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CAPITAL, LABOUR AND THE S.A. STATE: 1939 - 1952

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This paper is essentially a summary of part of a dissertation I am preparing for a M. Soc. Science degree. The primary focus is on the labour movement in South Africa during the forties, but as is shown below, to understand the fortunes of labour one has to also evaluate the role of Capital and the State. My initial reason for choosing to investigate the 1940 - 1950 period was that the state during these years was prepared to offer a measure of statutory recognition to African unions. Another consideration was that there was a good deal of labour unrest in the mid-forties. The struggle between Capital and Labour intensified during these years, the like of which had not been seen since the early 1920's. For these and other reasons the 1940's must be an important period to investigate, yet little work has been completed to date. This acted as an additional stimulus to me.

The research for the study was conducted at the South African Library in Cape Town and to a lesser extent in the Special Collections Department of the library at the University of Cape Town. Most of the research material was of a primary nature.

A word about the theoretical position adopted in this study. In general the approach is heavily influenced by the work of Nicos Poulantzas, and the application of his theoretical writings to the South African situation by authors such as Kaplan, Davies and Morris. This is an approach that has argued that capital should not be seen as a homogen ous class. There are fractions within this class that struggle with one another for supremacy in the power bloc. The dominant fraction, the one that is able to present its interests as these of the social formation as a whole, is the hegemonic fraction. This is not to argue that the various fractions within the power bloc are always in conflict with one another. Fractions are identified in terms of their relationship to the means of production i.e. on an economic level. But, they can only by fully observed on the political level, where fractions may come to operate as an autonomous social force, relatively independant of other fractions of capital. This may happen when their interests are threatened by other fractions of capital. The implication of this second aspect of the manner in which fractions may be identified is that they can only be seen in special historical periods.

An example may illustrate the above argument. Writers such as Kaplan and Davies have argued that the fraction of national capital ac hieved hegemony in the early 1920's. Economically this fraction may be identified

by the fact, that this is a class fraction whose interests lie in fostering South African capitalist development. Within this fraction two other fractions exist. There is the fraction of manufacturing capital and agricultural capital, whose interests are in developing capitalist production in town and country respectively. Since the complementary interests of these two fractions out-weigh their contradictory interests, they can and do work well together as an alliance of national capital. i.e.: They work as an alliance, rather than as autonomous social forces. This continued with 1939 when the outbreak of the Second World War broke up this alliance.

Davies et al (1977) have argued that the declaration of war by Britain in 1939 disorganized the power bloc in the S.A. social formation. Manufacturing capital supported S.African involvement in the war while agricultural capital was in favour of a policy of neutrality. This was because manufacturing argued that war time production would stimulate economic growth in S.A. while Agriculture argued that it was a foreign and imperialist war which would disrupt the S.A. economy and agricultural production. The former allies split on the issue of S. African involvement in the war. This is a first point to emphasize, the decision to go to war disorganized the power bloc, and ended the hegemony of national capital. A second point, elaborated upon below is that war-time production further intensified the contradictions between these two fractions of capital While before the war they were able to operate effectively as allies, after the war they could only behave as autonomous and independent fractions, struggling for hegemony in a disorganized power bloc.

The effect of war-time production on the different fractions of capital and labour is considered in more detail below.

Manufacturing Capital

I have mentioned that Manufacturing capital supported S. African involvement in the Second World War. Davies et al (1977) hold that this fraction of capital managed to maintain a tenuous hegemony during the war. This was possible because its interests corresponded most closely with those of the war effort and because it enjoyed the support of mining capital and fractions of labour. The first of these two points is more or less obvious. The hegemonic fraction is the one that can best present its interests as those of the social formation as a whole. The success of the S. African contribution to the war lay in increasing production of munitions and supplies, which was primarily undertaken by the manufacturing sector. This brings us to the second point. Manufacturing capital was able to maintain its hegemonic position during the war because of a prevalence of what could be called an ideological unity. A number of different ideological positions were incorporated in the 'fight against fascism'. A major concern was that no action should be taken which may harm the war effort. An example of this was the restrictive strike policy adopted by labour during the war. Even the left-wing labour leaders supported this policy.

Manufacturing capital was able to maintain a position of dominance within the power bloc because of the peculiar conditions introduced by war-time

production. These were years of rapid growth for manufacturing, gross output increasing by 116% between 1938 and 1944/5, from R281 M to R608 M (Houghton, 1969:119).Under conditions of war-time production manufacturing industry flourished. At the same time the numbers of worker employed in manufacturing almost doubled itself. This is shown in table 1. Black male workers in manufacturing increased by over 200,000 between 1936 and 1946.

