

THE ECONOMIC AND POLITICAL CONTEXT OF THE GROWTH OF
THE PROGRESSIVE FEDERAL PARTY IN SOUTH AFRICA, 1959-1978

by

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Much recent academic study of contemporary capitalism in South Africa has concentrated on the relations between different sectors of capital, and on the nature of the South African state. In general, the state has been assumed to act in the interests of capitalists as a class but to reflect the relative dominance of particular sections of capital at different points in time. It has been accepted that different white political parties express the aspirations of different sections of capital, and that the electoral success of particular parties has resulted both in and from changes in the power of some sections of capital relative to others. No detailed studies have been made, however, of the relationships between the policies of political parties and the interests of associated sectors of capital. McEachern, in a brief paper published recently (1), highlights a similar gap in work published on British capitalism. For the South African ruling class, parliamentary party competition plays a far less important part than in Britain, in the process of policy formulation and the resolution of intra-class conflict. None the less, an understanding of the relationships between white political parties and capital, and of the role of the South African parliamentary system in the perpetuation of exploitation, is essential to an understanding of the system of social relations as a whole. In this paper an attempt is made to reach a preliminary understanding of the relationships between one white political party and capital in the context of wider changes in the system of social relations. It is hoped that this will be merely the first step on the path to a better understanding of the overall role of the parliamentary system and of parliamentary parties in South Africa, and hence of capitalism in that country.

1948-1960: the Formation of the Progressive Party

In 1948 Smuts's United Party, securely in power since its formation in 1934, was ousted by an Afrikaner nationalist alliance organized around the National Party. The United Party, formed at the height of the dominance of the ideology of South Africanism, was symbolic of the unity of capital at that time. By 1948, however, it had become the party of advanced capital - of manufacturing, mining and finance capital. (2) Throughout its existence it was a party wracked with dissent and conflicting interests. These arose out of

the difficulty of reconciling nationalism and imperialism,
to use Hofmeyr's own terminology (3),

these being the respective ideologies of the two parties involved in fusion, Hertzog's National Party and Smuts's South African Party. Conflicts also emanated more directly

from differences among the various sectors of capital whose interests the party sought to represent. Increasingly these came to be expressed as conflicts between conservatives and liberals within the party. By 1948 contradictions in South African capitalism had led to a crisis. (4) The United Party found itself unable to act, caught in a stalemate of the conflicting interests of its constituents. Faced by a determined challenge from the black working class, they were unable to meet it with consistent policies of either conciliation or repression.

The National Party was openly anti-British, anti-imperialist and anti-English-speaking white South Africans. While no longer avowedly anti-capitalist, it had been closely associated with Pirow's national socialist New Order Party. The experience of having the reins of government snatched by a party apparently hostile to its interests was highly unsettling to the majority of the capitalist class. To it, the National Party and those it represented (the majority of the white working class, agricultural capital and an incipient Afrikaner bourgeoisie and petty bourgeoisie) seemed to present a far more immediate threat than a black working class still led by a staunchly pro-capitalist and democratic black petty bourgeoisie.

Accordingly they mobilized their resources in support of the Torch Commando, a nationwide protest movement set up to defend civil liberties (including such franchise rights as existed for black people) and ensure a United Party victory in 1953. (5) That victory was never forthcoming, but as the nineteen fifties progressed it became apparent that, far from constituting a real threat, the National Party was actually creating the conditions for rapid economic growth and high profits. Instead of launching the expected attack on mining capital, the National Party used the state to mount a determined assault on the black working class and petty bourgeoisie, legitimizing this through an ideology of racism. The effect of the heightened exploitation of the black working class was to provide the surplus value necessary for rapid accumulation by the emerging Afrikaner industrial and finance bourgeoisie. (6) The National Party consolidated and increased its support amongst the white electorate not only by providing the conditions for rapid accumulation but also through redistribution of part of this surplus to farmers (Land Bank loans, guaranteed prices) and the white working class and petty bourgeoisie (jobs, artificially high wages). Mining capital, during the nineteen fifties, was increasingly diversifying into manufacturing (investing excess profits) and thus itself benefited from the hot-house conditions provided to industry, as well as from the continuing low wages and high labour content associated with the gold mines. (7)

Increased class conflict expressed as growing confrontation with black workers was contained by resorting to massive oppression. More and more repressive legislation was passed to legitimate this. At the same time gastarbeiters flooded in from neighbouring countries to work on the mines, and thus made possible the creation of a reserve army of labour for industry. Finally, the state moved to smash black political and working class organizations completely. This culminated in the massive trials of the late nineteen fifties and early sixties, in the massacres at Sharpeville and Langa, in the banning of the ANC and the PAC, and in the destruction of the SACTU unions.

