilitate the development of other sectors of the economy through taxation measures, railway tariffs, etc. Regarding the exercise of a tighter discipline over particular capitalists, the Government had passed the Job Reservation Act which regulated employment practices in the mining industry and secured the protection of certain categories of jobs held by white mine workers, thereby ensuring that the problem of white unemployment would not be exacerbated by particular mining capitalists seeking to extend the practice of substituting cheap black labour for white labour. Furthermore, state bodies were established to regulate employment practices in manufacturing industry, especially as they related to wage rates, conditions of work and the division of jobs along racial lines. By the latter part of the '20s, then, the state had succeeded in its original broad aim of dividing the working class: organized white workers had been neutralized, while black workers, loosely organized under the banner of the ICU, had been further isolated from them. The state then mounted a vicious attack on black workers, which culminated in 1929 in the campaign of terror spearheaded by the Minister of Justice, O. Pirow, which led to the demise of the ICU and to the temporary defeat of the ANC. These measures succeeded in securing for capital in general a higher rate of exploitation of all sections of labour, thereby promoting accumulation in South Africa.

The restructuring of the capital relation which had been carried through during the '20s thus enabled capital to inflict an important defeat on the militant leadership of the working class - a defeat which was intensified during the depression. It was on the basis of this defeat that capital was able to enter the "golden period" of accumulation during the '30s - a period in which, while capital expanded, the leadership of the working class struggled to develop a strategy to cope with the new conditions of class struggle (e.g. the confusion of the South African Communist Party; inaction of the ANC; the gradual development of industrial unions among black workers at this time). The economic development, and particularly the development of industry, which occurred during the decade enabled capital to resolve the "poor white problem" -

i.e., the problem of European unemployment - by introducing the "civilized labour policy", while the enactment of further repressive legislation (e.g., the 1936 Native Land and Trust Act, the 1937 Immigration Act, amendments to the Pass Laws and the Urban Areas Act) intensified the forms of control over black workers, thereby resolving "the native problem" for the immediate present. (20)

Although it was the manufacturing sector which expanded faster than any other sector during the '30s - by 1939 its contribution to the GDP (18%) was almost as great as that of mining and quarrying (21%) (agriculture 13%) (21) - the gold mining industry remained the focal point of economic expansion. In particular, the increase in the price of gold, which began after South Africa left the gold standard in 1932 and continued during the rest of the decade (22), provided an important stimulation to the general expansion. Firstly, because as a result of the increased foreign exchange earned from gold sales (23), South Africa's capacity to import capital goods which were necessary for the expansion of manufacturing industry was expanded and the balance of payments constraint eased considerably. Secondly, the higher profit levels (24) enabled the mining industry to expand mineral production to a significant extent, particularly through the development of the Far West Rand gold field. And, thirdly, it enabled the state to increase the level of taxation on the industry without undermining mineral production, especially through the Excess Profits Tax which increased mine taxes by almost 250% between 1933 and 1934 (25), so as to pump finance into the development of infrastructure (in particular through ESCOM and SAR & H) and into support for agriculture (especially through the Land Bank and subsidized prices) and manufacturing industry. In addition to the expansion of ISCOR in 1940, the state established the Industrial Development Corporation as a "financial institution specializing in industrial finance, namely, in the systematic and thorough investigation of new propositions and the underwriting and selling of securities". (26)

