

THE PROGRESSIVE PARTY, 1960-1980:
POLITICAL RESPONSES TO STRUCTURAL CHANGE AND CLASS STRUGGLE

by

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A. Introduction

The Progressive Party was formed in 1959, after a split in the official opposition United Party. Liberals from the United Party were joined by a disaffected group from the Liberal Party who opposed its policies for a universal franchise. The roots of Progressive Party ideology lay deep in the liberal tradition in South Africa. The party was formed in the belief that race was the most important issue and the most dangerous divide in the country. It saw as its primary objective the development of a political programme which would attract support from both the white electorate and the disenfranchised black majority.

This paper will examine the Progressive Party (1) during two periods of crisis (2) and intense class struggle. An attempt will be made to show the correspondence between the changed politics of the party, structural change and class struggle. No attempt is made to suggest rigid chains of causality according to some model of economic determinism. The concern of this paper is merely to indicate some of the complex interrelationships between economic, political and ideological factors.

B. Structural Change and Crisis

The nineteen-fifties in South Africa were marked by the rapid growth of manufacturing production relative to other sectors. (3) This coincided with a period of rapid urbanization and proletarianization of black South Africans. From 1957 to 1961, however, there was a period of crisis in South Africa. The average annual rate of growth of GDP dropped from 5.1 to 3.2 percent. (4) The industrial expansion of earlier years had generated a balance of payments deficit which had forced the state to impose fiscal and monetary constraints. These, in turn, depressed industrial production.

The crisis in international confidence which followed the Sharpeville killings in March 1960, and the subsequent declaration of a state of emergency, led to the collapse of share prices on the Johannesburg Stock Exchange. From 1959 to 1961 there was an average net annual capital outflow of R88 million, peaking during 1960. Gold and foreign exchange reserves were cut by half to R153 million by May 1961. The government was forced to raise the bank rate, curb imports and place very severe restrictions on foreign exchange dealings to remedy the situation. (5)

Calls for political reform and accommodation of black demands came in a chorus from representatives of capitalists in virtually every sector of production. (6) In the midst of all the panic, and as share prices plummeted, Harry Oppenheimer's Anglo American Group moved to stabilize the capital markets and restore confidence. At the same time, it acquired shares and penetrated companies and sectors which greatly enhanced its influence and strength in the South African economy.

The restructuring of production relations which occurred during the crisis involved the extension of monopoly production, and of interpenetration of capitals, including English and Afrikaans capitals. Over ten years of boom followed, with average annual GDP increases of 6.5 percent between 1961 and 1969. (7) Structural changes during the years of boom, and particularly concentration of capital, contributed to rising unemployment levels. In 1960 unemployment stood at 18.3 percent of the economically active work-force. By 1970 it had climbed to 20.4 percent, or 1,758,000 people. (8) At the same time the contribution to GDP of the manufacturing and construction sectors increased from 24.1 percent to 28.2 percent (1962-1970). (9)

It was the source of the boom, however, the growth of manufacturing, which contained the seeds of the crisis to follow. The contradiction lay in the fact that the rapid growth of manufacturing was achieved through the importation of machinery and equipment. The result was that, as the decade progressed, the value of South Africa's imports rose faster than that of exports, generating a substantial and growing balance of payments deficit.

During the early years of the following decade the growth of monopoly capital was accompanied by clear indications of impending crisis. Although GDP growth for the first half of the decade had averaged 3.9 percent per year, it had fluctuated between 8 percent and 3 percent per year. (10) Following the uprisings in Soweto and elsewhere, panic withdrawals of capital by foreign investors allied to work stoppages and disruptions resulted in an effect on economic activity so severe that GDP actually contracted. (11) A brief boom and the recovery of domestic demand resulted in GDP growth climbing to 8 percent by 1980. But by 1981 it had dropped back to less than 5 percent. (12) By 1982, the economy had stagnated and the country faced record inflation rates. At 16.5 percent, inflation was at its highest level since 1920. (13)

There were other signs of instability and crisis during the nineteen-seventies. The balance of payments deficit continued, averaging R838 million per year for the first half of the decade. Capital restructuring, concentration and expansion demanded an exceptionally high rate of investment, 29.2 percent of GDP compared to 25 percent during the period 1961 to 1969. (14) A 5 percent devaluation of the Rand against the US dollar in 1971, and a 17.9 percent devaluation in 1975, were necessary to improve the terms of trade. (15) In 1977, after Soweto, there was a net outflow in short-term capital of R1,086 million and a net R111 million outflow of long-term capital. For an economy which relied on foreign investors to provide 15 percent of total investment, this was disastrous. (16)

Unprecedented increases in gold revenues, up 31 percent in 1977-8 and 43 percent in 1978-9, following the soaring of free market gold prices, however, led to huge current account surpluses in those years. (17) The gold boom continued into 1980, and fuelled the economic recovery. The beneficial effects of the gold price, by allowing increased domestic investment, disguised the continuing outflow of capital in pursuit of the high short-term interest rates prevalent outside the country. (18) A sharp decline in the gold price in 1981 revealed a large deficit in the balance of payments, forcing the government to turn to the IMF for loans of US \$1,320 million in 1982. (19)

The collapse in production after 1976 affected manufacturing most severely. The GDP share of manufacturing and construction dropped from 28 percent in 1975 to

25 percent in 1979. (20) Unemployment continued its upward trend, climbing from 20.4 percent in 1970 to 22.4 percent in 1977 (2,301,000). (21) By 1980 it was probably over 2.5 million. (22)

As the above account makes clear, both periods of crisis resulted from imbalances caused by the growth of the importance of manufacturing production. The restructuring arising from the crisis of the nineteen-seventies was marked by the growth of monopoly capitalist relations, through centralization brought on by the weakness of many non-monopoly enterprises, and the need for a rationalization of production following the economic slump. (23) The Anglo American Group was central to the processes at work. Having begun primarily as a mining organization, by 1980 the Group had diversified into every sector of the economy. (24)

C. Class Struggle, Crisis and State Responses

The nineteen-fifties in South Africa were marked by the growing nationalist struggle against white rule and against the apartheid system. While some specifically class issues were taken up, the campaigns as a whole were not overtly class based, but were based on the common oppression of black people, and especially of African people, under white rule. The primary objective of the struggles was the winning of equal treatment for black and white under the state. As a result, the main thrust was a political one. Because of this, the state was able to defeat the African nationalist struggle by destroying its political organizations.