	WHITE		BLACK	
	MALE	FEMALE	MALE	FEMALE
1921	34,748	8,791	203,776	15,814
1936	62,991	27,590	272,641	3,372
1946	98,942	32,595	488,667	8,294
1951	143,000	39,630	590,929	10,243

TABLE 1: Male and Female workers in manufacturing industry during census years.

Source Union Statistics for 50 years.

The increase in the rate of urbanisation during the war was primarily motivated by the higher wages paid to workers by secondary industry. The process was facilitated by the state, which relaxed the application of the pass laws. Even though the rate of urbanisation had increased dramatically during the war, the number of convictions for pass law offences decreased, as in reflected in the official data. (Table 2).

1940	183,829
1941	169,945
1942	120,126
1943	115,527
1944	124,980
1945	137,177
1946	-
1947	173,718
1948	176,129
1949	217,538
1950	217,387

TABLE 2: Crime and Offences: African Control

Source: Union Statistics for 50 years.

We see the number of Africans convicted of paw law offences declined by nearly 50,000 per year between 1940 and 1945 despite an increase in the movement to the towns. The fact that this provoked the hostility of agriculture shows that the state was favouring the interests of manufacturing capital and neglecting agriculture. It was only after pressure from the SAAU in 1946 that the pass laws were more stringently applied. This is also reflected in the data above.

At the cessation of hostilities the mood of industry appears to have been pessimistic. This was a result of anticipated problems in transforming from a military to a civilian economy. Some of these problems were mentioned by the president of the S.A.Federated Chamber of Industries (FCI), Y.E. Williams in 1946. He said that there were shortages of goods of every description, that the country was burdened by unproductive controls, men and women had to be absorbed into industry and civilian life, and a large number of civilians who were engaged in the production of munitions, had to find new occupations. S.A.F.C.I. Annual Report, 1946). But my impression is that these concerns were of a peripheral nature. The central issue confronting manufacturing industry during the mid-forties was that of industrial unrest amongst African workers. Strike activity on the part of African had increased during the war. Table 3 shows the extent of the increase in the number of African workers on strike.

1936	1,568
1937	4,849
1938	3,706
1939	4,839
1940	730
1941	4,765
1942	12,794
1943	7,370
1944	12,041
1945	14,694
1946	84,035

TABLE 3: Black workers on strike, 1936 - 1946

Source Union Statistics for 50 years

Industry was perturbed by the increase in strike activity, and aghast at the size of the African union movement which had developed in the late 1930's and early 1940's. By 1945 the Transvaal Council of Non-European Trade Unions claimed 158,000 members. Clearly manufacturing saw a need to regulate and control these organisations, which were a potential threat to production. Organized industry responded to the growth of African unions by calling on the state to deal with these unions by recognizing and controlling them. During the 1940's manufacturing capital repeatedly called for the state to control organisations and establish them on a 'sound' basis. The 1945 FCI Convention resolved:

> "That this Convention is greatly concerned at the continued development of Native trade union's in South Africa, free from any form of control or recognition by the Government. That this Convention votes with satisfaction that the Prime Minister is considering official recognition of Native trade unions, and trusts that this principle will be implemented by early legislative action". (SAFCI Annual Report, 1945)

The following year (1946) the FCI formally expressed its disappointment over the delay in passing legislation to recognize African unions. (SAFCI, Annual Report, 1976). Other employer organisations which strongly advocated

the recognition of these unions included Durban Chamber of Commerce, the Natal Chamber of Industries and the Transvaal Chamber of Industries (TCI). The 1848 convention of the TCI reported that ...

> "The haphazard drift of Native workers under conditions where they become fertile subjects for indoctrination by pernicious philosophies must be halted. This object can only be achieved by a) legal recognition of Native unions b) their rigid control and c) methodical tuition and futelage of such organisations." (Industrial Review, Official Organ of the TCI, December 1949:22)

Industry saw the existing African trade union movement as a threat. African unions perse were not feared; it was the thought of uncontrolled and unregualted organisations that perturbed industry. Orderly unions offered the possibility of industrial peace. This was the main reason that employer's organisations demanded statutory recognition for African unions in the post-war years. But there were other reasons as well, if less important. For example, many spokesmen argued that for industry to adjust to civilian production, levels of demand for its products would have to be maintained. One way to do this, as was often pointed out, was to increase the buying power of the South African Blacks. An example of this sort of attitude was the report in "Industry and Trade" of the views of R. Bernum, a prominent Port Elizabeth industrialist. He said that if the organisation of Africans into proper unions led to higher wages, so much the better. The national income or purchasing power was nothing more than the national wage bill. Higher wages would mean an increased market for South African goods. ("The Guardian" October:1947).