At the same time, the level of both foreign investment and mining investment in manufacturing increased significantly. Foreign involvement was mainly through "large overseas concerns [which] increasingly established branch factories" inside South Africa as a means of gaining access to the expanding local market without running up against the protective tariffs. (27) (No doubt cheap labour-power and cheap steel also influenced their decision.) Prominent among these companies were Nestles, Cadburys, Ford, General Motors, McKinnon Chain (US), Dunlop, Firestone, Siemens, Babcock and Wilcox, Dorman Long, Stewarts and Lloyds, Davy Ashmore, and General Electric. (28) In addition, other foreign multinationals already established in South Africa, like ICI and Lever Brothers, expanded their local plant (for instance, AE and CI, whose parent concerns were ICI and Anglo-American, began producing fertilizers). The South African state also drew extensively on British loans over this period. (29) Mining capital also began at this time to take "a considerable interest in manufacturing undertakings" (30), although there is some debate as to the precise nature of these. Some sources, such as the Board of Trade, have argued that this interest "manifested itself mainly in the form of finding lucrative investments in existing factories rather than in establishing and nursing new industries" (31), while others have argued that "mining houses have recently been responsible for the flotation of several large industrial concerns". (32) Among the more important mining investments at this time were Anglo-American's involvement in fertilizers and in engineering equipment, particularly the manufacture of mining equipment and high-speed drills; Union Corporation's involvement in SAPPI (pulp and paper milling); and Anglo-Transvaal's involvement in engineering, glass, cement and fishing.

Thus, by the end of the decade, the South African economy had undergone substantial transformations. In particular, the manufacturing sector, which now employed 236,000 workers (of whom 93,000 were white), had developed as an important component of the economy. As we have argued above, these developments, which benefited all the various groupings of capital ("national", "foreign", mining, etc.), were made possible only by the defeat suffered by the South African working class during the '20s and early '30s. However, the economic growth achieved during this period was not without its contradictions: in particular, the rapid growth produced acute labour shortages which, coupled with the continued impoverishment of the reserves, encouraged black workers to press for wage increases and to organize themselves into industrial unions. It was the unleashing of these forces of resistance among black workers, in

particular in the immediate post-war period, which posed the major threat to capital at that time - a threat which capital could overcome only by a further fundamental restructuring of the relations of exploitation and oppression in South Africa.

III. Conclusion

It will be clear that the above analysis differs in a number of important respects from that offered by the Poulantzians. By minimizing the importance of class struggle and by over-emphasizing the importance of inter-capitalist disagreements, the Poulantzians have failed to understand the real nature of the conflicts of the '20s. This failure manifests itself both in their understanding of the nature of working-class struggle at this time and of capital's relation to the working class. They have argued that in 1924 "national capital ... seized hegemony from mining capital, the principal fraction of international or imperialist capital, which exercised hegemony before that date". (33) "National capital", at this stage, consisted of "capitalist agriculture and industrial agriculture". (34) According to this argument, however, "National capital alone was not strong enough to displace mining" (35) and it was only "in alliance with a fraction of the new petty bourgeoisie and supported by strata of the white and black wage earning classes [that] national capital achieved hegemony in 1924". (36) For the Poulantzians, then, white "wage earners" became a part of the alliance with national capital against black workers and mining capital. But does this alliance work in their "interests"? Not at all, for we learn that "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". (37) In fact, so much so that average wage rates for white miners and white industrial workers in 1932 were still lower than they had been in 1922, while job reservation on the mines was only applied to those jobs which mining capital was not at that time planning to transfer to Africans. (38) But, since the Pact government continued to reproduce the exploitative relations established by capital in 1922, what grounds are there for claiming that the Pact government was the political manifestation of an alliance between national capital and white wage-earners?

The answer is given thus: "However, there was one form of state intervention which did result in fairly substantial concessions for white proletarians. That was the state's intervention to secure employment for the previously unemployed, unskilled poor whites." (39) In the following sentence, however, we are told, quite correctly, that: "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 ... 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." (40) But if this is so, if the state is acting (as it clearly is) in the common interests of capital, how then can the Poulantzians argue that it is also acting in the interests of white wage-earners? Unless they assume that there is no contradiction between the interests of capital and labour. It is precisely because the Poulantzians recognize this conflict between Marxist theory and the analysis which they actually present that they introduce the notion of white workers being a part of the "new petty bourgeoisie" rather than the working class. For it is only by severing white workers from their class that the Poulantzians are able to maintain the contradiction between capital and labour. But in so doing they reproduce the ideology of capital - an ideology which seeks to deny the fundamental contradiction between all sections of capital, on the one hand, and all sections of labour, on the other. (In fact, the contradiction which the Poulantzians arrive at has agricultural capital, industrial capital and white workers allied against mining capital and international capital.) Furthermore, with specific reference to the crises of the '20s in South Africa, their analysis further obscures the fact that the attack mounted by capital was directed against all sections of the working class, and that the defeat suffered resulted in the higher exploitation of all sections of the working class (though there were clearly differences in the forms of exploitation experienced by white, coloured, Indian and African workers).