By the start of the crisis of the nineteen-seventies the disposition of class forces was different, the nature of black political organization had changed and so had the relations of production. All combined to make the repressive option a less viable response by the state to challenges to the system. While black people were far more proletarianized, capitalists were far more dependent on black workers than they had been a decade earlier. The rapid capital intensification of production had involved increasing demands for skilled and semi-skilled factory workers. Strikes became more costly, some workers were more difficult to replace when dismissed and the existence of an organized proletariat made solidarity action more likely and reduced scabbing by unemployed workers.

Monopoly capitalist enterprises became increasingly interpenetrated with foreign multi-nationals, making them more susceptible to overseas pressure. Growing interpenetration and centralization of enterprises meant that disputes tended to have wider spin-offs, affecting more than just isolated firms. As fixed capital stock increased, and the possibilities for rapid retreats from South Africa by foreign investors diminished, so the need grew for a system which guaranteed long-term stability.

The greater strength of workers was reflected in their increased militancy. In 1973 a massive series of strikes involving 98,000 workers occurred. Between 1974 and 1979 the number of workers on strike each year did not drop below 14,000. (25) In 1980, 95,000 workers were involved in strikes (26), and in 1981 the figure was 93,000. (27)

The response of the South African authorities to the resurgence of strikes and popular opposition, including an escalation of the armed struggle by the ANC, was to use the armed forces and apply and extend the repressive legislation enacted during the nineteen sixties. As the decade progressed, however, the state came under pressure to adopt a more reformist approach. With the ousting of Vorster as Prime Minister, and following the uprisings of 1976-7, it officially began cautious moves in a reformist direction. This stop-go reformism will not be examined here. Suffice it to note that the response of the state, post-Soweto, was very different

from its response after Sharpeville.

D. Changes in the Policies of the Progressive Party

The two periods of crisis under study coincided with the reports of constitutional commissions set up by the Progressive Party. The first, chaired by ex-Liberal Party member Donald Molteno, was set up soon after the formation of the party, to formulate its constitutional proposals. It reported in 1960 and 1962. (28) The second, chaired by F. van Zyl Slabbert, was set up initially in 1974, reconstituted in 1977 and reported in 1978. (29)

The Molteno Commission specifically interpreted its task as the formulation of constitutional proposals for a multi-racial system, "a frame-work within which our various racial communities may co-exist and co-operate as one civilised nation". (30) The Commission understood its terms of reference as requiring the recommendation of "safeguards for racial communities". (31) At the same time it sought to entrench in the constitutional proposals guaranteed rights and liberties for individuals.

The majority of the commissioners interpreted their terms of reference as precluding a system of universal adult suffrage, but at the same time sought to justify their Majority Report recommendation of a qualified franchise by reference to the "degree of civilisation" of individual voters. Such "civilisation", they argued, was necessary for the "effective functioning of democratic institutions". While a minority dissented from this, the major area of disagreement was over the exact qualifications which should be demanded of voters. The majority formulated the following "test of civilisation" according to which citizens should be judged:

Such qualifications should embrace those elements of the population that have attained an economic level or a degree of sophistication such as to enable them to feel sufficient identification with society as a whole - to possess sufficient 'stake in the country' - not to fall prey to totalitarian illusions. (32)

S. Cooppan, one of the black members of the Commission who did not sign the Majority Report, argued that such a mere extension of privilege to a small number of black South Africans would simply substitute class for race divisions.

I doubt the wisdom of attempting to create and crystallize class divisions amongst the non-Whites in the dilemma of avoiding the universal franchise. The area of conflict would merely shift from race to class, and the latter form could be equally unpleasant. (33)

The majority commissioners ignored Cooppan's warnings. They regarded African nationalism as the primary threat. A provision that no past voters would be disenfranchised ensured that the qualifications would be demanded only of black South Africans, in the first instance.

Referring to possible criticisms of their report, the Majority commissioners accepted that for black South Africans "the demand is general, among the politically conscious elements, for adult suffrage". They did not dispute the legitimacy of this position, but went on to argue:

Whilst understanding this attitude, we are bound to point out that it bears no necessary relation to personal freedom, the rule of law, ordered progress, or any of the other values that Western democracy was

conceived in order to foster. Its inspiration is rather non-White nationalism, which, like all nationalisms, is ultimately totalitarian in its logical outcome. (34)

The Molteno Report continued with an outline of a proposed Bill of Rights for the protection of individual freedoms. Among those "freedoms" to be protected was the right to segregated schools, housing, transport, hospitals, prisons or "any other service, amenity or public institution whatsoever", provided that all "classes of the community" had equal facilities. Interestingly, while S. Cooppan and R. E. van der Ross dissented from the sections allowing provision of separate services, Harry Oppenheimer and Zach de Beer qualified their assent thus:

In so far as these provisions might be construed as prohibiting compulsory racial zoning for residential purposes, they dissent therefrom. (35)

The constitutional and franchise proposals adopted by the party in 1960 and 1962 were conservative and racist. Little notice was taken of the dissenting opinions of the black Commission members (36), and the National Executive of the party actually took a more, rather than less, conservative position than the majority of the Commission. The party was concerned with making the minimum concessions to buy off black protests and defuse the nationalist struggle while appeasing white prejudice and assuring whites of continuing power and control.