But while organized industry favoured statutory recognition of African unions there was disagreement on what form this should take. The TCI argued that separate legislation should be pro ided for African unions. They were against affording recognition under the Industrial Conciliation Act because Africans "were still emerging from a primitive existence" (Ind. Review, 1949 December:22). The FCI, on the other hand, could not agree on the form recognition should take. For example, at the 1947 convention only one speaker gave any attention to the Industrial Condiliation (Natives) Bill, even though the Bill was of considerable importance to manufacturing industry. He said:

> "Lack of discussion by Convention of (the IC Natives Bill) may be explained by the known cleavage of opinion on the conditions under which Natives should be allowed to form trade unions. Perhaps Convention was right in deciding that this difficult and contentious matter was left to the proposed commission of enquiry on industrial legislation" (SA Industry & Trade Review, 1947: October:39).

But although industrialists did not agree on the form of trade union recognition which should be conceded to African unions, the majority saw this as the most urgent and pressing problem facing manufacturing industry. This was the view of industry in the mid-forties.

After 1947 industry began to change its position with regard to African trade union recognition. While policy statements, journals, magazines and

annual reports of industry up to 1947 contain vigorous demands for African Union rights, between 1947 and 1950 these demands appear less frequently and show that industry was no longer united on the issue. By 1950 the chief concern of manufacturing industry was not trade union rights for African workers, but what was referred to as the 'Native in industry'. This was the question of labour allocation between town and country through influx control.

After 1950 manufacturing capital no longer campainged for statutory recognition of African unions. It had turned its attention to ensuring that its labour needs would be met.

I would argue that this was a primary reason for the failure of the African union movement in the 'forties' to win recognition. Without the support of this fraction of capital, the goal of re-definition of the category of "employees" under the IC Act was unattainable. The reasons for the shift on the part of manufacturing on this issue are considered in detail below. The primary reason for the state altering its strategy with regard to the potential threat of African unions is that a change in the form of state had taken place. Manufacturing capital lost the tenuous hegemony it had enjoyed during the war. In the post-war period the state took greater cognizance of the interests of agriculture. This was primarily a result of an organized offensive by agriculture and the fact that this fraction of capital was able to attract a number of supportive parties to better its position in the social formation. Whereas the state had emphasized manufacturing and urban interests during the war, after the war and increasingly after 1950, agriculture came into its own.

The Conflict between Manufacturing and Agricultural Capital. The antagonism and struggle for state power that took place between agriculture and manufacturing duirng the 'forties was particularly significant within the social formation. The conflict was also interesting considering the fact that these 2 fractions of capital had worked together as an alliance between 1924 and 1939'.

While agriculture did not support S. African involvement in the war (See Davies, et al: 1977), it benefitted from the war-time economy. This was because the demand for agricultural produce increased dramatically during the war. Producer's prices rose by about 60% between 1938 and 1945 (Finlay, 1976:63). But even though the fortunes of agriculture had been improved by the transition to a military economy, this fraction of capital saw much room for improvement. There were two crucial areas of complaint, the application of the Marketing Act of 1937 and the allocation of labour between rural and urban areas. Price fixing through the control boards kept agricultural prices relatively stable and low even though both internal and international demand improved. In its marketing strategy the state was seen to be "compelling the farmer to carry the rest of the population on his back." (Primary Producer 3 October, 1947).

The same journal accused the Government of "sacrificing agriculture on the altar of national interest in an attempt to reduce the cost of living, since the Government was starting with the prices of agricultural products and hoping that, if these are scaled down sufficiently, other prices will follow". ("Primary Producer 23 April, 1947")

The second issue, the question of labour allocation had arisen during the 1930's, and became acute for agriculture during the 1940's. Thousands of African workers withdrew their labour from agriculture to sell to manufacturing. By 1939 the Institute of Race Relations reported that migrant labour was no longer being drawn from the Reserves, and that "the farms are now becoming what the Reserves used to be, sources of labour supply" (Morris, 1977:5).

When agricultural production began to expand during the war the farm labour shortage reached crisis proportions. On many occasions agriculture called on the state to solve the problem by controlling the movement of Africans into the urban areas. The response of the state was that the shortage could be overcome by improving the level of wages and working conditions of the farms. But this was unacceptable to farmers, as is seen. From an editorial in the Farmers Weekly (31 May, 1939) summing up their attitude to these proposals.