1960-1970: the Party in the Boom Years

In the ten years before the re-emergence of significant working class opposition, South Africa experienced an almost continuous boom. From 1946 to 1957 GDP increased at 5.1 per cent per annum. From 1957 to 1961 it dropped to 3.2 per cent, as a result of the 1957 international recession and of the crisis of confidence following Sharpeville. From 1961 to 1969 GDP grew at an average of 6.5 per cent per annum. (8) The Anglo American Corporation, Anglo-Transvaal, Union Corporation and JCI all began diversifying during the nineteen fifties. In 1960 Anglo American's industrial portfolio was valued at £30 million. By 1969, its industrial interests were worth £143 million. (9) At the same time substantial interpenetrations occurred between sectors of capital and between Afrikaans and English owned enterprises. By the end of the nineteen sixties, the growth of monopoly capital had been so rapid that

it was economically dominant in South Africa. (10) During the period until 1970, the National Party was returned with increased parliamentary majorities at each general election. Support for the Party increased despite a continuous process of erosion of traditional civil liberties and freedoms for white people as well as black people. A marked change in the dominant ideology occurred among both white electors and capital as the racist ideology of the ruling party received increasing credence. Within the United Party, continuing ideological strife led to the purge of the progressives in 1959 by the right, as the party strove to regain power by adopting a political stance more and more similar to that of the National Party. (11) As both electors and capital gave increasing support to the ruling party, however, the material support of the United Party was gradually eroded. While it fared badly during the nineteen sixties, the Progressive Party did even worse. As proponents of liberal ideology, they found themselves more and more isolated. Having performed creditably in Provincial Council elections in Natal in 1959, in the general election of 1961 they polled 69,042 votes, 8.5 per cent of the total, but won only one seat, Houghton. (12) In 1966, their share of the poll dropped to 41,065, only 3.5 per cent of the total. Again, Houghton was the only seat won. (13) Although in 1964 they had convincingly won the two Cape Coloured provincial seats from the United Party, they were at the low point of their popularity among the white electorate. The survival of the party over this period can probably be attributed to two things - the performance of their sole parliamentary representative, Helen Suzman, and the support of the person who, evidence suggests, was their sole major financial backer, Harry Oppenheimer. (14) In 1968 the Government passed the Prohibition of Political Interference Act, effectively depriving the party of its electoral support among the Coloured people.

In 1966 C. W. Eglin was elected Chairman of the party's National Executive Committee. He and Dr Z. J. de Beer together formulated a new strategy for the party. They decided that efforts should be concentrated on those groups and constituencies where support for the party had been shown to be strongest. They therefore concentrated on businessmen and youth, and on six constituencies, and directed party efforts accordingly. (15) Despite the new strategy the party did only marginally better in 1970, in its share of the vote. Contesting nineteen seats (compared with twenty seven in 1966) (16) they received 3.5 per cent of the vote (17), but improved their position in the six picked seats. Eglin lost Seapoint by 231 votes. Suzman almost trebled her majority. (18) In 1974, however, the party won five of the six seats, and won a sixth which was not one of those chosen. Later that year, A. Boraine won the Pinelands by-election to give a seventh seat. They received 6.4 per cent of the vote, having contested twenty-two seats. (19)

A United Opposition and the Collapse of the United Party

Early in 1975, the so-called "Young Turks" were forced out of the United Party and formed the Reform Party in February of that year. On 26 July 1975 the Progressive and Reform Parties merged and became the South African Progressive Reform Party. Despite strong personal animosities, which delayed the merger, the new group, with Eglin as leader, two Senators, eleven MPs and twelve MPCs, proved a viable party. (20) Following the merger they were able to capitalize on their image as a Party uniting white opposition, as opposed to the United Party which continued to be plagued by internal dissension. (21) In May 1976 the United Party lost another supposedly safe seat to the Progressive Reform Party in a by-election. In mid-1976, de Villiers Graaff, United Party leader, finally acted to stop the rot in his party. Stressing the need for fundamental changes in white attitudes, he called for a united opposition cutting across party lines. On 5 October, his hand was forced when a meeting of "leading businessmen and academics" met behind closed doors in Johannesburg and subsequently issued a statement reading:

The meeting decided that in view of the seriousness of times and the urgent necessity of bringing pressures to bear on the Government to accept more realistic and enlightened policies, an appeal would be made to the leaders of the United Party, the Progressive Reform Party, and the Democratic Party to co-operate to establish a steering committee to examine the

feasibility of creating a new (political) party which would be a real alternative government. (22)

The crisis of the nineteen seventies had demonstrated that the apartheid state was not an impregnable monolith, and as doubts arose as to the long-term efficacy of repression, a desperate search began for an alternative route of accommodation. In 1975, only the Anglo American Corporation had applied pressure for a union of the opposition Reform and Progressive Parties. (23) By 1976, pressure for a "united opposition" was coming from a far wider spectrum.