The Slabbert Committee formulated its constitutional proposals at another time of crisis and political instability in South Africa. It was a time when white parliamentary opposition was in chaos, following the final collapse and disintegration of the United Party. The Slabbert Committee, like the Molteno Commission, set out to formulate constitutional proposals which would "remove the barriers of discrimination" without resulting in "the domination of one group over another". (36) At the same time, however, it was critical of past liberal thinking which had dismissed group loyalties and group affiliations in favour of the individual. It identified the group/individual debate as "largely responsible for sterile and fruitless political discussion", which had dominated white politics. Instead of the prevalent dichotomous view, a dynamic interrelationship between individual and group was the reality, the issue of overriding importance being "that the individual should be allowed to exercise his or her right of voluntary association". (37) The Committee went further, however, and emphasised that one of the negative effects of the existing system was that it had "inhibited the development of groups with cross-cutting affiliations that could counteract race and ethnic conflicts and antagonisms in our plural society". (38)

In formulating its proposals, the Slabbert Committee took specific cognisance of existing political conflict. (39) It recommended "a structure of government where the resolution of conflict has to be achieved within the political process itself". In adopting their recommendations, the party congress of 1978 expressed its belief

that the institution of a new political dispensation in South Africa has become a matter of urgency if we are to prevent the escalation of the present racial confrontation into violent conflict. (40)

The Report differed from the Molteno Report in that it stressed the party's commitment to "an equal right to full citizenship" for all South Africans. The qualified franchise was abandoned, together with notions of "Western civilization", and a universal adult suffrage was proposed. Its terms of reference called for a sharing of political rights by all citizens and equal economic opportunity. They precluded "all inequitable forms of statutory or administrative discrimination on the grounds of race, colour, religion or sex" as "unacceptable in the ideal society for which the party will strive". (41) In elaborating these principles, party

leader Colin Eglin made it clear that he recognized that such equal political representation was essential:

The Party believes that the possession of full citizenship rights is the basis of loyalty towards our country. Without this we will not be able to maintain an orderly society or effectively defend our country against external or internal attacks. (42)

The Slabbert Report was critical of the Molteno Commission, by implication, for confusing the issue of domination with that of the franchise:

the threat of domination is incidental to and not a consequence of the system of franchise in operation. It all depends what the structure of government is within which the franchise is exercised. (43)

Accordingly, the Committee rejected a Westminster-style system and opted instead for a system including proportional representation, decentralized executive, legislative and judicial systems, and a minority veto. While this system, combined with a bill of rights, was designed to guarantee the impossibility of majority domination, the Committee, like the Molteno Commission before it, was at pains to deny any racist motivation:

it would be a complete misrepresentation of the recommendations in relation to domination if the minority veto is presented as a measure to preserve the privileged position of a minority at the expense of other groups in society. (44)

Harry Oppenheimer welcomed the Report as a valuable contribution to the debate on which direction the country should move in. He said:

I'm actually rather pleased with this. I've read the thing through ... and I feel that at long last there is a real basis for sensible discussion, and I think this is about all one needs - or really can give. I was very pleased with this. (45)

The Slabbert Committee perceived the need for a break with the ideologies of the past, both liberal individualist and racist, and the adoption of new ideological forms. In a conscious effort to accommodate black disillusionment with capitalism in South Africa, van Zyl Slabbert dropped the notion of a "free enterprise economy" from the recommendations. He was of the view that "free enterprise" would not be an issue within five or six years.

It is an ideological concept which will become the target of aggression for a whole range of black political organisations. (46)

At the same time Slabbert perceived the need to create an ideology of state neutrality and separation from capital. He held that the role of government would be to distribute wealth, not to create it, wealth creation being the role of business. "The wealth generators are the economic entrepreneurs; the wealth distributors are the political entrepreneurs." (47)

It was not chance which resulted in the coincidence between periods of intense class struggle and crisis, and the production of constitutional reports by the Progressive Party. The party responded to political change and pressures in South Africa, and also to the needs of its class constituency. Both studies were set up at the height of periods of crisis and upheaval. Both were attempts to provide answers to problems requiring immediate resolution. From the point of view of the

party they provided reassurances to its class constituents that something dynamic was being offered as an alternative to chaos. To liberal voters and conservative black South Africans they provided models for continued hopes of peaceful reconciliation in the future. They also bolstered the image of the party as a viable political alternative to the National Party. This was particularly important after 1977, when the Progressive Federal Party for the first time became the official parliamentary opposition to the government.

E. Relations with Black Groups

During both periods under consideration, the Progressive Party attempted to establish working alliances with black groups or individuals sympathetic to its objectives. The response of the African National Congress to the formation of the Progressive Party was a cautious welcome. ANC leaders were even prepared to take some credit for the emergence of the party, seeing it as a response by liberal whites to the demands of the Congress Movement. Vigorous opposition by the Progressive Party to the state of emergency, the banning of the ANC and the PAC, and detentions without trial, further improved relations with the Congress Movement.

The publication of the first volume of the Molteno Report, however, and the decision to pursue a qualified franchise, crystallized the differences between the organizations and brought into the open the party's antagonism to African nationalism. "Extremism and Black nationalism would have to be broken", according to Steytler, before black people would subscribe to the party's policies. (48)

Despite this, co-operation between the organizations continued. In March 1961 Progressive Party representatives participated in an "All-In" African Conference called by 40 leaders of the ANC, PAC, Liberal and Progressive Parties. (49) Before the 1961 general election, Albert Lutuli, President of the banned ANC, issued a statement supporting the Progressive candidates. After the election Lutuli announced that, while he deeply regretted the increased support for the National Party, the support received by the Progressive Party was an encouraging sign. (50) Similar messages of congratulation on the results of the general election were sent to the Progressives by Joe Daniels, secretary of the Coloured National Convention Movement, and Monty Naiker, president of the South African Indian Congress. (51) The year ended with relations between the Progressive Party and many black leaders and groups on a cordial footing, despite continuing condemnation by the party of "non-White nationalism".

Early in 1962, however, a watershed in party policy was reached, with the presentation to the National Executive of a memorandum on relations with extra-parliamentary groups. The paper, written by Donald Molteno and Peggy Roberts, argued for co-operation with black political groups (by definition extra-parliamentary) on the grounds that demonstrating black support would be the only way of winning white votes. Black protests, they wrote, were essential to persuade voters that there was a need for change and, therefore, for the Progressive Party. (52)

The memorandum proved too radical for the National Executive Committee of the party, however, and was rejected. At the same time an active campaign was launched to recruit African members directly to party ranks, something which had been dismissed by Molteno and Roberts as doomed from the start. (53) There were two main reasons for the rejection of the memorandum. The first derived from worries about the effects on white electoral support of a close association with groups which were seen by most whites as dangerously subversive. The second was related to the party's franchise proposals. Organizations like the ANC enjoyed mass support among exactly those black South Africans whom the Progressives proposed to exclude from the franchise as insufficiently "civilised" to vote. The party leadership felt unable to collaborate with the organizations of people they believed to be unfit to vote.