> "The question (is) ... how higher wages are to be paid by an industry that is so inadequately and insufficiently recompensed for the products from which the wage and every other cost has to be met ... While all these suggestions (for better conditions) are admirable in theory and would no doubt be effective in practise, the sum of their cost in application will to the minds of most farmers, not solve the question of ways and means of finding the ready cash, which in these days is the acutest of all the problems which the farmer is called upon to solve". (Morris, 1977:13)

By 1944 agriculture had worked out a strategy whereby the farm labour shortage could be alleviated. This consisted of a number of concrete proposals, including the co-ordination of passes then in existence, the establishment of labour bureaux to control the movement of Africans between urban and rural area, and a system of registration which would 'establish the identity, place of employment and domicile of every African' (Morris, 1977:15). But at this time the state still favoured urban interests. The minister of Native Affairs, responded to the above proposals by telling the South African Agricultural Union (SAAU) that the African had a right to sell his labour where he received the best price

In the post-war period agriculture organized itself into an offensive, to force the state to realize its interests. In 1945 the SAAU held a conference with the stated aim of building up the power and organisation of agricultural capital. The following year all farmer's co-operatives merged with the SAAU, forming the United Front, a single national body to co-ordinate and look after the interests of agriculture.

The establishment of a United Front undoubtedly increased the power of agriculture in the social formation. But agriculture was still not sufficiently powerful to motivate the state to act as it desired. The power bloc was severely disorganized in the mid-1940's. The state was unable to act decisively in the interest of any fraction of capital, because it was unable to reconcile the contradictory interests of these fractions of capital. So while manufacturing campaigned for the recognition of African unions, agriculture was not prepared to support this. It would not approve any strategy which would potentially lead to a deterioration of

an already critical situation. It was widely anticipated that unionisation of Africans would lead to wage increases. The "high" rates of pay earned in the urban areas motivated African workers to leave the farms and sell their labour-power to manufacturing industry. Agriculture did not and would not support any legislation which would be likely to develop institutions for Africans in the urban areas. Some spokesmen for agriculture had even urged the repeal of the few existing measures that did provide social security benefits for African workers. For example, J.M. Fouche speaking in parliament said that the Factories Act and the Unemployment Insurance Act all aggravated the farm labour shortage because this legislation made provision for higher wages, shorter working hours, fixed holidays and the payment of overtime and unemployment insurance. (Hansard, 1948; Col 1615).

Before considering the outcome of the struggle between the two fractions of capital, it is important to discuss mining capital.

Mining Capital

Mining had supported South African involvement in the Second World War. But while the war had been of benefit to manufacturing and to a lesser extent, agriculture, it had disastrous consequences for mining. This was because the price of gold was set for the duration of the war, while working costs escalated dramatically from 19s 5d per ton in 1939 to 25s 6d per ton in 1945 (SA Mining and Year Book, 1947/8). As internal costs rocketed in South Africa during the war so did the costs of production within the mining industry. The Transvaal Chamber of Mines (TCM) often stressed to point that they were unable to pass increases in working costs onto the consumer. This meant that mining profits deceased, and that many low grade mines became marginally operative some even being forced to close down. By 1947 working profit was R42,800,000 less than half of the R90,000,000 it had been in 1941 (TCM Annual Reports). In the same period state revenue from mining taxation dropped from R54,000,000 to R25,6000,000 (TCM Annual Report, 1947:60). This decrease in revenue earned potentially effected manufacturing and agriculture go well, since the various protective subsidies which the state made available to these two fractions were possible through the imposition of taxes on the gold mining industry (See Kaplan, 1976).

Mining capital regarded itself as being in a state of crisis during the mid-1940's. But the increase in working costs was not the only factor which had contributed to the crisis. Two other factors should be mentioned; the imposition of special taxes during the war and the labour shortages the industry experienced. Special taxes to finance the war effort were imposed on the industry in 1940. In 1942/3 42% of total net mining income and 69% of declared working profit were paid to the state in some form of tax (Davies, et al, 1977:22). Expressed in terms of state revenue mining taxation rose from R19,211,198 (21,79% of total revenue earned) in 1938/9 to R110,348,494 (46,6% of total revenue) in 1944/5. (Union of SA Official Yearbooks, 1940 and 1948). The other factor which contributed to the adverse circumstances mining was to endure during the 1940's was a labour shortage, particularly of African workers. A feature of the mining industry is that as much gold as is produced will be bought. For this reason mining capital is always keen to have a full complement of workers. During the 1940's however, the members employed on the mines fell as is shown in Table 4:

	WHITE	AFRICAN
1942	49,000	386,000
1943	47,000	333,000
1944	45,000	322,000
1945	43,000	311,000
1946	43,000	328,000
1947	41,000	319,000
1948	41,000	300,000
1949	42,000	315,000
1950	56,000	329,000

