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Title: "Providing for the Legitimate Labour Requirements of Employers" Secondary Industry, Commerce and the State in South Africa During the 1950s and 1960s.

by: Deborah Posel

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"PROVIDING FOR THE LEGITIMATE LABOUR REQUIREMENTS OF EMPLOYERS" : SECONDARY INDUSTRY, COMMERCE AND THE STATE IN SOUTH AFRICA DURING THE 1950s AND 1960s

by Deborah Posel

> It is government policy to provide for the legitimate labour requirements of employers.[1]

Marxist discussions of the South African State during the 1950s and '60s have emphasised the ways in which, contrary to liberal expectations, this ideological promise was in fact fulfilled. The striking economic growth rates of the 1960s - 9.3% between 1963 and 1968 - at a time of intensified political repression, are prima facie evidence of their case that overall, Apartheid did not damage the cause of economic development in South Africa. The migrant labour system, influx control policies and the state's refusal to permit the registration of African trade unions, are shown to have reproduced an abundant supply of cheap black labour on which the economy thrived.

However, there are limitations in examining the relationship between Apartheid and economic development in solely synchronic terms, as an outcome rather than an ongoing process. This sort of approach is typically disinterested in the relationship between the original intentions of Apartheid and its actual outcomes, and the factors interposing between the two.[2] As a result, by implication, Apartheid during the '50s and '60s is depicted as if a relatively static, nationally homogenous policy, a political 'fait accompli'. (Thus, it is usually only when 'revisionist' analyses move on to the 1970s that the foundations and methods of state policy are examined for signs of vacillation and change). Furthermore, the bourgeoisie is cast largely as the passive beneficiary of this system, having rapidly "learned to live with the pass laws, migrant labour and native Reserves"[3] and whose political and ideological protests were at best short-lived.

A closer look at the '50s and '60s reveals, however, an uneven combination of continuities and shifts in state practice. Neither these continuities nor changes are self-explanatory. They indicate the fluctuating balance of forces - political, ideological and economic - which either kept Apartheid policies on the course intended by its practitioners, or deflected their outcomes to the point where the negation of fundamental principles of Apartheid produced some signif-

icant changes in the intentions and methods of state policy. Moreover, the bourgeoisie was an active participant in this process, rather than its quiescent beneficiary. This paper focuses on the role of secondary industry and commerce in particular,[4] in shaping the production of some key aspect of Apartheid policy.[5] Both the direct political interventions of organised commerce and industry, and the indirect political pressure exerted by the weight of routine industrial and commercial practice, evidence an ongoing struggle with the state over the distribution, composition and accessibility of the black labour force in secondary industry and commerce. This discussion thus sheds a less functionalist light on the relationship between economic and political interests. Apartheid neither automatically nor uniformly promoted capitalist interests.

The paper begins with a brief description of some of the declared intentions of Apartheid policy during the 1950s. It then shows how, in the context of the relative stasis and ultimate decline of the manufacturing sector in the 1950s, secondary industry and commerce were (partly) responsible for subverting some of these original goals. The last part of the paper then identifies the resultant shift in declared state policy, evident by the early 1960s, and discusses the impact of secondary industry and commerce upon these policies during the boom conditions of the 1960s.

I

The bedrock of Apartheid has always been the utilisation of an abundant supply of black labour in ways which protect and entrench white supremacy. Once the National Party came to power in 1948, economic growth was to be directed within a policital process which barred the black population from the institutions of parliamentary democracy in the country (including trade unions), so as to pre-empt the black majority's advance to economic and political power.[6]

This perception of an economic and political "swart gevaar" was central to Nationalist planning and practice from the early 1950s. In 1951, Verwoerd (then Minister of Native Affairs) warned industry and commerce that

> in 50 years time, the number of Natives and the number of trained and educated Natives will have increased to a large extent and it will be impossible to keep them from having political influence. Political equality and all other forms of integration will follow.[7]

The Nationalist solution was to reduce the presence of blacks in "white" South Africa, the urban areas in particular, but without jeopardising the supply of black labour to each sector of the economy. Also, those blacks who did reside in "white" areas were to be treated as "visitors" with no claim on any social or political rights[8] and whose presence there was justified by white economic need alone.

From the beginning therefore, the Nationalist government perceived the prospect of an uncontrolled influx of blacks from the Reserves into the urban areas, as a profound threat to the desired coupling of White

political supremacy and economic advance. For, on the one hand, the agricultural sector (whose class interests were championed politically by the National Party) could not attract labour away from the towns where wages were highest. Any spontaneous influx to the towns could therefore bypass the farms, exacerbating the existing agricultural labour shortage. On the other hand, a growing black urban population was feared as the source of a mounting and ultimately irresistible political pressure for the enfranchisement of blacks. Like its segregationist predecessor, the Apartheid blueprint thus envisaged a society in which the state controlled the allocation of black labour to all sectors of the economy, so as to expedite economic growth without relinguishing control over the rate, location and conditions of black urbanisation. State intervention was intended to secure the matching of labour demand and supply in a way which emulated the rationality of the market, but avoided the massive influx to the towns which the abandonment of labour allocation to market forces would allegedly have produced.

This required state intervention on (at least) two fronts. Firstly the state was to impose restrictions on the size of the black urban population and rate of migration from the Reserves (thus reducing the <u>supply</u> of black urban labour). Secondly, in order that this reduction remain compatible with urban labour needs, these needs themselves warranted readjusting (reducing and transforming the <u>demand</u> for urban black labour).

The first series of interventions would devolve partly on promoting the "development" of the Reserves, in order to create positive incentives for the efflux of blacks from "white" areas of South Africa. But the major emphasis fell upon the intensification of influx and efflux control. Influx of blacks to prescribed areas would be strictly limited according to economic need. Only those blacks offered employment once the labour already available in the area had been used up, would gain legal entry. Thus a strict urban labour preference policy would reduce the economic need for black migration from the Reserves. The compulsory registration of all employment contracts with the labour bureaux would ensure that labour could be channelled evenly to all sector of the economy, eliminating the presence of any labour surplus or bottlenecks.

The second and parallel, series of interventions included the placing of restrictions on the rate of industrial development in the urban areas.

> As nywerheidsontwikkeling onbeheerd voortgaan, (sal dit) ... steeds groter instroming van naturelle meebring ... Saam met die beginsel van behoorlike beheer van instroming gaan behoorlike beheer van nywerheidsontwikkeling.[9]

In addition, State action stressed the need to encourage labour - intensive industries in particular to decentralise to border areas, where labour could be drawn from neighbouring Reserves. Both this decentralisation process and state-imposed curbs on industrial expansion in the urban areas would diminish the demand for unskilled black labour in these areas, and thus help to curb the rate of black

control policy. It formed the basis of the amendment to Section 10(1) of the Urban Areas (Amendment) Act, promulgated in the Native Laws Amendment Act of 1952. Verwoerd told Parliament that one of the objects of this legislation was to give "certain definite classes (of blacks) guarantees, security and stability".[16] The amended Section 10(1) exempted certain categories of blacks from the restriction of not remaining in a prescribed area longer than 72 hours without a valid work permiet issued by a labour bureau. Persons who had been born in the prescribed area and had lived there permanently (Section 10(1) (a) qualifiers), or who had worked continuously for one employer for 10 years or for different employers for 15 years (Section 10(1)(b) qualifiers), and their wives and dependent children (Section 10(1)(c) qualifiers) were recognised as legal urban residents whether or not they remained subsequently employed. Thus, the "unproductive" wives and children, or unemployed and otherwise "idle" Section 10(1)(a) and (b) qualifiers, were exempted from the category "superfluous". Section 10(1)(a)(b)(c) rights were to be a protection against removal from the prescribed area. Verwoerd made the point when defending the 1952 Native Laws Amendment Bill in Parliament:

> When we apply a yardstick for the removal of these ("superfluous") persons, how are we to apply it? ... Of whom can we say fundamentally: "We are not going to interfere with you. We regard you as Natives of the city"? Surely they are those who were born there and reside there permanently, and who have their families with them. They are secondly ... those who are such good workers that they have stayed a long time in the city with one employer ... (or) with different employers. All these people are urbanized.[17]

Apartheid policy thus fell immediately into an important contradiction. On the one hand, its ideologically and politically fundamental principles permitted the presence of blacks in "white" areas only as long as they ministered to white economic needs. Employment alone justified the residence of blacks outside the Reserves, since Nationalist principle "cannot allow a Native to get a permanent vested interest in a European area".[18] Yet, on the other hand, in one of the first pieces of legislation enacted by the Nationalists, a certain class of black persons was classified as "urbanized", and accorded legal residential status in a prescribed area irrespective of whether or not, after satisfying the conditions of Section 10(1)(a)(b) or (c), they became and remained unemployed.