Once the party had decided against co-operation with black political organizations, it soon became commonplace for its spokesmen to condemn in the same breath African nationalism, the sabotage campaign and the independent black countries in the rest of Africa. This was combined with optimistic reports of the "encouraging" increases in African membership of the party and of the establishment of African branches. (54) In fact, very few black members joined the party until the launching of its campaign among Coloured voters two years later.

In January 1964 the party began a campaign to win the four seats representing Coloured voters in Parliament. Many of the Coloured people who registered as voters joined the party. The Progressives claimed this, and the success of the Democratic Party in the Transkei Assembly elections in 1963, as evidence of widespread black support for their policies. In fact, the overwhelming support for the Democratic Party in Transkei, like Coloured votes for Progressive Party candidates, was a demonstration by black voters of their opposition to apartheid, rather than an endorsement of the specific policies of the parties.

Progressive Party attitudes to black South Africans were very different during the nineteen-seventies. The party had ceased to be a multi-racial party in 1968, with the passage of the Prohibition of Political Interference Act. The government did the party a favour with this legislation, by releasing the Progressives from the embarrassment of claiming extensive black support while being unable to point to significant black membership. After passage of the Act, party efforts were devoted to establishing contact with black "leaders" and political organizations instead of competing with such organizations for membership. Soon after the election of Colin Eglin as the new Leader, in February 1971, the party was involved in high-profile publicity exercises to demonstrate the acceptability of its policies among black people. In October 1971, Eglin and Helen Suzman made an extensively publicised tour of independent African countries. They were received by Leopold Senghor of Senegal, Gambian President Dauda Jawara, Kofie Busia in Ghana, Kenyan Vice-President Daniel Arap Moi, Julius Nyerere of Tanzania, and Kamuzu Banda of Malawi. (55) A year later a similar high-profile "consultation exercise" with homeland leaders and some opposition politicians, in Transkei, Ciskei, KwaZulu, Lebowa, Gazankulu, Venda, and Bophuthatswana was held by Eglin, Suzman and Ray Swart, NEC chairman. (56) The party was quite unembarrassed at its consultation with the very homeland leaders who were the lynch-pins of National Party plans to foist independence on the inhabitants of these areas.

By contrast, there was little contact with, and often hostility from, black-consciousness leaders. In 1972, the South African Students' Organisation (SASO) took the following line:

SASO believes that all groups allegedly working for 'integration' in South Africa ... and here we note in particular the Progressive Party and other liberal institutions ... are not working for the kind of integration that would be acceptable to the black man. Their attempts are directed merely at relaxing certain oppressive legislations and to allow blacks into a white-type society. (57)

While there were some contacts with radical black people (58), it was with more conservative organizations that the party had its strongest links. Relations with the anti-apartheid Coloured Labour Party were cordial, for instance, with several ex-Progressive Party members prominent in the leadership of the party. The most important link was with M. G. Buthelezi's Inkatha YeNkululeko YeSizwe. Contact was formalized in an "on-going liaison committee with the PFP and Inkatha", according to the architect of the links, Ray Swart. (59) After a meeting between Eglin, Swart, Buthelezi and S. M. Bhengu (Secretary-General of Inkatha) in 1978, a joint statement was issued. It said that much common ground had been discovered and that there was a basis for agreement on a new constitutional frame-work for South Africa. Buthelezi expressed support for the structure proposed by the PFP's

Slabbert Committee. (60) Close co-operation continued. A commission set up by Buthelezi to formulate a new constitutional structure integrating white Natal with KwaZulu was chaired by Professor Denys Schreiner, a long-time member of the Progressive Party. After the Buthelezi Commission reported, Slabbert and Buthelezi met, on 5 April 1982, and issued a joint statement reaffirming their commitment to full citizenship rights for all South Africans and to "equality of opportunity in the economy". (61)

In a very revealing document tabled by Buthelezi for discussion at the meeting, he argued that the Progressive Federal Party could not survive as a political force without the support of Inkatha. He wrote:

The PFP has no future whatsoever outside a Black partnership, nor do whites in general have any future outside a Black partnership. The PFP seeks a new dispensation and the voice in the wilderness which it now constitutes can only become the voice of authority when its roots extend into Black soil.

In the reality of the South African situation, PFP continuity into the future and its survival as a political force in fact depends on Inkatha. Inkatha is the only mass organisation of the people. It has the only Black leadership which is structured. It is the only Black political organisation which has tackled the game of constituency politics. It is only in this constituency politics that Black and White can establish co-operation. (62)

Perhaps Buthelezi was correct that, from the point of view of the PFP, there was only one significant potential ally among existing black organisations. Slabbert identified the difficulties he faced:

it's easier to talk to the moderate political organisations. If it's a black consciousness kind of movement then part of its rationale is not to have contact or seek contact with whites.

There is no alliance or any formal structure of an alliance between us and black organisations. I think also one reason being that the diversity of opinion and attitude in blacks makes it very difficult. You can't get an alliance going between say the Committee of Ten, Inkatha and ourselves. It's simply not on. (63)

The independent trade unions, apart from legal bars on association between trade unions and political parties, were not interested in a political alliance with the party of the bosses. Links with exile movements were out of the question.

As long as the African nationalist organisations posed a significant threat to the system, during the early nineteen-sixties, the Progressive Party sought to preserve its potential as an organisation of compromise in the event of an extension of the conflict. Once the organisations had been destroyed by the state and forced underground, the party made the sudden discovery that links with them would be a major electoral liability. It proceeded to condemn African nationalism as a danger on a par with "Communism", and as totalitarian. It then sought to compete against such organisations for membership, and interpreted votes by black people against apartheid as votes for its policies and for "moderation" rather than confrontation.

By the start of the second period, having lost its black members, the party discovered the need to demonstrate "consultation" with internal black leaders and, in the absence of "moderate" leaders recognised by black South Africans, was forced to turn to those appointed by the South African government. As political confrontation

grew, the party attempted to make contact with leaders of more radical currents, but found itself either rejected by these groups or talking to "opinion makers", people like Ntatho Motlana of the Committee of Ten, who refused to be termed "leaders", and refused to become involved in anything other than informal contact. (64) Instead, the party was forced to rely almost exclusively on its contact with Inkatha, to demonstrate the compatibility of its policies with black aspirations: a fact Buthelezi was not slow to point out to the party.