TABLE 4: White and African males on Gold Mines, 1942-50 (Correct to nearest 1,000)

Source: Union Statistics for 50 Years

Note that the numbers of White and African miners reduced by 8,000 and 86,000 respectively between 1942 and 1948. The TCM claimed that the cause of this was that manufacturing industry paid more attractive wages. This applied particularly to African miners - mining claimed in 1943 that its labour force was just 84% of its total requirements. (Davies, et al. 1977:22). It is worthwhile to point out that even if mining had been able and prepared to increase African wages, this would not have automatically solved the labour shortage. The president of the TCM, SA Unger noted this, saying:

> "The Industry's Native labour force is composed of almost entirely of migratory workers who come to the mines for limited periods and return home for long spells of rest and idleness ... With the expansion in secondary industries, the demand that must be met from existing sources of migratory labour has greatly increased. This activity has created a considerable increase in the free flow of money amongst the Natives, the effect of which is to enable the migrant Native to work less frequently and to enjoy still longer periods of leisure.
>
> (TCM 58th Report, 1947:63)

By 1945 the mining industry was in a state of crisis. Dividends declared in this year were R26,718,000, lower than what they were in 1933.

The Struggle for Hegemony within the State

So far the effect of the war on capital and the structure of hegemony has been discussed. Manufacturing capital was able to achieve hegemony during the war because it enjoyed the support of mining and fractions of labour. But,in the post-war period this fraction of capital found it increasingly difficult to present its interests as primary. It also lost the support of mining capital, the latter working independantly in an effort to get the state to solve the pressing problems it was jacing.

The above discussion should have also shown that the 3 principal fractions of capital had peculiar problems to deal with. The solution to the problems faced by one fraction would have been likely to worsen the position of the others. The state found itself being urged to act in numerous and contradictory ways. The power bloc was disorganized and the state unable to serve the interests of any single fraction of capital. In this fluid situation the 3 fractions struggled to present their interests as primary.

The outcome of the struggle between agriculture and manufacturing capital was that agriculture was able to improve its position at the expense of the latter. It achieved this through the establishment of the United Front and, more significantly through being able to enlist the support of Africaner industrial capital and sections of the labour aristocracy. A proportion of the labour aristocracy withdrew their support from manufacturing capital and allied to agricultural and Africaner capital. Economic rather than ideological reasons were responsible for this switch of allegiance, and were centred around the mining industry. have seen above that mining capital was in a crisis. At the same time wages in this industry had fallen behind the rapidly rising cost of living. As early as 1941 white miners had demanded pay increases of 30%. The TCM were not prepared to concede these demands, and instead struck an agreement with the leadership of the Mine Worker's Union (MWU). During the war the latter controlled and disciplined the rank-and-file, rather than trying to win wage increases for the union membership. The result was the series of strikes in 1948 and 1947. The United Party consistently sided with mining capital in the dispute in order to check rising costs in the industry. Similarly, the labour Party supported the corrupt leadership of the MWU. On the other hand the National Party Championed the cause of the white miner, their 1948 election platform including a 30% pay increase for miners and nationalisation of the gold mines. It was in this context that significant sections of the labour aristocracy withdrew their support from manufacturing capital and its political party representative,the United Party, to support agricultural capital and the National Party.

The support of sections of the labour aristocracy proved crucial in the struggle between manufacturing and agriculture. The latter had improved its position to the extent that the state took greater cogniyance of its interests. The 1945 SAAU proposals were put into legislative form in the Abolition of Passes and Co-ordination of Documents Act (1952), the Prevention of Illegal Squatting (1951), the Native Town Ammendment Act (1952), the Urban Areas Ammendment Act (1952), the Native Labour Regulation Ammendment Act (1949) and the Population Registration Act (1952). Morris (1977: 35-44) too discusses this legislation in some depth. These Acts all contained clauses aimed at alleviating the farm labour shortage through efflux and influx control. A system of labour bureaux was established to re-distribute labour between town and country.

Whereas the state during the war and in the immediate post-war period had favoured manufacturing where conflicts of interests existed between this fraction and agriculture, by 1948 the balance of power had begun to swing in the latter's favour. In the late 1940's and early 1950's manufacturing was forced to act defensively to protect its interests. It no longer campaigned for the recognition of African unions; the central concern for this fraction of capital had become the protection of labour supplies. I want to consider this first issue in more detail before discussing the second.