For this reason, as we shall see, during the 1960s Section 10(1) became the target of concerted attacks within the state, having been declared a legal and ideological anomally for exactly these grounds. The Minister of Bantu Affairs, for example, asserted in 1962 that as a result of "the entrenched provisions of Section 10 of Act No. 25 of 1945, ... the basic principle that the Bantu's presence in the white areas can be justified only by the need for his labour, is thereby thwarted". It produces

> the phenomenon of continuous growth of the urban Bantu population as a result of natural increases, irrespective of whether or not the labour requirements of a particular urban area justifies such a large urban Bantu residential area.[19]

It was then, in the 1960s, that the emphasis of state policy shifted towards the extension of the migrant labour system and erosion of Section 10(1)(a)(b)(c) privileges.

As we have seen, during the 1950s however, the state had the opposite immediate priorities: to initiate a slow end to migrant labour, at the same time as differentiating administratively and ideologically between migrant and "urbanized" workers, shoring up the "guarantees, security and stability" of the latter.[20] The interesting question is why? Why didn't the state set about reducing all black urban dwellers to "temporary" migrants from the start, making the urban residence of all wholly contingent upon their employment in the prescribed area?

The motivation behind the state's policy during the 1950s was not to incorporate or co-opt the "privileged" groups. Rather, it must be understood in the context of the state's intentions to control politically the supply and demand of black labour. To summarise then, the imposition of legal curbs on the scale of urban industrial expansion, promotion of the decentralisation of labour - intensive industries in particular and mechanisation within the remaining urban industries, were aimed at reducing the overall numerical demand for black labour in the urban areas. This reduction, coupled with a strict urban labour preference policy, would curtail the economic dependence on migrant labour, which would in turn contribute to lessening the influx of blacks into the prescribed areas (metropolitan areas in particular).

The priority of this policy was thus the reduction of an additional black influx to the towns, by reducing and indeed shaping the "legitimate labour requirements of employers" in the urban areas so that the labour force already urbanized would meet most, if not all, of these needs. The differentiation imposed by Section 10(1) provided the instrument of the necessary urban labour preference policy: "labour requirements of employers" were to be met in the first instance by those workers already settled in the area viz. Section 10(1)(a)(b) qualifiers. The accepted consequence and very condition of effective influx control was thus the entrenchment of a settled, urbanized black population - although purportedly in the short term only.

Government leaders also saw and accepted that as a consequence of this influx centred policy, the socio-economic differentials between the settled urbanized blacks and mirgrants resident in prescribed areas on a "temporary" basis, would grow. Eiselen, Secretary for Native Affairs, for example, speaking of the need to boost the efficiency and productivity of black labour, urged the "recognition of continuous efficient service by progressive grading within each labour category"[21] and "the raising of an employees wages as his efficiency improves".[22] It was clearly permanent, urbanized workers whom he had in mind as candidates for such promotions and wage increases. This he associated in turn with the prospect of "building up an economic mentality which fosters self-help and leads to increasing achievements."[23] For, once

they were earning more, "bona fide urban Natives" would, and should be encouraged to, "invest their savings in home ownership".[24] While lessening the state's financial burden in administering the townships, this "economic mentality" would "also at the same time lay a sound foundation for the development of stable and self-disciplined communities."[25]

While the state's intension to encourage the administrative and socio-economic differentiation of the black population makes some sense of the introduction of Section 10(1), it does not resolve the contradictions in the Apartheid blueprint. The contradiction still stands between the terms of Section 10(1)(a),(b) and (c), and the principle that employment alone justified the residence of blacks in the "white" areas. Secondly, the recognition and entrenchment of a stable, urbanized black population as "permanent" conflicted with the long-term intention continually to reduce the size of the black population in "white" areas. For, Section 10(1)(c) would sponsor an expanding permanent urban population, by extending the same "guarantees, security and stability" to successive generations.

The first of these contradictions could have remained hidden as long as an urban labour preference policy prevailed. As long as the labour needs of urban employers were met in the first instance by the settled black workforce, then unemployment would be eliminated within this group (given a greater number of job opportunities than urbanized work-seekers). Also, if an urban labour preference policy succeeded in reducing dependency on migrant labour, the growth in the size of the black urban population would approximate more closely its natural increase, thereby dampening (although not eliminating) the second contradiction.

A strict urban labour preference policy was clearly crucial to the coherence of the entire programme. Yet, its introduction in the context of the "legitimate labour requirements of employers" during the 1950s was premised upon a specious assumption, namely, that in an economy in which a very high percentage of the black workforce was still unskilled and industries predominantly labour-intensive,[26] industrial employers would nevertheless find good reasons to employ urbanized black workers in preference to migrants. Ironically, it was the operation of Section 10(1) itself which subverted this assumption. For, the application of Section 10(1) engendered a differentiated workforce : migrant workers, on one hand, whose legal access to prescribed areas and whose legal accommodation there remained contingent upon employment, and Section 10(1)(a)(b)(c) qualifiers, on the other hand, whose right to remain in the prescribed area did not lapse if unemployed and whose access to family housing depended on their qualifications rather than their employment. Clearly, the former were far more dependent on continued employment and thus less likely to be choosy when offered a job paying low wages, with poor working conditions - especially in the presence of a labour surplus.

Section 10(1)(a) and (b) qualifiers, on the other hand, were able to be more selective in accepting employment, being less threatened by the loss or temporary absence of a job. Employers whose "labour requirement" was still a largely unskilled, cheap and docile black workforce thus had good reasons to prefer employing migrants. As we shall see,

once a practise of urban labour preference thus failed to materialsie, the contradictory implications of Section 10(1) for the overall, longterm Apartheid blueprint, grew more apparent and more acute. By the early '60s, some of the goals and methods of influx control policy were therefore targetted for change.

The discussion so far has shown that Apartheid policy was devised with the aim of "providing for the legitimate labour requirements of employers" in ways which minimised the presence of blacks in the "white" urban areas of the country. This in turn devolved upon a series of assumptions about, and restrictions on, what these "labour requirements" would be. The following discussion examines how secondary industry and commerce acted in the name of a conflicting definition of their "legitimate labour requirements", so as to subvert some of the original intentions of the Apartheid policy and exacerbate the manifestations of its internal contradictions. (This analysis concentrates on struggles between secondary industry, commerce and the state over state attempts to restrict the size of the black urban population and workforce and the scale of urban industrial development).

Organised commerce and industry concurred with many of the original intentions of state policy. The AHI, ASSOCOM, FCI agreed iwth state actors about the desirability in principle of labour "stabilisation",[27] by way of a slow end to the migrant labour system[28] and the entrenchment of a settled black urban population on which urban industry and commerce should draw as its primary supplier of labour. As the AHI said in evidence to the Tomlinson Commission,

> Fundamentally, we are against migratory labour ... Where you have an established industrial community such as you have on the Rand, such labour must be drawn from permanent residents and not from migratory labour.[29]

Moreover, ASSOCOM, FCI and the AHI all applauded the state's intention to encourage the increased utilisation of black labour in semi-skilled positions, and the payment of accordingly higher wages.[30] Neither were organised commerce and industry opposed to the principle state intervention in the labour market. It was accepted that the migration of blacks to the cities should be "subject to the proper guidance by the NAD (Native Affairs Department) as distinct from control."[31] In terms of this stand, the size of the black urban workforce, the rate of black urbanisation and urban industrial expansion should be regulated by "the operation of economic forces rather than by direct and drastic intervention through control measures".[32]

Conflict with the state thus centred around state policy to impose "direct and drastic" curbs on the rate of urban industrial development, inhibit the growth of the black urban industrial and commercial workforce, and control coercively the influx and efflux of blacks from the urban areas. ASSOCOM, for example, stressed that the goal of the labour bureaux, to match exactly the demand and supply of black labour, was economically restrictive in "establishing an artificial situation of full employment".[33] A labour surplus in the towns was considered a "legitimate requirement of employers" in itself.[34]

Employers' struggles to preserve an unrestricted black labour supply and surplus in the towns were waged on two fronts: directly; through the political interventions of organised commerce and industry, and indirectly, by the way of the employment practices pursued by secondary industry and commerce. These will be discussed in turn.