Within a month of the call, the parties set up a committee chaired by ex-Ossewabrandwag member and retired judge, J. F. "Kowie" Marais. After two months of deliberation, the Committee laid out fourteen principles for a united opposition. Following initial agreement, subsequent differences arose as to interpretation of the principles. Six right-wing United Party MPs broke away to form the South African Party, six others together with Kowie Marais formed the Committee for a United Opposition, and the remainder merged with the Democratic Party to form the New Republican Party.

On 5 September 1977, the Committee for a United Opposition and the Progressive Reform Party merged on the basis of the Fourteen Principles to form the Progressive Federal Party. The new party had eighteen MPs, two Senators and fifteen MPCs. Prime Minister Vorster called a snap election on 30 November 1977, and subsequent to that election the Progressive Federal Party became the majority opposition party, with seventeen MPs and sixteen MPCs, compared with ten MPs and fifteen MPCs for the New Republican Party and three MPs and three MPCs for the South African Party. The National Party won an extra seventeen seats, to give it 82 per cent of the seats in Parliament (134 out of 164 seats). In the three weeks' notice before the election the Progressive Federal Party was able to raise R700,000 and fight sixty seats. (24) This indicated a very changed situation in comparison with 1966, when the Progressive Party had R50,000 to fight twenty-seven seats (25), and 1970, when the party had drastically to curtail expenditure in the middle of the election campaign because it had run out of funds. (26)

The Crisis and Monopoly Capital

Before examining its policy it is essential to understand the nature of the crisis which led to the formation of the new party, and on the basis of which its policy was formulated. One effect of the growing importance of manufacturing during the nineteen sixties was a trend towards capital intensification (27), and consequently a growing reserve army of labour. Unemployment climbed steadily from 580,000 in 1962 and 750,000 in 1966 to 1,000,000 in 1970. By 1974 it had jumped to 1,500,000, and as the crisis deepened it grew to 1,700,000 in 1975 and 2,000,000 in 1976. (28) In 1977 it was estimated at 2,300,000, or 22.4 per cent of the labour force. (29) Even White, Coloured and Indian unemployment rose 118.7 per cent in that year. (30) As unemployment bore more heavily on the working class, opposition grew. The renewed class struggle of the nineteen seventies was heralded by a resurgence of strikes in 1969. During the nineteen sixties strikes involved, on average, about 2,000 workers per year. 1969 saw a major dock workers' strike. In 1971 a strike by 15,000 Ovambo workers paralysed the Namibian economy, and 2,000 stevedores went on strike in Durban. Strikes built up to a peak in 1973, when 70,000 workers were involved. (31) State action against workers and their organizations reduced the numbers somewhat, but they continued at very high levels. In 1974, 38,961 workers went on strike, in 1975 it was 12,451 and in 1976 there were 16,170. Strikes continued in 1977 and 1978, but no overall figures are available. (32) Disputes on the mines were frequent. In 1974, for instance, there were at least seventeen "mine riots" in which fifty-one workers were killed, and following which thousands were repatriated. (33)

In 1976 Soweto exploded in a direct challenge to the authority of the state, which was unable to restore even a semblance of normality for two years. The South

African military suffered a severe setback in Angola, and both Angola and Mozambique became independent under socialist governments. The liberation wars for Namibia and Zimbabwe escalated, as did South Africa's increasing international isolation. A mandatory arms embargo was imposed, oil became expensive and in short supply, and foreign capital began flooding out of the country. The growth rate of the economy fluctuated wildly with alternating boom and slump, but averaged only 3.9 per cent of GDP over the first half of the decade. In 1976 GDP rose only one per cent (34), and GNP actually fell by one per cent. (35) This was aggravated by massive defence spending (the military budget trebled between 1970 and 1976), particularly on arms purchases, as the state prepared for war.

Symptomatic of the crisis was a chronic balance of payments problem. Current account deficits averaged R838 million in early 1976. With a massive 17.5 per cent devaluation in 1975, the state began to take steps to control its balance of payments problems. (36) These were compounded, however, by an increasing flight of both short-term and long-term capital, following Soweto. In 1977 there was a net outflow of short-term capital of R1,086 million. In the first quarter of 1978 this climbed to a record R342 million. R111 million in long-term capital left the country in 1977. (37) The situation deteriorated further, and in December 1978 alone foreign exchange reserves fell by R210 million, leaving a balance of only R365 million. A rising gold price at this time, however, began to cushion the economy. (38)

Adding to the crisis were political factors. The gold mines rely on foreign workers, both as a cheap supply of labour and so as not to reduce the reserve army of labour within South Africa and thus force up the price of labour. During the nineteen seventies their supplies increasingly were threatened: Malawi halted all recruitment following an aeroplane accident in 1974; Lesotho threatened to withdraw its workers after a disagreement over the proportion of wages paid direct to it in gold; numbers from Mozambique declined, year by year, following the takeover by Frelimo (39); workers from Angola stopped coming. In 1970, 68.1 per cent of mine workers came from outside South Africa. By 1973, it had risen to 75.5 per cent, and 78 per cent in 1974. In 1975, following the Malawian ban it declined to 68.8 per cent, to 58.2 per cent in 1976, 49.6 per cent in 1977, and in 1978 was 46.7 per cent despite the resumption of recruiting in Malawi. (40) Since the gold mines were forced to turn to internal supplies of labour at a time when the reserve army had reached such huge numbers, the problem was not acute, despite the less satisfactory nature of indigenous labour owing to seasonal fluctuations, shorter contracts and higher turnover. (41) More important, however, was the future outlook should the indigenous reserve army decline once again.