Finally, we find that the Poulantzian obsession with seeking out "contradictions" whenever possible leads them to misunderstand the real unity of capital in South Africa. For instance, the Poulantzians have argued that: "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." (41) In our earlier analysis we tried to show that the policy of Protection cannot be situated outside of the overall attempt by capital to restructure the capital relation in response to the rising militancy of the working class as a whole. Certainly, particular capitalists (and the Chamber of Mines as representative of a specific group of particular capitals) objected to this policy, but we have to differentiate clearly between the overall requirements of capital in general (to secure the condition for the reproduction of capitalist relations) and the limited concerns of particular capitalists (to increase their own immediate profits). What is important is that we do not interpret state policy as being simply a reflection of the interests of one group of particular capitals which is against the interests of another: state policy must be understood as a manifestation of the fundamental unity of capital (understood as being in constant contradiction with labour) over and above the limited concerns of particular capitalists or groups of capitalists. Once this is grasped, we can then understand the real relation between state policy and capital accumulation at any particular moment. We can understand, for example, that, although a policy of Protection certainly would have increased the cost structure of some industries in South Africa and would also have served to deprive certain foreign industrialists of markets for their commodities, the expansion of capitalist production in South Africa, and particularly industrial capital, served to strengthen capital in general against labour in South Africa and also served to strengthen capital in general in Britain (since the fundamental requirement of British capital at that time was to promote the export of capital goods). (42) There is thus a fundamental unity between the reproduction of capitalism in Britain and in South Africa which the respective states in these countries seek to secure, even though in any process of restructuring certain particular capitalists in both countries are "sacrificed" to the altar of accumulation in general. It is only if we understand and emphasize that unity (rather than the areas of disagreement raised by particular groups) that we can explain the closer participation of "foreign" and "national" capitalist groups in the enhanced expansion of capital in South Africa in the 'thirties.

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Notes

- (1) There is no shortage of output from this particular "school" of writers. For useful illustrations of this approach, the reader is referred to the work of Merle Lipton (especially "South Africa: authoritarian reform?", World Today, June 1974; "White Farming: a case study of change in South Africa", Journal of Commonwealth and Comparative Politics, March 1974; "Independent Bantustans?", International Affairs, Vol. 48, No. 1, January 1972; and "British Engagement in South Africa: Is constructive engagement possible?", South African Labour Bulletin, III, 3, October 1976), D. Hobart Houghton (The South African Economy [Oxford University Press, London 1973]), and Economic Growth and Political Change in South Africa, ed. A. Leftwich (London, 1974).
- (2) See, for instance: R. Davies, D. Kaplan, M. Morris and D. O'Meara, "Class Struggle and the Periodization of the State in South Africa" in Review of African Political Economy, No. 7, September-December 1976.
- (3) For a critique of the neo-classical position, see M. Legassick and D. Innes, "Capital Restructuring and Apartheid: a critique of 'constructive engagement'" in African Affairs, Vol. 76, No. 304, 1977 (forthcoming). For a critique of Poulantzas, see S. Clarke, "Marxism, Sociology and Poulantzas' Theory of the State" in Capital and Class, No. 2, 1977; and for a critique of the South African Poulantzians, see S. Clarke, "Capital, 'fractions' of capital, and the state: 'neo-Marxist' analyses of the South African state", CSE Conference Paper, July 1977.