The first step taken by the state to restrict the supply of black urban labour was to place curbs on the employment of "foreign" blacks. The 1954 Urban Areas Amendment Act stipulated that once a "foreign" black working within South Africa, left his present employer, he would not be permitted to seek other jobs within the country. The measure met with widespread opposition from organised commerce and industry, particularly from those Chambers in parts of the country bordering on the High Commission territories.[35] The response within the state was exemplary of a pattern which soon emerged in policies affecting the supply of black labour: while refusing to modify the terms of the law or compromise the general principle, Verwoerd "advised protesting bodies that the law is to be carried out but that certain concessions will be made."[36] Thus the state persisted with legislation which conformed rigidly to the Nationalists' ideological principles, but which conferred Ministerial powers in excess of those seen to be needed at the time. Maintaining the appearance of an uncompromising adherence to the Nationalist grand plan scored ideological points, while the possibility of concessions created space for the differential treatment of particular industries in specific geographicl areas. So, in the case in question, blanket restrictions on the use of "foreign" black labour were depicted in state discourse as a matter of fundamental principle, whereas in fact, the law could function to channel the flow of "foreign" labour to certain geographical areas and industries.

Opposition from organised commerce and industry failed to deter state actors from initiating the policy of curbing the rate of industrial expansion in metropolitan areas, the Rand in particular. A letter from the Johannesburg Town Clerk to ASSOCOM in January 1955, for example, reported

> the Minister's refusal to approve of the establishment of additional industrial townships, notably in Boksburg ... Some of the Reef Councils felt that strict enforcement of the terms of the (Ministerial) directive might freeze for some considerable time the development of their communities and result probably in a prejudice to their future.[37]

The extent to which such curbs were imposed has been difficult to ascertain. According to press reports, the policy was not blanketly applied; concessions were made even on the Rand.[38] Furthermore, the publications, speeches and Non-European Affairs Committee meetings of organised commerce and industry seem to make little mention of the matter, which suggests that as yet the restrictions were neither severe nor persistent. Only in 1957 was "government policy (again) accused of preventing the establishment of further industrial townships on the Witwatersrand by disallowing the use of derelict mine areas for industrial purposes."[39]

It seems therefore, that during the 1950s, the scale of state intervention in forcibly containing urban industrial expansion was limited. But this had little to do with the political interventions of organised commerce and industry. It was more likely a function of the economic conditions of the time. As Duncan Innes points out, between 1950 and 1960,

> the manufacturing sector was ... in a state of relative backwardness ... manufacturing is lurched from instability in the early 1950s into decline and ultimately crisis. Industrial output, which had grown by 7.2% in 1954, grew by 4.4% in 1955, 3.4% in 1956, 2.3% in 1957, and only 1.7% in 1958. In 1959 minus growth of -1.4% was recorded.[40]

During the 1950s, moves to curb the scale of industrial employment were therefore low on the state's agenda, partly because the threat of an ever-swelling black urban workforce diminished in accordance with the decline in the industrial growth rate. But in addition, the obvious point is worth making - that when the chips were down for secondary industry, the state was not going to intervene to make matters worse. The political restrictions on industrial development in metropolitan areas and on the size of the black urban workforce, intensified as a function of the economic strength of secondary industry (during the '60s). They were consequent upon the expansion of this sector, rather than the instruments of its decline.

Attempts by ASSOCOM and FCI to impinge upon the administration of influx control were likewise ineffectual. As we have seen, the influx control laws were perceived as a threat to the maintenance of an abundant labour supply. Aimed at the eradication of a labour surplus in the urban areas, these laws were also seen as the potenial instruments of an artifical labour shortage in the metropolitan areas, created to induce decentralisation.[41] ASSOCOM and FCI were therefore anxious to assert their interests in the administration of the policy. In 1958, at a private meeting of ASSOCOM, FCI, government and municipal representatives, the government agreed to "set up an experimental advisory committee on influx control, to meet in regular consultation with government and municipal officials and to review the supply and availability of labour."[42] However the scheme was contingent upon its remaining secret. Once leaked to the press, Verwoerd withdrw his consent. Organised commerce and industry then remained barred from the administration of influx control, and any institutionalised consultation with influx control officers, until 1973 when, after much lobbying, they were granted representatives on Administration Boards.

All in all, during the 1950s, the political interventions by organised commerce and industry were mostly ineffectual in modifying the declared intentions of state policy regarding the curbs on the expansion of urban industry, its workforce and the black urban population generally. But then this lobby was mild, since the action taken in the name of these goals posed no major threats.

The more important and effective intervention in the struggle over intervention in the struggle over the size of the urban workforce and its conditions of employment, was made indirectly, by way of the em-

ployment practices followed routinely by secondary industry and commerce. It was here that pressure applied deflected the actual outcomes of state policy away from its original intentions.

This pressure must be understood in relation to the structural economic conditions under which commerce and industry operated during the 1950s.

> Even during the 1950s, the vast majority of industrial establishments in South Africa were very small concerns, employing only a few workers: in 1953-4, for instance, 65% of all industrial establishments employed fewer than nine workers, while 92% employed fewer than forty nine.[43]

Their priority was thus the cheapest possible labour, so as to enable them to enlarge the size of their workforce.[44]

Moreover, most industries remained highly labour-intensive, contrary to the goal of Apartheid ideologues, the 1950s saw little acceleration in industrial mechanisation.

> During the early 1950s, it was industries like food, beverages, papers and textiles which expanded (together with the more labour-intensive mineral processing group of industries), which in the late 1950s, when there was little growth, the trend to labour-intensity became even more marked.[45]

In commerce too, the large majority of blacks employed occupied unskilled positions which, according to ASSOCOM, "did not lend themselves to mechanisation at all", such as packing, unpacking and delivering goods.[46] In fact, packing for example, does lend itself to mechanisation. The more pertinent reason for the preponderance of unskilled black workers in commerce is that labour was sufficiently cheap and plentiful for there to have been little or no incentive to mechanise.

Under such economic conditions, many branches of secondary industry and commerce had few, if any, good reasons to prefer employing a "stabilised" urbanized worker over a migrant. It was often alleged (although not difinitively proven) that "Africans from other territories, from homelands and rural areas, were prepared to work for much lower wages and under more excacting conditions than local Africans".[47] Furthermore, migrant workers were less "choosy" when it came to accepting employment than Section 10(1)(a) and (b) qualifiers, especially heavy manual jobs. In 1954, the Manager of the Johannesburg municipality's Non-European Affairs Department complained that "the position has been reached where local Natives who comply with the (Urban Areas) Act will not accept unemployment unless it is to their liking".[48] His counterpart in Benoni noted, moreover, that "the industrialist ... has been inclined to draw his labour from the reserves because he has found it more amenable to discipline",[49] a trend which was reported to have continued throughout the decade.[50] Such employers clearly saw in migrant labour a more docile and abundant (less choosy) workforce, the advantages of which outstripped any of those attaching to "stabilised" urban workers.[51]

Thus, local authorities, government leaders and Chamber of Commerce reported the widespread preference amongst many employers for migrant, as opposed to settled urbanized workers.[52]

The effect of such industrial and commercial practise was to subvert the strict urban labour peference policy on which so much of the original Apartheid programme depended. Contrary to the calls by organised commerce and industry for a slow end to the migrant labour system, many sectors of commerce and industry acted in a way which enhanced their dependence on migrant labour. This is reflected statistically in the increasing rate of migrancy during the decade.[53] For example, according to official statistics, the number of migrants absent from rural areas on census day increased from 537 000 in 1946 to 887 000 in 1960, an increase of 65,2% (77,1% in the case of women, and 61,2% in the case of men).[54]

Why did the AHI, ASSOCOM and FCI, as representatives of the interests of commerce and industry in the country, continue throughout the decade to take a strong stand against the migrant labour system, at the same time as many sectors of commerce and industry acted routinely to perpetrate their dependence on migrant labour?