F. Party Ideology and Relations with Active Capitalists

The final section of this paper deals with the close relations between the party and certain sections of the capitalist class. At its Inaugural Congress in November 1959, the Progressive Party adopted basic statements on economic and social policy. Harry Oppenheimer was closely consulted on these, alterations being made to accommodate most of his criticisms. (65) The policy adopted by the Congress on African trade union rights, for instance, called for the "restoration of the freedom of the trade unions", but qualified the call with a recommendation that unskilled workers be organized into separate unions under the control of the Department of Labour. (66) This formulation catered for worries expressed by Oppenheimer about maintenance of "a proper standard" of unionism. (67) Thus the party avoided one of the major political drawbacks of an unequivocal commitment to free trade unions - the objections of mining capitalists, and especially the gold mining owners, to the unionization of mine workers.

Such discrimination was justified by reference to the freedom of individual black South Africans to improve their situation. The Progressive Party did not object to discrimination or inequality on principle. Its objection was to the fact that the discrimination and inequalities were imposed only on people of colour, and on all people of colour. If the colour bar was lifted, the inequalities would no longer offend the critical outside world, or liberal sensibilities inside South Africa. Allowing an equal bite at the cake to a minority of black people would satisfy the moral scruples expressed by liberal opponents of apartheid. This fitted well with the needs and demands of capitalists at that time. They wanted the political challenges to the state bought off by political concessions. They wanted more skilled workers and supervisors who could only come from the ranks of black South Africans. They did not want a redistribution of wealth or a destruction of the cheap labour system. An ideology of individualism was admirably suited to those needs. As the Natal leader of the party, Leo Boyd, expressed it in a confidential memo to Steytler,

Our policies go further - they seek to break down the group complex, focussing attention upon the individual so that ultimately we become a nations [sic] of individuals and not members of majority or minority groups. SECURITY for the individual must also be prominently featured in our programmes. (68)

Speaking at a dinner for business people in 1963, Harry Oppenheimer warned of the consequences of continued suppression of individuals because of their colour.

It is a terrible mistake, because revolutions are not made by the masses of the people. Revolutions anywhere are made by disgruntled individuals of ability who find no room for the exercise of their talents and if you attempt to keep them back by reference to some assumed level of the group to which they belong, then you are simply taking steps to provide the leaders who can eventually ... change the affairs of this country, and change them by violence. (69)

On the macro-level, therefore the Progressive appeal for support from the capitalist class was based on the danger of a revolutionary overthrow of the system. On the micro-level, the Progressive Party attacked the government for causing the crises through the restrictions it imposed on production. The general argument was contained in an early recruiting pamphlet entitled The Progressive Answer. It read:

In South Africa we are all poorer than we should be because we do not make the best use of our human resources. Job reservation, aimed at protecting the White workers, actually harms both White and Black ... Government restrictions are at present limiting our potential out-put and wealth. We plan to increase productivity and earning power by removing harmful restrictions, providing better technical training facilities for all races, lifting industrial colour bars and creating healthy conditions of trade union democracy. (70)

After the emergency the party had a far stronger case to argue and did so in an election pamphlet called Into a New World. Referring directly to the aftermath of Sharpeville and the emergency, the pamphlet read:

Nationalist legislation has resulted in the deterioration of our economy and our way of life. Money has poured out of the country at an unprecedented rate and the prospect of sustained recovery is unlikely unless reforms are instituted soon. World opinion is against us. We embarrass our friends and our enemies make capital out of our mistakes. (71)

The party believed that overseas investors would respond most favourably to the introduction of policies designed specifically to ameliorate the causes of the conflicts. The argument ran thus:

The obstacle to investment today is purely and simply political. In order to regain a flow of capital, we need to convince the outside world - or rather, the capital-exporting nations - that, to put it bluntly, there is not going to be a revolution in South Africa. (72)

Although the party did make appeals to the capitalist class for financial and electoral support, the main thrust of its propaganda during the first half of the nineteen sixties was directed at the white electorate as a whole. After its humiliating performance in the 1966 general election, a thorough reassessment of the party's approach was made. The new strategy evolved included a decision to direct its efforts and propaganda specifically at "business". The new, specific orientation to the capitalist class after 1966 meant that by the start of the second period of crisis the party was far more closely allied to the sympathetic sections of that class.

After Soweto, certain sections of the capitalist class, disillusioned with the state as a vehicle for reform, decided to set up their own organization. Its task was to engage in exemplary reformist activities to encourage similar action by the state, but also to buy off some of the black resentment and frustration which had exploded in Soweto. This organization, the Urban Foundation, was set up in 1977. Irene Mennell, a Progressive Federal Party representative in the Transvaal Provincial Council, who was instrumental in setting up the Urban Foundation, contrasted the attitudes of capitalists with whom she had had contact, before and after Soweto. At first, opposition to apartheid was ritualized and formalistic, confined to annual meetings and reports.

It happened once a year. The rest of the year one went on getting permits or an exemption to put a plant there, or an exemption to employ more people there, and it kind of worked and your company grew.... And your profits were fine. (73)

After Soweto, however, attitudes changed.