- (4) Morris, for instance, has a quote from Mao Tse-Tung, "Never forget the Class Struggle", on the front cover of his paper, "Periodisation, Class Struggle and the State in South Africa: the effects of an absence", while D. Lewis argues that the periodization of the South African state "cannot be understood outside of the context of class struggle" ("African Trade Unions and the South African State: 1947-1953", p. 2). Both papers then go on and develop an analysis which, if it does not exactly "forget" the class struggle, certainly develops "outside of the context" of that struggle.
- (5) Davies et al., p. 8.
- (6) N. Poulantzas, The Crisis of the Dictatorships (London, 1976), p. 104, cited in R. Davies, "Capital, the State, and White Wage-Earners: an historical materialist analysis of class formation and class relations in South Africa, 1900-1960", PhD thesis, University of Sussex, 1977, p. 74.
- (7) Davies et al., p. 13.
- (8) Ibid., p. 20.
- (9) Ibid.
- (10) Ibid., p. 29.
- (11) Board of Trade and Industries, Report No. 282. Investigation into Manufacturing Industries in the Union of South Africa, p. 102, para. 323.
- (12) Ibid., Table IV, p. 11.
- (13) F. de Clercq, D. Hemson, D. Innes and M. Legassick: "Capital Restructuring and the South African State: the case of foreign labour", CSE Conference Paper, July 1977, p. 17.
- (14) R. Davies, op. cit., p. 117.
- (15) Ibid., p. 104.
- (16) Report No. 282, pp. 11 and 19.
- (17) R. Davies, op. cit., p. 86.
- (18) Report No. 282, p. 102, para. 326.
- (19) Between 1919 and 1921 alone the number of whites registering to seek employment more than doubled: from 15,306 to 33,732. (R. Davies, op. cit., p. 132.)
- (20) de Clercq et al., op. cit.,
- (21) South African Department of Statistics: Union Statistics for Fifty Years.
- (22) The average price of gold rose from £4.3 per oz. in 1932 to £8.4 per oz. in 1940. (D. Hobart Houghton, op. cit., p. 104.)
- (23) The value of South Africa's gold exports rose from £47m. in 1932 to £118m. in 1940. (Ibid.)
- (24) Mining profits for gold mining companies jumped from an average of £12.5m. per annum between 1913 and 1932 to £32.5m. per annum between 1933 and 1939. (Cited in M. Bienefeld and D. Innes, "Capital Accumulation and South Africa", Review of African Political Economy, No. 7, 1976, p. 47.)
- (25) Ibid., p. 47.
- (26) Report 282, p. 127, para. 422.
- (27) Ibid.
- (28) M. Legassick, "Capital Accumulation and Violence", Economy and Society, Vol. 3, No. 3, 1974, p. 263.
- (29) Ibid.
- (30) Report 282, p. 127.
- (31) Ibid.
- (32) Commerce and Industry, Vol. III, No. 7, January 1941, p. 151.
- (33) Davies et al., p. 6.
- (34) Ibid.
- (35) Ibid., p. 8.

- (36) Davies et al., p. 9.
- (37) Ibid.
- (38) Whereas wage rates for white mine workers averaged £419 per annum prior to the 1922 strike, between 1925 and 1932 (the period of the Pact Government) average wage rates for white mine workers ranged between £259 and £327 per annum. A similar situation prevailed for white workers employed outside of gold mining. See ibid., pp. 10-11.
- (39) Ibid., p. 11.
- (40) Ibid.
- (41) Ibid., p. 10.
- (42) The expansion of secondary industry in South Africa at this time was based on the importation of capital goods. What the British state sought to secure was preferential access to this expanding market for her own capital goods, since this was the economic sector which British capital most needed to develop. (See E. Hobsbawm, Industry and Empire). The Ottawa Agreement, signed by the British and South African governments in 1932, secured important preferential access to South Africa for precisely these British commodities - that is, all machinery needed for manufacturing, mining, agricultural and electrical purposes - as well as cotton and rayon piece goods. (Cited in G. Marais, "The Value of the Ottawa Agreement between the Union of South Africa and the United Kingdom Reconsidered", Finance and Trade Review, Vol. III, p. 144.) Consequently, the value of South Africa's imports of British goods receiving preference increased by almost 200% in four years, rising from £5m. in 1932 to £14m. in 1936 (ibid., p. 148). On the other hand, the value of South Africa's imports of industrial machinery from Germany fell by over 300% in one year - from 1,161,000 reichmarks in 1932 to 270,000 reichmarks in 1933 (ibid., p. 147).