The effect of Government measures to control inflation and the balance of payments was to exacerbate the down turn. The index of manufacturing output dropped to a four-year low of 112.7 in February 1977. Iscor had to lower production to well below 80 per cent of capacity (42) and firms throughout the country indulged in labour-force cutbacks. A debate between the director of SELFSA and the unregistered Metal and Allied Workers' Union, however, revealed that at the same time as cutting back on numbers of workers firms were forcing others to work overtime. (43) As a result of these sorts of tactics, profits, especially for larger enterprises, tended to rise during the crisis as its ill effects were passed on to the working class. (44) At the same time the crisis had the effect of increasing the rate of centralization and interpenetration of capital - the rate of growth of monopoly capital. (45)

The Dilemma Facing Monopoly Capital

Monopoly capital, economically dominant in South Africa by the 1970s, had particular and distinctive interests which dictated an open economy with strong, unrestricted links with the international capitalist world, a stable internal economy and social system, ready access to "natural" African markets for investment of surplus capital and disposal of surplus commodity production, and therefore a political accommodation with socialist regimes in Africa. On the contrary, it provided the conditions for the rapid emergence of monopoly capital. But the question for monopoly

capital was that of whether the National Party would, in the future, be a viable vehicle for the creation of the conditions dictated by its needs. In contrast to the Progressive Party's resoundingly successful tours of African States, Vorster's detente collapsed after a few months. While a working arrangement with Mozambique had evolved, Frelimo made it clear that it was a temporary and purely pragmatic arrangement on its part. In the meantime, the numbers of ANC guerrillas entering South Africa from Mozambique rose steadily. While the National Party Government eventually suppressed the uprisings of urban African youth, it only did so after great expense and effort, and at severe cost to South Africa's international reputation. The Government's response to international pressure for change had been threats to retreat to the laager. Peace in Namibia and Zimbabwe continued to prove elusive. Moves were being made for some sort of accommodation in an attempt to defuse the demands of the African working class on unions, and the Government had shown itself prepared to abandon its defence of the jobs of the white working class in the mines. (46) But doubts persisted as to the ability of the National Party to continue on these lines, in the face of right wing opposition within the party (47), and extreme distrust of any Government action by black people.

H. F. Oppenheimer, Chairman of Anglo American until the end of 1978, expressed these doubts as follows:

I think it presents itself, to us [the Anglo American Corporation] in the first place, but perhaps to business in an ever-widening circle, that Nationalist policies have made it impossible to make proper use of black labour. And ... this is felt to be a danger in two ways: a danger because it's necessary in order to get the economic growth, to make use of black labour, because ... unless you keep the economy extremely small you can't man the skilled jobs with white people. And on the other hand, it's felt that ... if you are going to operate business successfully, you want to do so in a peaceful atmosphere, and the only way to have a peaceful atmosphere is to enable black people to do better jobs and to feel a part of this economic system. And I think that it's because the Nationalist policy ... was felt to prevent these things happening, that it was looked upon as a danger. I would think that most of the business world looked on it as a rather long-term danger. I think probably we tended to think of it ... as a rather shorter term danger than many of the others did. (48)

The problem facing monopoly capital, therefore, was that of finding an alternative vehicle able to ensure the protection of their interests in the event of the National Party proving unable to resolve the conflicts threatening capitalism in South Africa. Increasingly, capital had chosen to back the Progressive Federal Party, not instead of the National Party (which remained the most powerful representative of organized capital in South Africa) but as an alternative, should the Government prove incapable of meeting the challenges facing it. The result was the further polarization of white politics in South Africa. The middle ground, occupied by the New Republican Party, was proving increasingly unviable as opinion continued to polarize between the two main white alternatives. The urgency, from the point of view of capital, was that as time passed options became more and more limited. Capital desperately needed to resolve the South African crisis before the class realities of the social system became irrevocably the basis of political organization and confrontation. (49)