It's still a bit patchy and a bit confused but there is an evergrowing awareness that you can't hope to survive as a flourishing business in the long term in South Africa against this political climate, and the economic and socio-economic climate. So, therefore, you'd better get out and use your resources to try and make some corrections, hopefully in time. (74)

This new attitude by capitalists was reflected in their relationships with the Progressive Party. At about the same time as its electoral breakthrough in 1974, the Progressive Party achieved a similar breakthrough in attracting vastly increased support from its "natural" constituency in the capitalist class. From 1973 to 1977 the party National Treasurer and chief fund raiser was Gordon Waddell, an executive director of the Anglo American Corporation and ex-son-in-law of Harry Oppenheimer. As Irene Mennell expressed it in an interview in 1978, "There are few big Johannesburg companies who have not been approached and given". (75) With Gordon Waddell going around soliciting donations it was very hard for fellow capitalists to say no. So successful was Waddell's fund-raising that in January 1974 the party's newspaper, Progress, reported a 100 percent increase in funds and a 200 percent increase in large donations. (76)

This increase in financial support from the capitalist class coincided with the development of an economic analysis which took account of the structural changes which had occurred in the economy. Noting the tendency towards greater concentration of capital, Gordon Waddell argued that use of low wage, unskilled labour slowed growth and reduced living standards for all the country's inhabitants. Arguing that the potential of the country's whole population should be harnessed, he said:

we cannot continue to move forward as we should by simply employing larger and larger numbers of unskilled workers in industry or on mines at low wages. That phase is over and the realisation of our potential for further rapid growth depends on the development of greater skills by the mass of workers who are already in industry or who will join it in the future so that their productivity and their earnings can be steadily increased. (77)

The Progressive Reform Party, as it became, extended the argument beyond the contention that a new deal for black people was necessary for economic growth. In an article published in May 1976, the new chairman of the party's Federal Executive, Harry Schwarz, argued that a new form of capitalism was called for in South Africa, to combat the threat of socialism.

Mr Schwarz said he believed that old-time capitalism was dead, and South Africa should propagate a free enterprise system in the true sense of the word. 'I also believe that the free enterprise system has to get on to the offensive and attack socialism', he said. 'If we do not, I believe that the true free enterprise system is doomed.'

'The test of free enterprise is not how good it is for the capitalist and how much profit can be made out of

it. The true test is what it does for the man who has no capital, what it does for the worker and for the individual. Is he better off in a free enterprise system than he would be under socialism?'

'the problem in South Africa is not only colour; it is a potential conflict between capital and labour. This is why one has to convince the people who represent labour, who are the Black consumers, that there is a place for them in the free enterprise system.' (78)

The arguments of the party leadership had changed markedly since the nineteen-sixties, in line with changed realities. The question of colour was no longer seen as fundamental, but as a divide which disguised far more dangerous class divisions. The threat of revolution was no longer primarily a threat to white power, or to "Western Civilization", but to capitalism itself.

The experience of the Soweto uprisings sharpened party anxieties. In a speech to the Graduate School of Business at the University of Cape Town in September 1976, Colin Eglin urged business people to play a more activist part in the politics of the country. Race conflict, he warned, was becoming class conflict.

The sharpening of class conflict has been accelerated by events outside as well as the very real and wide gap between the 'haves' and the 'have nots' within South Africa. It is seen, felt and increasingly resented by millions of South African citizens.

The free enterprise system, in spite of its many positive achievements, runs the risk of being seen not as an instrument for eliminating one of the causes of conflict but as one of the ingredients of conflict.

Those who believe in the free enterprise system and who want to eliminate conflict will have to find ways and means of enabling black South Africans to share significantly in economic progress, not merely as workers but as shareholders and partners and participants in the ownership of business in South Africa. (79)

In October 1979, the leadership of the Progressive Federal Party set up an Economic Commission chaired by Harry Schwarz to formulate a programme of economic reform for South Africa. Schwarz described one of the most important roles of the Commission as developing "effective answers to be given to Marxism as an economic doctrine". (80) When the "Charter for social and economic progress" formulated by the Commission was published, in November 1981, however, it proved to be a rather generalized restatement of party calls for an extension of economic benefits to all South Africans, rather than a radical programme for a new economic order. Among its provisions were the establishment of a corporatist relationship between "capital, management and labour based upon the recognition that each have [sic] an interest in the welfare of others". Industrial democracy, profit sharing and common decision-making were to be encouraged. All workers were to be accorded the right "to organise in trade unions of their choice", in contrast to the policy adopted in 1959. Nationalisation was to be avoided, and the state's role in planning should be "indicative not compulsive". (81)

Such redistribution of wealth as was entailed in the proposals was not to be allowed to affect the wealthy.

The wide gaps in income and wealth in South Africa require special action to enable those in a disadvantaged position, to better their situation.

This aim can be achieved only by lifting the under-privileged rather than by impairing the standards enjoyed by the more fortunate. (82)

The new economic policy of the party reflected the needs of the now dominant group within the capitalist class, monopoly capitalists, for an educated, skilled and incorporated work force with a high level of commitment to the system. It also reflected the need to expand domestic demand through increased consumption, to provide a larger market for the goods of the new capital intensive, highly productive, industrial enterprises. Most of all, however, it reflected the need for a stable, peaceful country in which capital accumulation could continue unhampered by continued threats of disruption or revolution. In exchange for that, the Progressive Federal Party and its supporters within the capitalist class were prepared to extend political rights to all black South Africans, and to open up economic opportunities to them.

G. Conclusions

Two periods of intense class struggle and crisis in South Africa were marked by structural differences in capitalist production as well as differences in the nature of political challenges to the apartheid system. The period 1960 to 1980 saw the rapid monopolization of capitalist production with attendant concentration, centralization and interpenetration of capital, leading to the emergence of a more united, dominant monopoly group within the capitalist class. It saw the continuing proletarianization of black South Africans as a result, coupled with the emergence of strong and militant workers' organizations. After state action had destroyed the nationalist opposition of the nineteen-sixties, the following decade was associated with the emergence of a combination of populist and overt class struggle. The African nationalist organizations had mobilized opposition to apartheid on the basis of the historical and moral rights of all South Africans, including Africans, to political equality. The black consciousness movement stressed the common interests of all black people against white domination. By the end of the nineteen-seventies, workers' organizations had taken an overtly class view of their society and even black consciousness organizations had introduced the concept of class into their analyses. The militancy of young black people and the strength and resilience of workers' organizations forced the state into a confused process of reform and accommodation.

In the context of the shift to a more proletarianized society and to overt class struggle, equivalent adjustments occurred in the ideology of the Progressive Party. As political struggles against the state changed from nationalist opposition to class opposition, so the emphasis of Progressive ideology shifted from race to class. At a time when the African nationalist struggle challenged white privilege, the party proposed answers designed to buy off a black elite and satisfy the aspirations of an influential black minority. When the struggle developed into a wider opposition to the whole system of exploitation, it proposed an extension of political rights and economic opportunity to all, in an attempt to persuade black South Africans that their interests were best served by a capitalist, rather than a socialist system. At the same time, the traditional liberal image of the party changed into that of a party representing the views of "progressive" capitalists. As a coherent group of monopoly capitalists emerged and became politicized, the party became more closely associated with them.