After the demise of the Industrial and Commercial Workers Union (ICU) in the late 1920's, the remaining African unions with one exception, all disappeared during the depression years. (1929 - 1933).Trade Union re-organisation and growth during the 1930's had much to do with the work of Max Gordon. By 1937 he was secretary of 4 unions, and helped form the Joint Committee in 1939. By 1940 this committee claimed 26,000 - 27,000 members. It was at this stage that the African trade unions attracted the attention of the state. By 1939 the Departments of Native Affairs and Labour argued that the rapid growth and development of 'Native trade unions' and particularly the intervention of 'leftist' agitators and organisers had made it appropriate to start organizing African unions. Their position was these unions should be given informal and administrative recognition by the state.

The Departments of Labour and Native Affairs then drew up a series of rules for African unions. In August, 1939 the minister of labour discussed these rules with African trade unionists, who objected to the fact that the rules required them to negotiate through the Department of Native Affairs. Negotiations broke down at this stage. In June 1941 a new set of rules were designed, which were presented to the newly-formed Council of Non-European Trade Unions (CNETU) in October, 1943. CNETU had been formed in 1942 with the aim of including African workers under the scope of the Industrial Conciliation Act of 1937. Since the administrative recognition that the state was prepared to offer was less than this CNETU turned down the offer.

Meanwhile CNETU continued to grow in size and influence. By 1945 it was at its largest and at this stage the African union movement was perceived as a great threat to peace and order in South Africa. This is not to say that there is a 100% correlation between size of trade unions and the potential threat they hold. Other factors would be important to explain this. So we may speculate that even if CNETU had a similar membership in the early 1950's the central and gravest concern could still have been the question of labour allocation.

Nonetheless, by 1945 the demands for recognition of African unions from manufacturing capital African unionists, the South African Trades and Labour Council (SATLC) and others, had reached a peak. The SATLC told Smuts that recognition of African unions could not be put off much longer, because African unions had become a force that could no longer be ignored. The state responded to these demands by announcing that it was prepared to afford statutory recognition to African unions. The Secretary for Labour, Ivan Walker said in October 1945 that legislation was being drawn up to recognise African unions, all unregistered unions would be illegal strikes were to be illegal in all circumstances, union officials would be elected under government supervision and approval, and that there would be compulsory arbitration by mediation boards to settle disputes. (The Guardian" November, 1945). These principles were all contained in the Industrial Conciliation (Natives) Bill of 1947 which was the way the UP state hoped to deal with the African trade union movement. This Bill was published in March, 1947, following a period of inaction on the part of the state. "The Guardian" had reported that the state had decided to shelve the Walker proposals, but then the August, 1946 African mineworker's strike took place. An African union, the AMWU had played a prominent role

in organizing this strike, and CNETU had called a general strike of all African workers in support of the miners. While this general strike did not materialize, these events made the state realize the power of the African union movement. Early in 1947 Smuts announced that it was proposed to introduce into parliament a "Native trade Union Bill" to prohibit strikes, control trade unions of African workers, and make permanent the exclusion of African workers from the IC Act. (Inkuleko, Second Issue May, 1947)

This Bill seems to reflect the weak position the state found itself in at this time. Very few parties accepted this proposed legislation, it was rejected outright by both fractions of capital and labour. The only group which seemed to accept the Bill was the TCI. A few years later the Minister of Labour, Ben Schoeman summed up the response to the Bill:

> "The previous Government in 1947 published a Bill in which provision was made for the recognition of Native trade unions and a limited form of collective bargaining, but the Bill was acceptable to nobody. The Natives did not want it, the trade unions did not want it, the Native representatives were opposed to it, and conservative opinion in the country was also opposed to it, in other words, nobody wanted it; it satisfied nobody". (Hansard, 1953 Col 872).

The Industrial Conciliation (Natives) Bill had been published in March, 1947. By October, 1947 Minister of Labour Colin Steyn had announced that he was considering scrapping or at least revising the IC (Natives) Bill. The Bill was not introduced into parliament by the Party in 1948, and when the National Party/Afrikaner Party came to power in June/July, 1948, they "bought time" by announcing in September that there would be no new legislation on African unions until 1950. Meanwhile War Measure No. 145 of 1942 would apply. To further give the state time to manouevre, Schoeman appointed the Industrial Legislation Commission in October, 1948.

The ILC presented its report in 1951. As is well known, it recommended that African unions were recognised in a manner similar to that envisaged by the IC (Natives) Bill. The state rejected this finding of the commision, however, and instead presented the Native Labour (Settlement of Disputes) Bill to parliament. Ben Schoeman, the Minister of Labour gave the following reasons for being unable to accept the recommendations of the commission in this regard:-

> "The Native trade union movement is not a spontaneous movement amongst Native workers. The Native unions that are in existence to-day came into an existence mainly as a result of efforts made by certain European trade unionists and left-wing agitators".
>
> "It must be realized that directly official recognition is extended to Native trade unions it will act as an incentive ... and you will probably have a large and not very sound Native trade union movement in South Africa".