The Progressive (Federal) Party and Capital

Throughout its existence the Progressive (Federal) Party has had the image of being a party of capital. This arose chiefly out of its links with H. F. Oppenheimer, links which had existed since its formation. As was mentioned earlier, there is evidence to suggest that for a time during the mid-nineteen sixties he was the party's

only major financial backer. More recently, however, it seems that these links proved more useful for the raising of funds than as a direct source. From 1973 until 1977, the Party National Treasurer was G. H. Waddell, ex son-in-law to H. F. Oppenheimer and an executive director of Anglo American. He is credited with having put the party on its feet, financially (although it still pleads relative poverty) after years of almost chronic financial crisis. Contributions to the party from Oppenheimer in the mid-seventies (no direct financial contributions to the party are made by the Corporation) were probably not in excess of R200,000 per annum, whereas in the nineteen fifties the Corporation itself was contributing £250,000 per year to United Party coffers. (50) There has been a considerable interchange of top personnel between Party and Corporation over the years, including people like Gordon Waddell, Zach de Beer, Alex Boraine, Douglas Hoffe and Bobby Godsell. Benefits from the association of the party and the Corporation have not accrued to the party alone, as Oppenheimer makes clear:

Outside South Africa, the fact we took - the fact I took these views, I think outside South Africa this was an advantage to the Anglo American Group. ... I mean it was a by-product ... completely a by-product. I mean it wasn't done with any such idea in mind. But, while it to some extent complicated our relationships with the Government, here, it certainly improved our image outside. (51)

Although the strict confidentiality of all donations make it difficult to identify donors, it seems likely that there are few big Johannesburg companies which have not been approached and made contributions. (52) G. H. Waddell estimated that 40 per cent of party funds came from "major donors" and noted that there had been a distinct increase in the number of major donors in recent years. He ascribed the increased support to their perception of Government policies as real threats to their operations. Waddell also claimed that ASSOCOM's latest declaration of principles was no different in substance from the principles of the Progressive Federal Party, and that promulgations of the interests of its members by the Federated Chamber of Industries coincided with Progressive Federal Party policies. (53)

The Slabbert Committee and Party Policy

In September 1977, the newly formed Progressive Federal Party appointed a four-man committee under the chairmanship of F. van Zyl Slabbert (and including Z. de Beer, an executive director of the Anglo American Corporation) to conduct the first substantial reformulation of the party's constitutional model for South Africa since the Molteno Report of the early nineteen sixties. The terms of reference of the Slabbert Committee were the Fourteen Principles of the earlier Kowie Marais Committee. The Slabbert Report (54) was adopted at the party's November 1978 National Congress with only minor amendments. Whereas the Molteno Report had not departed from the ideological forms and concepts of liberal South Africanism (55), the report of the Slabbert Committee exhibited marked differences. The Molteno Report had been couched in terms of commitment to the upholding of Western civilization, and the perpetuation and extension of white cultural domination. The Slabbert Report, on the other hand, addressed directly the problems of capital and adopted novel ideological approaches to resolve these.

In drawing up its report, the Committee took specific cognisance of the need to withstand "external and internal attacks" on South Africa, of the need for peaceful co-existence of "all sections of our people", of the situations in Zimbabwe and Namibia, of the new National Party constitutional proposals (56), the formation of the South African Black Alliance (SABA - see later), the permanence of urban Africans, the "intensification of Russian and Cuban interest in Southern Africa", the possibility of US Congressional support for economic sanctions, and the party's new status as the official opposition. Its proposals sought to avoid conflict without thereby creating chaos or instability, to avoid domination of any group by any other (and to reassure white South Africans of its impossibility under the proposed system), to provide

representation "for the widest possible spectrum of political interests" and to encourage the development "of groups of cross-cutting affiliations that could counteract race and ethnic conflicts and antagonisms". They recommended "a structure of government where the resolution of conflict has to be achieved within the political process itself" and considered the "institution of a new political dispensation ... a matter of urgency if we are to prevent the escalation of the present racial confrontation into violent conflict". They specifically excluded, however, all those groups advocating "violence" or "subversion" (without defining either of these). (57)

It is clear that the Committee was addressing the problems threatening the stability of the capitalist system as a whole, in South Africa, and in doing so were attempting to solve the long-term problems perceived by the enlightened elements of monopoly capital. Whereas the National Party was sensitive to the needs of capital in the short term, owing to the electoral constraints under which it operated (the constraints imposed by its own ideology of racism) it was unable adequately to treat the long-term problems of social stability.