When organised commerce and industry spoke of the desirability of ending the migrant labour system and promoting a permanent urban workforce, they had in mind the lifting of legal restrictions on black influx to the towns, enabling the increasing rate of black migration and subsequent urbanisation. In other words, blacks migrating to the towns in search of employment were not treated as "temporary sojourners" there, whose periods of urban residence were legally restricted to their terms of employment.[55] For organised commerce and industry therefore, the phasing out of migrant labour was part of a very different scenario from that envisaged by the state. The state's plan to reduce urban dependency on migrant labour aimed at sealing off the urban areas to further black migration.

Organised commerce and industry's stand against migrant labour was therefore part of a broader political campaign to lift all forms of "direct and drastic interventions"[56] by the state in controlling the movements of blacks. As we have seen, this struggle was unsuccessful, and the apparatuses of influx control remained in tact. It was within this context, of the failure of organised commerce and industry to modify the declared goals and methods of state policy, that the optimal course of action for many sectors of commerce and industry was to intensify, rather than reduce, their dependence on migrant labour. This then proved the more effective counter to state policies affecting the supply of black labour in urban areas.

Apart from the widespread preference for migrant labour, another noticeable feature of industrial and commercial employment practice was the high proportion of employment contracts illegally entered and concluded - that is, without recourse to a labour bureau for the supply of workers or approval of the contract. Hindson notes that "the inability of the labour bureaux to provide employment services stemmed from the fact that they were generally avoided by both employers and workers as a means of obtaining labour and jobs ... From the evidence of industrial employers it appears that the majority of contracts of employment were sealed before the worker had approached the authorities

and not vice versa, as laid down in the law."[57]

Thus in 1961, a conference of Chief Bantu Affairs Commissioners and other state officials declared "the present labour bureau system ... a complete failure, though the principle is sound".[58]

> Die buro's het nie die samewerking van die nywerhede nie. Sonder die samewerking van die werkgewer kan geen buro reg funksioneer nie. Daar word gevind dat die werknemers van 'n werkgewer hom help om ander werknemers te vind.[59]

The labour bureaux therefore failed to gain control of the supply of labour to industry and commerce. They thus lacked the power to impose an urban labour preference policy against the preferences of many industrial and commercial employers.

All in all, therefore, the state failed "to encourage industry in the European cities to make use of available reservoirs of labour"[60] before resorting to migrant labour. Influx control policies also failed to contain, let alone eliminate, unemployment; "the aggregate level as well as the overall rate of unemployment rose during the 1950s."[61] The size of the black urban population also swelled, increasing from 2,391 million in 1951 to 3,471 milllion in 1960, a growth of 45,2%.

The failure of urban labour preference, exposed the contradictions within Apartheid policy, of which the growth of the black urban population and unemployment were symptoms. Theoretically, as long as urban labour needs were satisfied by urbanized workers first, and as long these needs equalled or exceeded the number of urbanized workseekers, unemployment would not arise within this urbanized workforce. The anomalous affect of Section 10(1) - of allowing the legal urban residence of unemployed blacks - would thus be suppressed. However, once the urban labour preference policy failed and the rate of migrancy and extent of urban unemployment grew, so the gap between the right to legal urban residence (in terms of Section 10(1)(a)(b)(c) and employment widened. Also, as the urban population expanded, swelled by migrants, so the number of prospective candidates for Section 10(1)(b) rights increased (i.e. ten or fifteen years after equally entering the prescribed area, as a Section 10(1)(d) qualifier).

At the end of the decade, the state therefore confronted the fact of an increasing rather than a dimishing rate of black migration to the towns,[62] and an increasing rather than a decreasing black urban population, of which an increasing number would in future be entitled to settled, "urbanized" status.

Added to this, during the 1950s, black opposition to Apartheid continued to mount. The ANC called a number of local and national boycotts, rallies and civil disobedience campaigns. By the end of the decade, state actors saw in the ANC the agent of a "reign of terror ... to bring to its knees any white government in South Africa".[63] The late 1950s also saw the resurgence of black trade unionism.

The Sharpeville killings brought this sense of siege to a head. Witnessing also the rapid and damaging exodus of foreign capital from the country, the state reacted by clamping down on all radical black opposition, banning the ANC and PAC and imprisoning their leaders.

Since black militancy was perceived to be concentrated in the urban areas, the imposition of strict and uniform controls over all black urban dwellers took priority over giving "certain definite classes, guarantees and stability".[64]

The Sharpeville crisis accelerated the abandonment of some of the original goals of Apartheid policy and the more strenuous commitment to others, a process which had begun by the beginning of the decade with the plan to transform the Reserves into self-governing entities in which all South African blacks would exercise their political rights.

II

The last part of the paper describes briefly the changes and continuities in goals of Apartheid policy during the '60s, and then examines its methods and outcomes, with reference to the role played by secondary industry and commerce.

During the '60s, the commitment to the goals of industrial decentralisation and mechanisation within urban industries, was renewed and intensified.[65] Threats of curbs on industrial expansion in metropolitan areas and on the size of the black urban workforce were more widespread and aggressive.[66] From 1961, the ideas of labour quotas for prescribed areas, and labour zoning, featured on the agenda of National Party congresses,[67] at meetings of state officials[68] and in public speeches by government leaders. Employers were urged and threatened to "get by with as little African labour as possible."[69]

Following the perceived failure of the labour bureaux during the '50s, government leaders announced that the commitment to influx and efflux control was to be stepped up. An article in 1963 by the Department of Bantu Administration and Development, for example, reiterated the fundamental goal of expelling all "unproductive" blacks from "white" South Africa, and acknowledged the need for more determined action in this regard.

> Dit is staatsbeleid dat die enigste Bantoes wat in blanke gebiede behoort te wees, slegs die is wat hul arbeid daar kan verkoop. Sodra hulle nie meer in staat is nie, of sodra daar geen aanvraag vir hul arbeid is nie, moet hulle na die Bantoegebiede teruggaan.
>
> Tot dusver kon die Departement wat belas is met die implementering van hierdie beleid om verskeie redes nie daadwerklike aandag aan die afdeling gee nie ... Daar is vandag letterlik honderde duisende Bantoes in en om ons stede en op ons platteland wat in die Bantoegebiede gevestig behoort te word.[70]

The initiation of homeland "self-government" early in the decade launched an ideological and political drive to strengthen blacks' ties with their ethnic "homeland". Ideologically, the emphasis of state discourse fell upon the uniformity of all blacks, urbanized or not, in having their true political and cultural "home" in the ethnically appropriate homeland. The ideology dismissed the notion of a South African black:

> The most important factor in determining nationality was not the place where they (blacks) were born, but their place of origin.[71]

Ideologically therefore, the state set out to deny the very distinction on which the rationale and appartuses of influx control during the previous decade, had been based - namely, the distinction between two groups of blacks: one "urbanized" and disconnected from the Reserves, and the other migrant and therefore bonded to the Reserves. State actors declared that they "could not accept that any Bantu in South Africa had completely divorced his association with the homelands."[72] Tribal distinctions were therefore to be stressed by local authorities in their dealings with urbanized blacks, on instruction from the central government.[73] From now on (until the late '70s),

> the homeland attachment of Bantu working in white areas is one of the principle aspects of the policy and is an important factor in urban black administration.[74]

These ideological shifts accompanied and legitimated the intention to eradicate the differential status of Section 10(1)(a), (b) and (c) qualifiers. Du Randt, Director of Bantu Labour, told a FCI meeting that his "Department looked upon the whole Bantu labour force as migrant labour"[75] and proposed to amend the legal status of "so-called urbanised labour so that they also could be put on a migratory basis".

Section 10(1) itself was now declared an ideological and political anomaly. The Van Rensburg Committee report (1967) for example, concluded that

> artikel 10 van Wet No. 25 van 1945 verydelend inwerk op die hele beleid van afsonderlike ontwikkeling en tot 'n hele reeks wanpraktyke aanleiding gee.[76]

The principle underlying Section 10(1)(c) was attached on the grounds that "black children who are born in cities (should) no longer have an automatic right of residence there."[77] Furthermore, no black person should be exempt from the prospect of removal, if deemed "superfluous" to the labour requirements of the area.