Major shifts in direction by the party coincided with periods of political upheaval and crisis and reflected its role as a politically innovative organization formulating alternatives to government policies. While it sought to reflect the day to day needs of its constituency, as an opposition party without control of the state its major role was to identify long-term dangers and offer alternative solutions to these.

Notes

- (1) In 1975 the Progressive Party merged with the Reform Party to become the South African Progressive Reform Party. In 1977 this party merged with the Committee for a United Opposition to become the Progressive Federal Party of South Africa. Where reference is made to the party over periods when it has borne more than one name, it is called the Progressive Party. Otherwise the different names are applied according to the period under discussion.
- (2) Crisis is used in this paper to refer to an intense period of capital restructuring necessitated by a declining rate of profit. Triggering factors may be economic or political: crises may be precipitated by, for instance, cumulative changes in the relations of production or political challenges to the state. The periods of crisis under study were associated with intensified class struggle, both because of the need to restore the rate of profit through changed relations of production and because they had occurred simultaneously with political challenges to the apartheid system.
- (3) Sheila van der Horst, "The Changing Face of the Economy", p 98 in Ellen Hellman and Henry Lever (eds), Race Relations in South Africa, 1929-1979 (London: Macmillan, 1980), pp 97-130; Dan O'Meara, "Afrikaner Capitalism and the South African State" (University of Sussex, DPhil thesis, 1979), p 287.
- (4) Aubrey Dickman, "Investment - the implications for economic growth and living standards", pp 42-43 in Optima 27 (1), number 3, 1977.
- (5) D Hobart Houghton, The South African Economy, 2nd edition (Cape Town: Oxford University Press, 1967), pp 172-79; D Innes, "Monopoly Capitalism and Imperialism in S. Africa: the role of the Anglo-American group", Sussex PhD, 1980, p 379.
- (6) Muriel Horrell (compiler), A Survey of Race Relations in South Africa, 1959-1960 (Johannesburg: South African Institute of Race Relations, 1961), pp 90-93.
- (7) Dickman, loc. cit., pp 42-43.
- (8) Figures calculated by Charles Simkins and cited in Norman Bromberger, "South African Unemployment: a survey of research", p 15 in Charles Simkins and Cosmas Desmond (eds), South African Unemployment: a black picture (Pietermaritzburg: Development Studies Research Group, 1978), pp 3-25.
- (9) Innes, op. cit., p 391.
- (10) Dickman, op. cit., p 45; Muriel Horrell (compiler), A Survey of Race Relations in South Africa, 1970 (Johannesburg: South African Institute of Race Relations [SAIRR], 1971), pp 79-80; Muriel Horrell and Tony Hodgson (compilers), A Survey of Race Relations in South Africa, 1975 (Johannesburg: SAIRR, 1976), p 150; Muriel Horrell et al., A Survey of Race Relations in South Africa, 1976 (Johannesburg: SAIRR, 1977), p 266.
- (11) Loraine Gordon et al. (compilers), A Survey of Race Relations in South Africa, 1977 (Johannesburg: SAIRR, 1978), p 183; Michael Williams, South Africa: the crisis of world capitalism and the apartheid economy (London: Winstanley Publications, 1977), p 4; Loraine Gordon et al. (compilers), Survey of Race Relations in South Africa, 1978 (Johannesburg: SAIRR, 1979), p 138.
- (12) Loraine Gordon (ed), Survey of Race Relations in South Africa, 1979 (Johannesburg: SAIRR, 1980), p 174; Loraine Gordon (ed), Survey of Race Relations in South Africa, 1980 (Johannesburg: SAIRR, 1981), p 73; Muriel Horrell (ed), Survey of Race Relations in South Africa, 1981 (Johannesburg: SAIRR, 1982), p 102.
- (13) Morning Star (London), 26 May 1982, "Pretoria Inflation UP".
- (14) Ibid., pp 43-45.
- (15) Ibid., p 45; Horrell and Hodgson, op. cit., p 151.
- (16) Financial Times (London), 21 June 1978; Dickman, op. cit., pp 43-45.
- (17) Gordon, Survey, 1979, p 174.
- (18) Gordon, Survey, 1980, pp 73 and 124.

- (19) Horrell, Survey, 1981, pp 102-03; Guardian, 11 October 1982, "Labour Fights SA Loan"; Guardian, 22 October 1982, "UN Moves to Stop Loan to Pretoria".
- (20) van der Horst, loc. cit., p 98.
- (21) Bromberger, loc. cit., p. 15.
- (22) Government figures indicated a further increase between 1977 and 1980 of 8.6 percent. Total calculated from figures in Gordon et al., Survey, 1978, p 170, and Gordon, Survey, p 88.
- (23) See Innes, op. cit., pp 417-31, for an intriguing description of the processes involved.
- (24) In 1976 it owned South Africa's top five mining houses, controlled or had substantial interests in five of the top ten industrial concerns, owned two of the top ten property companies and the largest township developer. It had interests in seven of the top ten banks, and owned one of the top three life assurers. Overall, it controlled the three market leaders in the country and ten of the top fifteen. (Innes, op. cit., p 439.)
- (25) Muriel Horrell and Dudley Horner (compilers), A Survey of Race Relations in South Africa, 1973 (Johannesburg: SAIRR, 1974), p 268; Gordon, Survey, 1980, p 187.
- (26) Comment in South African Labour Bulletin (SALB), 6 (5), 1980, p 1.
- (27) Guardian (London), 26 May 1982, "Second Worst Strike Year for S. Africa".
- (28) Donald Molteno (chairman), Molteno Report Volume I: Franchise Proposals and Constitutional Safeguards (Johannesburg: Progressive Party, 1960); Donald Molteno (chairman), Molteno Report Volume II: Rigid Constitution, the Decentralization of Government and the Administration of Justice (Johannesburg: Progressive Party, 1962).
- (29) F van Zyl Slabbert (chairman), Report of the Constitutional Committee of the Progressive Federal Party and Policy Decisions Made by the Federal Congress of the PFP (Cape Town: Progressive Federal Party, 1979).
- (30) Molteno, Molteno Report, Vol I, p 7.
- (31) Ibid.
- (32) Ibid., p 10.
- (33) Ibid., p 38.
- (34) Ibid., pp 12-13.
- (35) Ibid., p 67.
- (36) Similar dismissal of the minority reports of black Commissioners was apparent in press reports. An article in the Star of 14 November 1960, "The Vote: Who should get it?", made repeated reference to the minority reports of Suzman and Oppenheimer and de Beer, but made only one reference to the existence of reports by Cooppan and van der Ross, and gave no indication of the nature of their objections.
- (37) van Zyl Slabbert, op. cit., p 11.
- (38) Ibid., p 12.
- (39) Ibid., pp 7-8.
- (40) Ibid., p 15.
- (41) Ibid., pp 4-5.
- (42) Ibid., p 6.
- (43) Ibid., p 12.
- (44) Ibid., p 14.
- (45) Harry Oppenheimer interviewed by B Hackland, 30 October 1978, p 6 of transcript.
- (46) F van Zyl Slabbert interviewed by B Hackland, 17 October 1978, p 7 of transcript.
- (47) Ibid., p 9.