The Slabbert Committee clearly perceived the need for a break with the ideologies of the past, both liberal and racist, and the adoption of new ideological forms to legitimate monopoly capitalism. In a conscious effort to accommodate black disillusionment with capitalism in South Africa, van Zyl Slabbert dropped the ideological 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. (58)

At the same time Slabbert perceived the need to create an ideology of state neutrality and separation from capital. The role of the government should be to distribute wealth, not to create it, this being the role of business:

The wealth generators are the economic entrepreneurs;
the wealth distributors are the political entrepreneurs. (59)

It is clear that the effect of a successful implementation of such proposals would be to defuse class conflict and reconstitute it as conflict between a multiplicity of disparate groups. Existing conflict, increasingly expressed at the level of production, would be replaced by conflict at the political and ideological levels, generated around issues of distribution. Wealth production would be represented as a technical process, distribution as a political one. The state, separated from the immediate process of production, would deal with individuals not as members of different classes but as abstract, detached individuals, on the one hand, and as members of a multitude of cultural, religious, regional, ethnic, sexual, economic and political groups with "cross-cutting affiliations", on the other. (60)

Inkatha and the Progressive Federal Party

For a successful accommodation of black aspirations it was obviously of crucial importance that inter-racial contacts be established and shown to be possible. To maintain credibility among white voters and capital, the Progressive Federal Party had to show that what they advocated was a viable alternative to apartheid. To show this, they had, in turn, to be able to demonstrate their credibility among black South Africans. This meant that they had to walk a delicate tight-rope between the varying currents of black opinion in South Africa. To a very real extent, having credibility with one black group meant losing credibility with others. (61) While leaders of the party had some contact with radical groups (62), relations were not good on the whole. In 1972, the South African Students' Organisation 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. (63)

On the other hand, it was Colin Eglin, shortly after he took over as Party leader, who pioneered consultation between white political parties and Homeland leaders. (64) Beginning in the early nineteen seventies, the party made it a practice to invite black leaders to its Congresses as observers. No formal links were established with any Coloured or Indian political parties, but Dave Curry, Alan Hendrikse and Sonny Leon of the Labour Party were all members of the Progressive Party at the time it contested Coloured Provincial Council seats in the Cape. Many Natal Indians were members of the Party, before the passage of the Prohibition of Political Interference Act, and some Indian businessmen continued to make small contributions to its funds. (65)

R. A. F. Swart, Progressive Federal Party National Chairman, was chief architect of their most important contact, that with M. G. Buthelezi's Inkatha National Cultural Liberation Movement. Swart formed a close friendship with Buthelezi while a young United Party MP for Zululand. It was on the basis of this friendship that a close relationship was built between Inkatha and the Progressive Federal Party. After a meeting between Eglin, Swart, Buthelezi and Dr S. M. Bhengu in August 1978, a joint statement was released to the effect that enough common ground existed between the two parties to provide the basis of negotiation and agreement on a new constitutional framework for South Africa. (66) Contact between the two groups was subsequently formalized with the establishment of an "on-going liaison committee with the PFP and Inkatha". (67) Swart stressed that there was a striking degree of coincidence between the principles and policies of the two groups. While united in seeking an alternative to apartheid, they were also in accord as to the type of alternative they sought. (68) This is borne out by comparison of Inkatha's Statement of Belief with the details of the Slabbert Report. (69)

Like the Progressive Federal Party, Buthelezi has repeatedly called for a National Convention "which should map out our common future as South Africans" (70), and expressed Inkatha's commitment to non-violence. In support of his role in the SABA (with the Labour Party and the Indian Reform Party), he has stressed the need for black unity in the face of white oppression. At the same time, however, he has stressed that

We in Inkatha believe in a multi-strategy approach and we cannot therefore treat with disdain any attempts by other South Africans black or white aimed at the destruction of racism in our land. (71)

The economic system he envisaged for the future was "An economy based on a blend of free enterprise with a pinch of African communalism". (72) In the same speech he quoted, with approval, H. F. Oppenheimer as follows:

To my mind South Africans should strive in every way to enable our non-sharing, non-participating majority to share in the opportunities and participate in the decision-making of the free enterprise system. (73)

Like the Progressive Federal Party, Inkatha

rejects the Westminster model of partisan politics. It rejects the unfettered capitalism which gives rise to oppression by economic elitists. (74)

Summary and Conclusion

During the boom period of the nineteen sixties the contradictions of South African capitalism were obscured. The high rate of growth and low levels of working class militancy led to a false sense of security and permanence. Soweto and the crisis of the nineteen seventies revealed the conflicts inherent in the system and led to a search by elements of capital for alternatives to repression and racism. At the same time white politics became increasingly polarized as voters retreated into the laager of Afrikaner nationalism or sought clearer alternatives than the confused policies of the United Party. This climate led to increased financial and electoral support for the Progressive (Federal) Party from capital and voters, respectively. At the same time the party responded to these changes by formulating ideological alternatives to meet the needs of capital, on the one hand, and to increase its credibility among black people, on the other. In doing so they sought to demonstrate to white voters the viability of their alternative policies and to black people the compatibility of these with black aspirations. The party thus articulated the needs of a particular section of capital, and at the same time attempted to propagate in the society an ideological climate conducive to the resolution of some of the conflicts arising out of the contradictions. It was National Party inability to meet the challenges posed by the crisis that led monopoly capital to turn to a more flexible party. The future of the Progressive Federal Party will depend on how effectively the state meets challenges from the working class. If it proves unable to contain or conciliate working class militancy, capital is likely to turn increasingly to the Progressive Federal Party as a preferable bearer of its interests.