In short, all the "guarantees, security and stability" which Apartheid policy had previously set out to confer upon "urbanized Natives", were now targetted for attack. Apartheid policy was now aimed at levelling the status and entitlement of all blacks, reducing all to "temporary sojourners" in "white" South Africa.

To what extent were these revised intentions realised in practice? The question takes us into a discussion of the role played by secondary industry and commerce in determining the direction and outcome of state policy.

While the '60s saw a marked drop in the level of militant black opposition, struggles between secondary industry, commerce and the state intensified, as state-imposed restrictions on the labour market multiplied in the face of an industrial boom. Our discussion of the

powers exerted by secondary industry and commerce is again confined to policies affecting the size of the black urban workforce and black urban population as a whole. Also, again the effects of both the direct political interventions by organised commerce and industry, and the indirect pressures exerted by entrepreneurial practice, will be assessed.

By the early 1960s, many government Ministers and state administrators[78] were convinced of the necessity to limit the labour made available to urban employers according to labour quotas and to within labour zones determined by the state. This would force employers to draw their labour from local supplies first, and within the limits calculated by state officials to be politically expedient.[79]

The first attempt at implementing these proposals was made in the 1961 Bantu in European Areas Bill, which was dropped completely before being published. But the 1963 Bantu Laws Amendment Bill repeated the provision devising draconian Ministerial powers over the allocation of labour to industry and commerce. The aim of the Bill was to

> empower the Minister to make determinations stipulating the maximum number of Africans who may be employed in any area, township or class of employment, the proportion which African labour must have to any other form of labour, and determinations prohibiting employment of Africans, or further Africans, in any area, township or class of employment.[80]

At a meeting of ASSOCOM, FCI, SEIFSA, and other employer organisations, convened in March 1963 to discuss the Bill, strong objection was taken to the principle that the "authorities (can) determine what the labour requirements of a region are, and remove the Bantu who are surplus to those requirements."[81] But, having already encountered Verwoerd's wrath in 1960s when opposing government policy on grounds of principle,[82] the memorandum submitted to government attacked the Bill on the grounds of its impracticality rather than its principle. It noted that "the Bill is silent as to the procedural methods which will be adopted," and that no provision was made for consultation with employers, which should be "an essential prerequisite before such a limitation is prescribed."[83] In addition, these prescriptions presupposed "accurate statistical information", which was lacking, and the "fuller co-operation of organised industry and commerce", which the memorandum threatened to withold.[84] The 1964 version of the Bill then dropped all mention of labour quotas.

The ASSOCOM/FCI/SEIFSA memorandum was correct in arguing that the procedure and standards whereby the Minister's sweeping powers were to be applied, had not been thought out. The absence of any practical programme on this score perhaps contributed to the state's failure during the first part of the decade to give effect to its newly strengthened commitment to curtailing industry's labour supply.

In the latter half of the decade, economic conditions primarily prompted state officials to raise the issue again, this time successfully. Between 1963 and 1968, the physical volume of manufacturing rose by 8,4% per annum (compared to 5,4% per annum between 1958 and

1963). The number of workers employed in the manufacturing sector increased by 63% between 1960 and 1970.[85] It was against the backdrop of this escalating demand for industrial and commercial labour, produced by the soaring growth of these sectors, that the state introduced the 1967 Physical Planning and Utilisation of Resources Bill. The bill stipulated that Ministerial approval was required for the enlargement of any factory or extension of its workforce.[86]

ASSOCOM and FCI's lobby to get the bill withdrawn was ineffectual. Ironically, the political powers of organised commerce and industry in deterring state action to curb industrial development, diminished as the economic strength of commerce and industry increased, during the boom. By now, according to the Minister of Planning, "the Cabinet had decided that the principle of this Bill would be enacted."[87] Likewise, attempts to gain representation for commerce and industry on the authority implementing the Bill, failed. Instead, the Minister of Planning retained "absolute discretion to grant or withold approval ... if he grants his approval he may impose such conditions as he may deem fit."[88] The only concession wrung from the state was its agreement to limit the scope of the Bill to extensions to the black workforce.

This time, the Ministerial powers conferred were not in excess of those intended to be used.

> Between January 1968 and January 1972 the government refused permission to employers to hire another 52 218 African workers in the industrial conurbations; and ... the Minsiter of Labour proudly told white voters that by 1969 the Government had used other powers to reject applications to have new industrial zones proclaimed, and imposed restrictions upon the use of existing industrial sites which resulted in preventing another 220 000 African workers being employed.[89]

The clothing industry on the Rand, being labour-intensive, was particularly badly hit.

> In the Transvaal the industry only grew 2%, compared to the growth of 98,4% in the Western Cape and 112,5% in Durban, from 1968-72.[90]

Most clothing firms in the Transvaal were caught in a catch-22 situation. They were too small to afford to decentralise, but were simultaneously denied the labour necessary to expand to the point of being able to bear the costs of decentralisation.[91] Ironically, in these cases, the application of the Physical Planning Act in fact contradicted the state's decentralisation policy aimed at encouraging labour-intensive industries in particular to decentralise.

Persistent lobbying from ASSOCOM and FCI (supported by the Prime Minister's Economic Advisory Council) failed either to dislodge the law or ease its application. The rate of refusals to applications for an extended workforce, rose from 8,6% to between 19/1/68 and 31/3/73, to 9,7% between 19/1/68 and 31/1/76.[92]

During the 1960s, the state's influx and efflux control policies were also tightened and extended. By 1958, some Chambers of Industry

were complaining that "the Native labour bureau system has become unwieldly and cumbersome".[93] But the powers of labour bureau officials were extended and the system of labour bureaux expanded, employers' opposition notwithstanding. In particular, the Regulations for Labour Bureaux at Bantu Authorities, 1968, established a hierarchical structure of regional, territorial, district and tribal labour bureaux[94] so as to control the allocation of black migrant labour before these workers left the rural area.

Organised commerce and industry were far more successful in constraining many of the state's efforts to undermine the differential status and entitlements associated with Section 10(1)(a), (b) and (c) of the urban Areas Act.

In October 1960, the Department of Bantu Affairs and Development attacked head-on the right to urban residence afforded to Section 10(a) (b) and (c) qualifiers irrespective of whether or not they remain in employment. The Bantu in European Areas Bill prescribed, inter alia, that the removal of "redundant" black persons from a prescribed area be governed by Ministerial decree alone. Section 10(a9(a)(b)(c) could thus not confer any immunity against removal. (Recall that eight years earlier, Verwoerd had described the protection against removal as one of the motivations of Section 10(1)).

The Bill was never published. But its recommendations resurfaced in the 1963 Bantu Laws Amendment Bill. Organised commerce and industry opposed the measure as a threat to the existence of a labour surplus (even if on a cyclical basis):

> The proposals would permit the removal from urban area of a Bantu worker falling under Section 10(1) in circumstances where he became unemployed perhaps through cyclical business fluctuations. Such removals would be an economic loss to industry and commerce.[95]

The clause was then dropped from the 1964 version of the Bill.

Following the recommendations of the Interdepartmental Committee on Control Measures (Van Rensburg Committee) in 1967, to abolish Section 10(1) and its associated securities, the matter was again the subject of draft legislation in 1968. The unpublished draft of the Bantu Laws Amendment Bill (1968), which was circulated to organised commerce and industry for comment, was intended to "remove the remaining residential rights of Bantu in White areas under Section 10(1) of the Urban Areas Act, and to make residential rights of Bantu in White areas dependent on whether the authorities consider that their labour is necessary in such an area or not."[96]

The support of organised commerce and industry was clearly considered crucial to the fate of the Bill.

> The Transvaal Chamber of Industries has, confidentially, been advised that it would probably secure the integration of the Witwatersrand or at least portions of the witwatersrand as a (single) Bantu Labour area if it would support the removal of the so-called Section 10(1) residential rights of Bantu.[97]

The integration of the Witwatersrand as a single labour area had long been a preference of commerce and industry, and a regular request by its representative organisations.[98] Yet even the hint of success on this score did not override opposition to the removal of Section 10(1), a stand reiterated again when the 1968 unpublished draft of the Bantu Administration Boards Bill proposed a freeze on the acquisition of Section 10(1)(a), (b) and (c) rights.