> "What we must bear in mind is that these trade unions can be used as a political weapon ... We have seen during the past year that the Natives, when they do organize themselves into trade unions, use them as political weapons to further their political aims".
> (Hansard, 1953, Col 867)

The UP state and NP state differed in their strategy to control African unions. The former was prepared to 'incorporate' these unions and rid them of 'leftist' leaders establishing the unions on a 'sound' and controlled basis. The latter used legislation like the Suppression of Communism Act of 1950 to attack and remove the leadership of the African trade union movement. While both the UP state's Industrial Conciliation (Natives) Bill and the NP state's Suppression of Communism Act were aimed at the leadership of the movement, the former was an attempt at incorporation the latter repression.

Hepple (195:59) has said that the application of the Suppression of Communism Act proves that its chief objective was to purge the trade unions. By 18th September, 1953, 33 trade union officials had been ordered to resign their positions. (Hansard 1953, Col 237). By 1956, 75 officials had been listed, and of these 56 had been forced to resign their positions (Horrell, 195:). Data is not available on how many of these unionists were involved with African unions, but in this Act the NP state found an effective way of challenging any potential threat from the African trade unions. This is most clearly seen in the way this Act was used a few years later to remove the entire leadership of the South African Congress of Trade Unions (SACTU).

Whereas the SA state up to 1947 was prepared to recognize African unions, but unsure on what form this should take, by the early 'Fifties' its position had changed to where it attacked the leadership of these unions in the hope that they would die a "natural death". I have argued that the primary season for this must be seen to be the change in the form of state that took place during these years. The balance of power within the state after 1950 demanded a different course of action to that proposed in the 'forties'.

Further, I would argue that it is difficult to determine whether the African union movement was stronger or weaker in the early 'fifties' than it had been in the mid-forties. While comparison of derived membership of these unions shows that you were weaker in the early 'fifties, in other respects they posed a greater threat to the dominant classes: For example, after 1947 many union leaders began to reject the notion conducting the struggle on an economic level only. This had been the position of CNETU up to 1947 (campaigning for the recognition of African unions under the IC Act), but after this most African unions allied themselves to political movements like the Defence Campaign. In many respects African working class organisations posed greated threat after 1948, even if trade union membership decreased.

Capital and the NP state.

In this final section I want to discuss capital in SA in the late 1940's and early 1950's in more detail. The declining fortunes of manufacturing industry within the social formation can be clearly seen in its relation

to the NP state and change in government in 1948. It is clear that the victory of the NP in 1948 perturbed industry. The SA Industry and Trade Review commented:-

> "We do not believe that any government will ride roughshod over the interests of business in pursuit of electioneering balloons ... (Business) will not prejudge (the new Government) on platform propaganda at the elections, nor on destructive criticism from the other side of the House. It will calmly await the development of Government policy. It will support the Government as long as that policy is fair and just to business and it will not hesitate to use its, powerful influence against any group of politicians who may try unfairly to discriminate against business". (1948, June:)

The issue that made industry concerned was that the 'apartheid 'policy of the NP would undermine the supply of labour available to industry. "FCI News" reported that the Government had said that if industrialisation meant that the White urban population would be engulfed by Africans, then they were not prepared to go on with it. Industry objected to this because it meant that primary industry (mining and agriculture) would be placed in a more competitive position with regard to the available supply of labour. (FCI News, September, 1948:).

Industry began to agitate for a meeting with representatives of the state to discuss the apartheid policy. This took place during 1951. At this meeting state policy was explained to leaders of organized industry. Ben Schoeman, the Minister of Labour argued that the policy was an ideal, which would take many years to achieve, and

> "We have never advocated total apartheid - we accept the position that there will be a permanent native population in the urban areas. We have no intention to withdraw native labour from secondary industry". ("The manufacturer, August, 1951:)

Another early official statement came from Eiselin, the Secretary for Native Affairs. He said that the country's present use of manpower was wasteful, inefficient and very expensive. But, he also stressed that unlike the 'official' reports like the Stallard Commission (UG), he believed that the urban African population was permanent. The reality was that there was an excessive supply of manpower in the urban areas and a depletion in other areas. ("The Manufacturer" 1950, October:).