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- (1) D. McEachern, "Party government and the class interests of capital: conflict over the steel industry, 1945-1970", Capital and Class 8, Summer 1979, pp. 125-143.
- (2) B. Bozzoli, "The roots of hegemony: ideologies, interests, and the legitimation of South African capitalism, 1890-1940", DPhil thesis, University of Sussex, 1975, pp. 404, 409-411.
- (3) A. Paton, Hofmeyr (Oxford University Press, Cape Town, 1971), p. 155; see also R. Davies, D. Kaplan & D. O'Meara, "Class struggle and the periodisation of the state in South Africa", Rape 7, September-December 1976, pp. 17-18.
- (4) Davies, Kaplan et al., op. cit., p. 25.
- (5) Cf the decision by H. F. Oppenheimer to divert to the Torch Commando funds previously available to the United Party, in J. Robertson, Liberalism in South Africa, 1948-1963 (Clarendon Press, Oxford, 1971), p. 60, fn. 7.
- (6) Cf Davies, Kaplan et al., op. cit., p. 27.
- (7) See M. Williams, South Africa: the crisis of world capitalism and the apartheid economy (Winstanley Publications, London, 1977), pp. 11-13.
- (8) A. Dickman, "Investment - the implications for economic growth and living standards", Optima 3, 1977 (vol. 27, no. 1), pp. 34-49.
- (9) D. Innes, "Imperialism and the accumulation of capital in South Africa", unpublished mimeo, 1976, p. 4.
- (10) Davies, Kaplan et al., op. cit., p. 20.
- (11) See J. Strangways-Booth, A cricket in the thorn tree: Helen Suzman and the Progressive Party (Hutchinson, London, 1976); Robertson, op. cit.; and B. Mitchell, "Reactions to the formation of the Progressive Party of South Africa, 1959-1961", BA (Hons) thesis, University of Cape Town, 1977, p. 35.

- (12) Robertson, op. cit., p. 209, fn. 2.
- (13) Progressive Party, National Executive Committee Minutes, 17 April 1966.
- (14) Letter, C.W.E. to H.F.O., 2.11.63 (C. W. Eglin to H. F. Oppenheimer).
- (15) C. W. Eglin, Interview, 19 October 1978, p. 8 of transcript.
- (16) Progressive Party, Outline history of the Progressive Party [†]1972 (undated internal document).
- (17) Strangways-Booth, op. cit., p. 305, fn. 76. The HNP polled 3.6 per cent of the vote.
- (18) Ibid., p. 236.
- (19) SAIRR, A survey of race relations in South Africa, 1974 (Johannesburg, 1975), pp. 6-7.
- (20) B. de Villiers, The rebirth of a white political opposition in South Africa (Bruckner de Villiers Research [South Africa], Johannesburg, 1975), pp. 1, 6 & 9.
- (21) SAIRR, A survey of race relations in South Africa, 1977 (Johannesburg, 1978), p. 12.
- (22) Ibid., pp. 12-13.
- (23) R. M. Godsell, Interview, 4 October 1978, pp. 14-15 & 17 of transcript. The anti-merger group in the PP felt that merger had been forced on them by the "Anglo mafia". Godsell records that Eglin also felt pressured into merger by Anglo. It is likely, however, that, pressure or not, the merger would have taken place eventually.
- (24) Eglin, op. cit., pp. 22-3 of transcript.
- (25) Progressive Party, National Executive Committee Minutes, 6 February 1966, p. 3; Outline History, p. 1.
- (26) Godsell, op. cit., p. 14 of transcript.
- (27) Between 1965 and 1975, real capital stock per worker in the manufacturing sector rose 5 per cent per annum (Williams, op. cit., p. 10).
- (28) Williams, op. cit., p. 10.
- (29) SAIRR, Survey, 1977, p. 215.
- (30) Ibid., p. 214.
- (31) SAIRR, A survey of race relations in South Africa, 1973 (Johannesburg, 1974), p. 286.
- (32) SAIRR, Survey 1977, pp. 305-8; SAIRR, A survey of race relations in South Africa, 1978 (Johannesburg, 1979), pp. 258-262, records specific strikes, reported in the press, involving over 15,500 black workers.
- (33) SAIRR, Survey, 1974, pp. 288-291.
- (34) Dickman, op. cit., pp. 42-3.
- (35) Williams, op. cit., p. 4.
- (36) Dickman, op. cit., pp. 42-3.
- (37) Financial Times, 21 June 1978.
- (38) Financial Times, 10 January 1979, "Fall in S. Africa reserves".
- (39) It has been suggested to me that this was due to a policy decision by mine-owners rather than the Mozambique authorities.
- (40) SAIRR, A survey of race relations in South Africa, 1971 (Johannesburg, 1972), p. 228; SAIRR, Survey, 1973, p. 238; SAIRR, Survey, 1974, pp. 281 & 285; SAIRR, Survey, 1977, p. 258; SAIRR, Survey, 1978, pp. 211-2.
- (41) Williams, op. cit., p. 14.
- (42) Ibid., p. 14.
- (43) SAIRR, Survey, 1977, pp. 235-6.
- (44) Financial Mail, 22 April 1977, cited in Williams, op. cit., p. 22. In 1976 less than 20 per cent of the top 191 industrial companies failed to increase their

profits. The largest 15 per cent of companies increased profits by an average of 31 per cent.