There were at least three reasons for this vigorous defence of Section 10(1). Firstly, employers feared that

> it was a very contentious topic ... which could be inflammable from an industrial point of view ... employers and others had been very successful in dampening down upsets in the Bantu labour force ... and on these grounds ... (FCI) wished to make an appeal (to the State) not to introduce topics such as this.[99]

Secondly, Section 10(1)(a)(b) qualifiers were seen as the core of a "stable" workforce. Continuous and settled urban residence reduced labour turnover and boosted labour productivity. It offered the better prospect of a longer term of employment, which was particularly desirable in the case of semi-skilled workers whose labour was more valuable for having already absorbed the costs of industrial training, and for being in short supply.[100]

Thirdly, the residential security which Section 10(1)(a) and (b) conferred on blacks in urban areas was tantamount to a guarantee for commerce and industry of labour available in urban areas without interference from the state. The natural increase of this settled population, in turn eligible for 10(1)(c) rights, therefore also guaranteed a growing urban labour supply - protection in itself against renewed threats from government leaders to curtail this supply.

Organised commerce and industry were not solely responsible for subverting the attempts to eradicate Section 10(1)(a)(b) and (c) rights. The threat of black resistance to such moves is likely to have been an important deterrent. But ASSOCOM, FCI and other Chambers were clearly persistent and vigorous opponents of such moves. Moreover, records of meetings betwen representatives of FCI, ASSOCOM and the Department of Bantu Adminstration and Development suggest that the views of commerce and industry were considered crucial to the fate of any draft Bills on the matter. Also, these draft Bills were not published. Outside of nationalist circles they were circulated only to organised commerce and industry and municipalities for comment. The fact that the final versions of the Bills gazetted took heed of many of the objections raised by the employer organisations therefore suggests that they exercised an important power in determining the manner of legislation enacted by the State in respect of the status of Section 10(1).

Successful in their efforts to protect Section 10(1) itself, organised commerce and industry were nevertheless either ineffectual or uninvolved in opposing other measures which eroded some of the "guarantees, security and stability" originally associated with Section 10(1)(a), (b) and (c). Each of these measures was designed to help close

the loopholes which these qualifications represented in the overall design of Apartheid policy - namely, the possibility of black urban residence independent of ongoing employment on the one hand and the prospect of growing rather than a falling population of permanent urban dwellers, on the other. Thus, each of the guarantees which "unproductive" Section 10(1)(a), (b) and (c) qualifiers had had against removal were systematically undermined. For example, the 1964 Bantu Laws Amendment Act extended the scope of Section 19 of the Urban Areas Act (in terms of which "idle and undesirable" persons could be "endorsed out" of the prescribed area) to include Section 10(1), (b) and (c) qualifiers. Also, the rights of wives and dependent children to join a man with 10(1)(a) or (b) qualifications were severely restricted, being made conditional on the woman having gained legal entry to the prescribed area in her own right. The 1968 Bantu Labour Regulations (Bantu Areas) limited the length of any employment contract involving a migrant worker (Section 10(1)(d) qualifier) to one year, after which the worker had to return to the homeland. This enforced break in employment was thus designed to prevent further acquisition of Section 10(1)(b) qualifications (allotted on the basis of continuous employment in the prescribed area). In 1970, the Black Homeland Citizenship Act denied Section 10(1)(a), (b) or (c) qualifications to the children born of homeland citizens (whose citizenship of their ethnic homeland later became automatic once the homeland gained "independence"). On the administrative front, professionals, businessmen, the aged, infirm - that is, all those who did not satisfy the labour requirements of white employers - were targetted for removal.[101] The 1968 Township Regulations empowered township superintendents to revoke the residence permits of any permit holder who, for example, remained unemployed for more than 30 days, or was deemed unfit for residence - the area by the superintendent. The minutes of Advisory Board meetings in Johannesburg record the widespread practice of witholding Section 10(1)(c) rights from schoolchildren once they left the prescribed area to attend schools. (No secondary schools were permitted within the area).[102]

Nevertheless, the fact that Section 10(1) remained on the statute book introduced a new contraction into state policy. We have now seen that throughout the '60s, the state introduced measures to overturn the original intention of Section 10(1), of differentiating blacks in prescribed areas into two categories and providing "certain guarantees, security and stability" for those classified as "urbanized". The intention of Apartheid policy was now the administrative and legislative levelling of the black urban population, treating it as "temporary" and "migrant" in its entirety. At the same time, the state also took action to intensify the administration of influx control. The scope and powers of the labour bureaux were extended so as to add administrative muscle to the practice of urban labour preference. As long as the moves to eradicate Section 10(1) were unsuccessful, Section 10(1) remained the instrument of urban labour preference - that is, workseekers qualifying under Section 10(1)(a)(b) or (c) would have preferential access to jobs available in the prescribed area. Thus, as Doug Hindson points out,

> ironically, labour bureau controls helped entrench the permanent African population by discriminating in favour

> of local workers and against outside workers in the allocation of employment. This helped ensure that local workers obtained employment with relatively better working conditions and higher wages.[103]

In this sense, the persistence of Section 10 became self-perpetuating. It was the instrument of the preferential treatment towards those whose permanent urban residence was thereby entrenched. While trying to eradicate this administrative differentiation in the black population, state policy was in fact reinforcing it.

The intention to obliterate the administrative-legal differentiation between urbanized and migrant blacks was coupled with moves to inhibit socio-economic differentials between the two. For example, in 1963, Black traders in prescribed areas were denied the right to more than one trading licence. Government leaders argued that if opportunities for acquiring wealth in prescribed areas (over and above by meeting white employers' labour requirements) were limited, then the economic incentive to migrate to prescribed areas would lessen and the incentive to leave prescribed areas for the homelands would increase. Also, in 1967, the thirty-year leasehold (which, up until then, had defined the terms of black home "ownership") was revoked. Whereas in the previous decade home ownership was encouraged, as a symbol of stabilisation and security, it was now attacked on exactly these grounds, as a vehicle of unwanted black urban permanence. Letters of exemption (exempting the holder from the pass laws and liquor laws applicable to blacks) were attacked for the same sort of reasons. During previous decades, these exemptions had been conferred on educated and otherwise "stable" black residents of prescribed areas, according to Ministerial discretion. By the late 1960s however, no more exemptions were issued. Also, influx control officers ignored existing letters of exemption, despite pleas from their black beneficiaries on Advisory Boards that the state could "win the respect of the educated class" if only "educated bantus (were) ... considered in the rank of their station in life (sic)".[104]

The retention of Section 10(1) had important implications for the power exerted indirectly by industrial and commercial employers. As in the ealier decade the impact of industrial and commercial practice was largely a function of the structural economic environment.

> The smashing of the black working class in the early '60s paved the way politically for the most spectacular economic boom in South Africa's post-war history. ... Between 1963 and 1968 the GDP at current prices increased by an annual average rate of 9,3% (compared with 5,2% over the preceding years).

In the manufacturing sector, the workforce grew by 63% between 1960 and 1970. An increase in labour productivity is reflected in the fact that between 1958 and 1968 the physical volume of output rose by 6,9% per annum, compared with a 4,7% per annum growth in employment.[105] Moreover, the rate of increase in labour productivity itself rose, from the period 1958-63 to 1963-8, which indicates the growing degree of capital intensity during the latter period.

The tendency towards capital-intensity did not develop evenly across the board. Some industries, such as clothing, remained labour-intensive. Nevertheless, the overall effect of the boom was to heighten the demand for black skilled and semi-skilled labour within secondary industry. The growing pace of mechanisation increased the numerical demand for semi-skilled labour, while the expansion of industry as a whole opened up many more skilled jobs, to the point where the annual demand for white labour in industry outstripped the annual rate of increase in the white labour force.[106] Secondary industry thus turned increasingly to the black population as a source of both semi-skilled and skilled labour.

From the early 1950s, the state had indicated the elasticity of its policy in respect of Job Reservations. Given the ideological mileage made by maintaining the public appearance of rigidity and consistency on the matter, government leaders never agreed to revoke the policy in its entirety. In practice however, they accepted and encouraged the growing utilisation of blacks in semi-skilled positions (provided white workers' interests were not thereby undercut). (See page 7).