So the NP state intervened to solve the labour Crisis for agriculture. A range of legislation was enacted (listed above) which was directed at the size of the surplus of African labour in the cities. It did not take labour away from industry, but rather ensured that the size of the reserve army in the urban areas was strictly controlled. Verwoed, as Minister of Native Affairs, spelt this out in parliament.

> "My administration will naturally see to it that there would be a certain plussage. It is quite impossible to determine exactly the labour need and the labour available ... In the ordinary course of circumstances there will be a

> certain small margin of available labour but it must be expected that the plussage cannot be large ... It is a matter of where you stop providing surplus labour ... When we take into consideration the fact that the instrument dealing with this provision will be the local authority and that the local authority has sufficient interest in the development of industry in its own area and the prosperity of its industries, we can take it that it won't cut down the possibility of obtaining employees in such a way that industry would suffer. Indsutry is therefor in very good hands indeed." (Hansard, 1952: Col 1315).

By 1950 manufacturing industry had been forced to act defensively as agriculture made demands on its labour supplies. The actions of the NP state ensured adequate numbers of agricultural workers for the latter, and also slowed the rate of urbanisation. But, while agriculture had improved its bargaining position in the social formation, it did not enjoy hegemony. It had not succeeded in presenting its interests as those of the social formation as a whole, nor did it assume the organizing role within the power bloc. The latter remained disorganized during the 1950's.

Before concluding this section one final point needs to be made. I have shown that an important contributory factor to the crisis capital experienced in the mid-'forties', was the state of the mining industry. The UP state was unable to alleviate conditions in this industry, but did its best to keep wages from rising. The National Party had come to power on a platform which included a 30% pay increase and nationalisation of the gold mines. This had enabled them to win many worker votes away from the Labour Party. After being in office for a year the NP had given up the idea of nationalizing the mines, and had been unable to secure wage increases for miners.

In April, 1949 the MWU leadership declared their intention of forming a new political party called "The Worker's Party" because of the failure of the NP to meet their demands. They intended contesting a bye-election against a NP candidate. But this party was never formed because after devaluation, in 1949 the price of gold rose by 40%. The TCM responded to this by increasing wages by 15% and working conditions in the industry. This rise in the price of gold effectively ended the crisis mining had experienced during the 1940's. Dividends declared by the industry in 1950 were an all-time record of R52,942,000.

It was the adverse state of the mining industry that had led significant sections of the labour aristocracy to switch allegiance from the United Party and Labour Party to the National Party. When the latter failed to "deliver the goods "as promised, these workers declared their intention of forming their own political party. Fortunately for the NP the crisis solved itself through the rise in the price of gold.

(15) A Paulus, Trade Unionism in South Africa in Grey Coetzee, Industrial Relations in S.A. Juta 1976, p. 217.

(16) W J de Villiers, The Effective Utilization of Human Resources in the Republic of S.A. Federale Mynbou-General Mining Group, Johannesburg, 1974.

(17) D O'Meara, The 1946 Mine Workers Strike in the Political Economy of S.A., in Working Papers in Southern African Studies African Studies Institute, 1977.
For a summary of the collapse of 'peasant' agriculture in the Reserves, see O'Meara, p. 189. Precisely when the Reserves 'collapsed' is a difficult question. Firstly collapse is too final a work to describe what Meillasoux has called a contradictory process of both perpetuation and destruction. Secondly, the reserves 'collapsed' at different times in different regions. Thus missionaries record that parts of the Ciskei had become virtually mine villages by 1910, whereas, it has been argued that Ovamboland, as late as 1971-2 still provided some alternative agricultural economy for striking Namibian workers to withdraw to.

(18) "By economic backwardness, we mean the persistence of pre-capitalist relations of production within society. ... The production of part (even a majority) of the necessities of life under pre-capitalist relations of production implies... that the value . . of labour power is (not) determined (wholly in the process of capitalist production..." E. Dore and J. Weeks. Capital, Class Struggle and Wages in the Context of Backwardness. Seminar on Third World Strikes, 1977. Institute of Social Studies. The Hague. An attempt to apply this analysis to industrial conflict in S.A. has been made by A du Plessis. Industrial Relations: A Structuralist Critique. Unpublished Honours Dissertation, University of the Witwatersrand, 1978.

(19) Schlemmer L. (1975), "The African Industrial Worker Views his situation, in D Horner (ed), Labour Relations and the African Worker, Johannesburg, SAIRR.

(20) D Hindson, "Conditions of Labour-Supply and Employment of African Workers in Urban Based Industries in S.A. 1946-1975". Workshop on Unemployment and Labour Reallocation. Development Studies Research Group, University of Natal, Pietermaritzburg.

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11. Hepple, A. "Trade Unions in Travail" 195-