- (45) See Innes, op. cit., p. 6, and Anglo American Corporation of SA Ltd, Annual Report, 1975, pp. 76-81, for examples of the growth and interpenetration of monopoly capital.
- (46) Cf Minister of Labour Fanie Botha's refusal to intervene in the confrontation between the Chamber of Mines and the right-wing Mine Workers' Union over the introduction of skilled Coloured miners.
- (47) Cf the election of Andries Treurnicht as Transvaal leader of the NP (following disgrace of Connie Mulder) and his subsequent accession to full Cabinet rank. While P. W. Botha seems to be forcing the pace in the National Party, it is unclear whether he will be able or willing to institute the changes necessary to meet the needs of monopoly capital. It is also unclear whether the NP will hold together if he does continue to institute changes.
- (48) H. F. Oppenheimer, Interview, 30 October 1978, pp. 12-13 of transcript.
- (49) Note, for instance, SASO's condemnation, in 1977, of the Urban Foundation "for sabotaging the interests of blacks in SA by creating a black middle class", in SAIRR, Survey, 1977, pp. 31-32.
- (50) Godsell, op. cit., p. 14 of transcript; Oppenheimer, op. cit., p. 11, 15-16 of transcript; in comparison, note the donation in 1976 of R5-6 million to the Urban Foundation by the Anglo American Corporation.
- (51) Oppenheimer, op. cit., pp. 11-12 of transcript.
- (52) I. Mennell, Interview, 3 October 1978, pp. 18-19 of transcript.
- (53) G. H. Waddell, Interview, 4 October 1978, pp. 5-7 of transcript.
- (54) Progressive Federal Party, Report and recommendations of the Constitutional Committee of the Progressive Federal Party (Cape Town, 26 October 1978).
- (55) See Bozzoli, op. cit., for a definition of this term.
- (56) These involved the establishment of separate White, Indian and Coloured parliaments with a joint Cabinet Council, and an elected Executive State President (SAIRR, Survey, 1977, p. 7).
- (57) Progressive Federal Party, op. cit.
- (58) F. van Zyl Slabbert, Interview, 17 October 1978, p. 7 of transcript.
- (59) Ibid., p. 9 of transcript.
- (60) Cf Edinburgh CSE Group, "State form and state apparatus", CSE Conference, 1978: Papers and abstracts, paper number 32, especially pp 6-7, for a discussion of this process.
- (61) Note, for instance, M. G. Buthelesi's strong attacks on anyone holding views he construes as critical of him. For example, those contained in Address to Alliance public meeting, 13 March 1978 (Cape Town); Leadership consultation between leaders of the Reform Party, the Labour Party and the National Cultural Liberation Movement (Inkatha YeNkululeko yeSizwe), 11 January 1978 (Ondini); The 1977 Edgar Brookes Academic and Human Freedom Lecture, 25 May 1977 (Pietermaritzburg).
- (62) Helen Suzman had an appointment to meet Steve Biko, at the time of his death in detention; she was also enthusiastically received when she addressed a rally of school students in Soweto, just after the start of their protest.
- (63) B. A. Khoapa (ed), Black Review, 1972 (BPC, Durban, 1973), p. 42.
- (64) Eglin, op. cit., p. 9 of transcript.
- (65) R. A. F. Swart, Interview, 25 October 1978, pp. 5-6 of transcript.
- (66) SAIRR, Survey, 1978, pp. 8 & 30.
- (67) Swart, op. cit., p. 3c of transcript. See also, SAIRR, Survey 1978, p. 30.
- (68) Swart, op. cit., p. 4 of transcript.
- (69) Inkatha, "Statement of Belief", as in Buthelesi, Leadership consultation, pp. 14-15.

- (70) Buthelezi, op. cit., p. 2.
- (71) Buthelezi, 1977 Edgar Brookes Lecture, p. 17.
- (72) M. G. Buthelezi, On the South African free capitalist system and black people of South Africa, May 1976 (Stellenbosch), p. 15.
- (73) Quoted in Buthelezi, op. cit., pp. 22-23.
- (74) M. G. Buthelezi, "Inkatha - an instrument of liberation" in Inkatha, September 1976, p. 3.