It was during the '60s in particular that these openings were exploited by industry and commerce. The reclassification of skilled jobs as semi-skilled, and induction of blacks into the latter category, grew increasingly commonplace. Also, proportion of blacks in unskilled positions declined.

The increasing reliance on black semi-skilled and skilled labour should not be over-emphasised, however. The demand for unskilled labour, while on a sharp decline, was nevertheless significant. In the Johannesburg prescirbed area, for example, during 1966-7, municipal figures show the following breakdown of the black male workforce: 8,23% were employed in skilled positions, 24,93% semi-skilled and 66,84% unskilled.[107]

Thus, the point is not that the need for black unskilled labour ceased to be important. It is rather that a proportionately greater number of semi-skilled jobs became available. For this in turn boosted the proportion of jobs for which employers would have had to prefer employing Section 10(1)(a) and (b) qualifiers over migrants. The reduced labour turnover and higher labour productivity associated with "stabilised" black workers offered employers a better return on their investment in training blacks in semi-skilled or skilled positions. Presumably therefore, a higher proportion of Section 10(1)(a) and (b) qualifiers would have been employed in such positions, and in preference to migrant workseekers. This entailed, in turn, that a greater proportion of the settled urban population would have had access to better working conditions and higher wages, while correlatively, most of the new migrants to the towns would have filled unskilled positions, affording poorer working conditions and lower wages. The result of such employment practices was therefore the growing socio-economic differentiation of the industrial and commercial workforce. And this in turn fitted in with and reinforced the deepening differentiation in respect of residential security and permanence which was produced contradictorily by the continued application of Section 10(1) as the vehicle of an urban labour preference policy. Moreover, these socio-economic and administrative differentials were widening at exactly the

time that the state's policy of levelling the socio-economic and administrative/legal status of all black urban residents, was intensifying.

During the 1960s therefore, secondary industry and commerce undermined state policies geared towards levelling the black population, in two ways. Firstly, organised commerce and industry played an important role in defeating moves to eradicate Section 10(1)(a), (b) and (c) qualifications. Secondly, industrial and commercial employment practices (combined with the involuntary effects of the labour bureaux's urban labour preference policy) helped to entrench the security stability, and prospects of improved socio-economic status, of those urbanized blacks who retained their Section 10(1)(a), (b) and (c) qualifications through the decade. For by now, the industrial boom had heightened the economic advantages associated with the permanence and stability of this settled population.

This discussion of the making and implementation of state policy during the 1950s and 1960s thus leads to the following conclusions:

1.) Contrary to the picture which emerges in much of the literature, Apartheid policy during the 1950s and 1960s moved through two distinct phases. The state's "expressed policy of building (the) economy on contract labour",[108] which Frederick Johnstone attributes to the state from the early 1950s onwards, was in fact the mark of the second phase only. During the first phase, the "expressed policy" of the state (as distinct from its unintended outcomes) was to initiate ways of reducing the economic dependence on contract labour. Contrary to the "cheap labour power thesis" (as Hindson has argued), this in turn led to the instruction of influx control policies and legislation expressly designed to differentiate the black workforce and population into two distinct groupings: one "urbanized" and afforded greater "guarantees, security and stability" to protect that status; and the other, "temporary vistors" to the prescribed areas whose residence there remained contingent upon employment. It was only in the 1960s that the state's expressed policy was promised upon the levelling of the black population.

2.) In each of these phases, moreover, many of the outcomes of Apartheid policy did not coincide with its expressed intentions. During the 1950s, the urban labour preference policy failed and the economic dependence on migrant labour increased, rather than decreased. Then, during the 1960s, strategies to eradicate altogether the differential political and administrative status of Section 10(1)(a), (b) and (c) qualifiers also failed (although state practice succeeded in diminishing the "guarantees, security and stability" associated with these qualifications during the 1960s).

3.) Each of these phases of Apartheid policy was internally contradictory, in the following ways at least. During the 1950s, the short term goal of this policy was the reduction of rate of black migration to the cities and stabilisation of the existing black urban population. Its long-term intention was progressively to reduce its size as much as possible and dismantle its permanence. However, the policies introduced to give effect to the short-term intention negated the long-term prospect. The legislation promulgated to stabilise the

urban population implied that the size of this settled black population would grow, rather than diminish, as each successive generation became entitled to the same status and rights. Furthermore, the stability of this population was defined in a way which contradicted the fundamental Nationalist conviction that the presence of blacks in so-called "white" areas was justified by their employment alone. The failure of the drive to eradicate Section 10(1) during the second phase of Apartheid carried these contradictions over into this second phase. Moreover, the drive to undermine the stability of the urbanized black population, so as to eliminate this barrier to the realisation of the long-term goal, was itself locked in a contradiction. As long as Section 10(1) remained on the statute book, the state's urban labour preference policy (designed to help reduce the rate of migration to the towns) simply entrenched the differential and permanent status of this urban population.

4.) The making and application of Apartheid during both these phases, was the subject of struggle, not simply from black political movements and trade unions, but also from within the capitalist sector. Secondary industry and commerce, for example, were active participants in determining the nature of state policy, on the one hand, and the extent to which the complementation of this policy adhered to its original intentions, on the other. When state policy intended to reduce economic dependence on migrant labour, secondary industry and commerce acted in ways which perpetuated it. Then, when state policy intended to undermine the differential status of Section 10(1)(a), (b) and (c) qualifiers, secondary industry and commerce acted to protect and perpetuate these differentials.

Thus employers in industry and commerce were not simply passive beneficiaries of a system which guaranteed that their "legitimate labour requirements" were met. The definition of what constituted "legitimate labour requirements" was itself the focus of conflict between industry, commerce and the State. Furthermore, the definition which state policies operationalised did not uniformly or automatically benefit the interests of industrial and commercial employers. For example, the drive to impose quotas on the employment of blacks in industries in metropolitan areas, which culminated in the Physical Planning Act, dealt a severe blow to labour-intensive industries, such as the clothing industry on the Rand.

5.) Finally therefore, while Apartheid did prove overall to be functional for capitalist development, it is a mistake to conceive of this partnership in functionalist terms. For, state policies during this period did not consistently promote capitalist interests. Nor were political interests always subordinate to economic ones, in the manner presupposed by a functionalist explanation of the relationship between Apartheid and capitalism. While it is true that Apartheid promoted capitalist development, this does not entail that "there is a marked absence of conflict between capitalist development and Apartheid".[109]

NOTES

1. Letter from the Secretary of Bantu Administration and Development to the ASSOCOM President, 27/4/1963.

2. A notable exception to this tendency is Doug Hindon's doctoral thesis, The Pass System and the Formation of an Urban African Proleteriat in South Africa: A Critique of the Cheap Labour-Power Thesis", February 1983.

3. S. Greenberg: Race and State in Capitlaist Development (Johannesburg: Ravan Press, 1980) p. 178.

4. This is not to presume that the role played by secondary industry exhaustively explains the historical shaping of Apartheid. While the analyses focuses little attention on black populist and working class struggles against the state, their importance in determining both changes and continuities in state policy is acknowledged and in no way precluded. Likewise, the impact of other sections of the bourgeoisie is omitted from the discussion but remains compatible with the analysis and its conclusions.

5. The discussion concentrates on state policies to control the size, composition and distribution of the black workforce and black urban population in general. Struggles over housing, African trade unionism and job reservation policies, for example, do have a bearing on these issues, but have been excluded for reasons of space.

6. Of course, the Nationalist's blueprint was not altogether novel. But the continuities between Apartheid and its Segregationist predecessor, are beyond the scope of this paper.

7. Unpublished ASSOCOM transcript of the meeting between Verwoerd and representatives of ASSOCOM and FCI in Cape Town on 11 May 1951.

8. Senate Debates, Column 243, September 1948.

9. H.F. Verwoerd: Opening Address, 1956 Annual Congress of the Administrator of Non-European Affairs (IANA) pp. 15-16.

10. ASSOCOM: Supplementary Memorandum for Submission to the Planning Commission for the Socio-Economic Development of the Native Areas within the Union of South Africa. 28/3/52. (Unpublished) p. 3.

11. The Minister of labour emphasised that "the whole crux of the policy of the government is that we do not want to create a permanent stratum of European unskilled labour and then allow Native labour to advance beyond the Europeans". (1/5/51) Quoted in ASSOCOM: "Notes on Official Statements of Policy", (unpublished) p. 3.