- (48) Rand Daily Mail, 18 November 1960, "Steytler: We must stay in UN".
- (49) Muriel Horrell, Action and Reaction and Counter-Action: a brief review of non-white political movements in South Africa (Johannesburg: SATRR, 1971), pp 48-51.
- (50) Rand Daily Mail, 26 October 1961, "Progs light an eternal flame - Lawrence".
- (51) Rand Daily Mail, 28 October 1961, "Non-White Leaders are Backing Progs".
- (52) Donald Molteno and Peggy Roberts, "Memorandum on Extra-Parliamentary Activities", 1 March 1962 (UWL, A883 PFP Records, III/1, 1962), p 2.
- (53) "Minutes of a Meeting of the Leader's Committee held in the Progressive Party Office, Cape Town, on Saturday the 9th June 1962, at 9.30 a.m." (UWL, A883 PFP Records, III/1 1962), p 5; "Minutes of National Executive Meeting held on Saturday, the 19th January, and Sunday morning, the 20th January, 1963, held in the Protea Room, Langham Hotel, Johannesburg, at 9.30 a.m." (UWL, A883 PFP Records, III/2 1963).
- (54) Progress No 12, November 1962, p 3, "Our African Membership is Growing Fast".
- (55) Joanna Strangways-Booth, A Cricket in the Thorn Tree: Helen Suzman and the Progressive Party (London: Hutchinson, 1976), pp 241-43; Progress, November 1971, p 1, "Message of Hope for SA".
- (56) Progress, September 1972, pp 1 and 12, "Progs Mount Internal SA Dialogue Campaign".
- (57) Ben A Khaopa (ed), Black Review, 1972 (Durban: Black Community Programmes, 1973), p 42.
- (58) Helen Suzman, for instance, had an appointment to meet Steve Biko, at the time of his death. She also visited Nelson Mandela on Robben Island once a year for several years when fellow political detainees nominated him as their representative.
- (59) Ray Swart interviewed by B Hackland, 25 October 1978, p 3 of transcript.
- (60) Gordon et al., Survey, 1978, p 30.
- (61) Deurbraak, April 1982, p 1, "Slabbert and Buthelezi Issue Joint Statement".
- (62) Ibid., p 1, "Consequences of a Confederation will be Terrible - Buthelezi".
- (63) Ibid., p 4.
- (64) van Zyl Slabbert, op. cit., pp 5-6.
- (65) Harry Oppenheimer, "Notes for: Mr H G Lawrence", 12 November 1959 (University of Cape Town Library [UCTL], BC 640, H G Lawrence Papers, H 1.136), p 1.
- (66) Progressive Party, "Main Principles and Policies Adopted at Inaugural Congress, November 13th and 14th, 1950, Johannesburg" (UWL, A883, PFP Records, 1/3, October-December 1959), p 6, para 12.
- (67) Oppenheimer, op. cit., p 3.
- (68) Leo Boyd, "Plan of Campaign for 1963", November: 1962 (UWL, A883, PFP Records, III/1 1962), pp 6-7.
- (69) Harry Oppenheimer, "Text of Address by Mr Harry F Oppenheimer to Cape Town Businessmen at Dinner Given by the Progressive Party (Cape Western Region) in Constantia Room, Grand Hotel, Cape Town, on Tuesday, 24th September, 1963" (UCTL, BC 640, H H Lawrence Papers, H3.37), pp 5-6.
- (70) Progressive Party, The Progressive Answer (Johannesburg: Progressive Party of South Africa, undated - probably 1959).
- (71) Progressive Party, Into a New World (Johannesburg: M K Mitchell, Progressive Party election agent, undated - probably 1961).
- (72) Progressive Party, Policy Directive No 17, 19 July 1962, "Progressive Economics and Economic Progress - II", p 2 (PEPHOL, 1 I 8 Progressive Party Notes).
- (73) Irene Mennell interviewed by B Hackland, 21 August 1980, pp 1-5 of transcript. Irene Mennell's husband, Clive, was Chairman of Anglo Vaal Holdings and Deputy Chairman of Anglo-Transvaal Consolidated Investment Company, among the largest mining and industrial groups in South Africa.

- (74) Ibid.
- (75) Ibid., p 18 of transcript.
- (76) Progress, January 1974, p 11, "Boost in Party Funds".
- (77) Gordon Waddell, text of address published in Progress, July 1974, p 4, "Gordon Waddell on Inflation and Price Escalation".
- (78) Harry Schwarz, speech in Parliament reported in Progress, May 1976, p 1, "'Old Capitalism is Dead'".
- (79) Colin Eglin, speech reproduced in Progress, October 1976, pp 7 and 12.
- (80) Impact (successor to Progress), February 1980, p 4, 'A System that Cares'.
- (81) Harry Schwarz (chairman), Report of the Economic Commission of the Progressive Federal Party, 20 November 1981.
- (82) Ibid., p 6.