12. ASSOCOM: Notes on that Section of an Interview with the Minister of Labour, on 22 November 1950, Concerned with the Submission of Congress Resolution No. 1. (Unpublished).

13. Letter from The Federated Hotel Associations of Southern Africa to ASSOCOM, 4/8/54, entitled "Deputation to Minister of Native Affairs.

14. Unpublished ASSOCOM transcript of the meeting between Verwoerd and representatives of ASSOCOM and FCI in Cape Town on 11 May 1951.

15. House of Assembly Debates, Column 1310, 18/2/52.

16. House of Assembly Debates: ibid.

17. House of Assembly Debates: ibid.

18. Unpublished ASSOCOM transcript of the meeting between Verwoerd and representatives of ASSOCOM and FCI in Cape Town on 11 May 1951.

19. M.C. Botha: Opening Address, 1962 Annual Congress of IANA, p. 89.

20. House of Assembly Debates: Column 1310, 18/2/52.

21. Eiselen: Plans to Rationalise South Africa's Native Labour, Fact Paper no. XIII 26/9/50; p. 10.

22. Eiselen: ibid. p. 7.

23. Eiselen: ibid. p. 10.

24. Eiselen: ibid. p. 10.

25. Eiselen: ibid. p. 10.

26. D. Innes: Anglo American and the Rise of Modern South Africa (Johannesburg: Ravan Press, 1984) p. 169, 171.

27. See for example, the Joint Memorandum on Proposals to Ease Race Tension, signed by AHI, FCI, ASSOCOM, SEIFSA, Transvaal and Orange Free State Chamber of Mines, 1960. Printed in "Commercial Opinion" July 1960 pp. 6-8.

28. See for example, "Commercial Opinion" April 1952 p. 457, 465.

29. Volume 87 of the evidence to the Tomlinson Commission, paragraphs 8006 and 8007, 13/12/53.

30. Volume 87 of the evidence to Tomlinson Commission paragraph 8010. See also "Commercial Opinion" February 1949 p. 337.

31. "Commercial Opinion" April 1952 p. 455.

32. "Commercial Opinion" April 1952 p. 465.

33. "Commercial Opinion" February 1958 p. 29.

34. House of Assembly Debates, Column 1314, 13/2/52.

35. The Friend 9/6/55.

36. The Friend 9/6/55.

37. Letter from the office of the Town Clerk, Johannesburg to ASSOCOM, entitled "Accommodation of Native's Employed in newly Established Townships", 5 January 1955.

38. The Star 24/11/55.

39. "Commercial Opinion", July 1957, p. 27.

40. D. Innes: op. cit. p. 173.

41. Rand Daily Mail 24/6/60.

42. Letter from ASSOCOM President to Secretaries of the Witwatersrand Chamber of Commerce, 18/3/58.

43. D. Innes: op. cit. p. 169.

44. D. Innes: op. cit. p. 169.

45. D. Innes: op. cit. p. 170.

46. ASSOCOM: Supplementary Memoradum for submission to the Planning Commission on the Socio-Economic Development of the Native Areas within the Union of South Africa. 28/3/52, p. 3 (unpublished).

47. The Star 25/10/65 "Botha hits at Influx of Africans".

48. The Star 29/4/54.

49. 1953 IANA Annual Congress p. 39.

50. Eastern Province Herald 26/3/58. "Industry told to rely less on Natives.

51. Municipalities' employment practices also subverted on urban labour preference policy. They paid notoriously low wages, and required large numbers of unskilled blacks for heavy manual jobs. On both counts, urbanized workers tended to refuse their offers of employment, if they had the choice. (The Star 29/4/54).

52. See for example, IANA Annual Congress 1953 p. 39; IANA Annual Congress 1956; p. 15; letter from Durban Chamber of Commerce to ASSOCOM 28/2/61.

53. J. Nattrass: The South African Economy (Cape Town: OUP, 1981) p. 41. I have not found statistical information in the exact ratios of Section 10(1)(a) and (b) qualifiers to 10(1) (d)'s. It is clear however, that these ratios vary considerably betweeen different prescribed areas. According to statistics cited by the Steenhuizen Report, 1970 ("Verslag in verband met die Produktiviteit van Bantoes Woonagtig in Stedelike Bantoewoongebiede"), black male contact labour as a proportion of the male workforce varied from 18% in Johannesburg to 62% in Germistion and 87% in Randburg. (Of course these figures exclude the illegal employment of contract labour) (cited in R. Humphreys: "Origins and Subsequent Development of Administration Boards", MA thesis, Rhodes University, January 1983, p. 155).

54. J. Nattrass: ibid. p. 41. The census statistics are notoriously unreliable, but even allowing for inaccuracies, the trend is clear enough.

55. Thus ASSOCOM, for example, "strongly opposed "... artificial steps to prohibit the migration of Natives to the European areas of the country". ("Commercial Opinion", April 1952 p. 457.).

56. "Commercial Opinion" April 1952 p. 455.

57. D. Hindson: op. cit. p. 193 and 194.

58. Konferensie van Hoof Bantoesakekommissarisse te Pretoria, 16 tot 18 November 1961. (unpublished proceedings - the conference was closed) p. 9.

59. Ibid. p. 10.

60. "Commercial Opinion" September 1951 p. 179.

61. D. Hindson op. cit. p. 204.

62. However, a decreasing proportion of the Black population was resident in the urban areas. In other words the rate of increase of migration to the urban areas was less than the rate of increase of the homeland population.

63. Mininster of Justice, cited in D. Innes: op. cit. p. 173.

64. House of Assembly Debates, Column 1310, 13/2/52.

65. See for example, The Star 25/10/65 "Botha hits at Influx of Africans".

66. See for example, The Star 18/5/66. "Industries are anxious over Botha's Speech"; Sunday Times 3/12/67 "How do you stop?"; Rand Daily Mail 30/11/67.

67. The Star 18/11/61.

68. For example IANA Annual Congress 1964; Conference of Chief Bantu Affairs Commissioners 1961.

69. Daily Dispatch 22/3/68 "Cut down on African Labour, Coetzee pleads".

70. Published in Dagbreek 30/6/63.

71. Daily Dispatch 21/3/68 "Bantustan Policy: Botha in Dramatic Switch".

72. Du Randt, Diretor of Labour , quoted in Minutes of the Meeting of the Non-European Affairs Committee, Natal Chamber of Industries, 24/1/68 (unpublished) p. 11.

73. Rand Daily Mail 15/9/61.

74. P. Koornhof's Opening Address at IANA Annual Congress 1969 p. 10.

75. Minutes of the Meeting of the Non-European Affairs Committee, Natal Chamber of Industries 24/1/68 (unpublished) p. 18.

76. Verslag van die Interdepartmentele Kommittee Insake Beheermaat-reëls (Voorsitter: Van Rensburg) (unpublished), 1967, paragraph 342.

77. Dagbreek 22/1/61 "Geen Verblyfreg Deur Geboorte".

78. There is evidence of some degree of law-profile intra-state conflicts over such issues.

79. Konferensie van Hoof Bantoesakekommissarisse te Pretoria, 16 tot 18 November 1961 (unpublished proceedings) pp. 9-10.

80. A Survey of Race Relations in South Africa, 1964, SAIRR p. 185.

81. Internal ASSOCOM letter, entitled "Bantu Laws Amendment Bill", 1/3/63.

82. Following the publication Joint Memorandum of "Proposals to Ease Race Tension", relations between ASSOCOM and Verwoerd were reported to have become extremely strained.

83. Memorandum on the Bantu Laws Amendment Bill, submitted to the government jointly by ASSOCOM, FCI, Federation of Master Builders

of South Africa, SEIFSA, South African Motor Industry Employers' Association 1963, p. 2.

84. Ibid. p. 2.

85. D. Innes: op. cit. p. 188.

86. Following the publication of the Joint Memorandum in 1960, and Verwoerd's hostile reaction, the AHI then seemed to change its strategy. It refrained from making public statements critical of government policy or taking an openly collaborative stand with ASSOCOM or FCI. The extent to which AHI lobbied against these bills has therefore been difficult to determine.

87. "Commercial Opinion" June 1967 p. 6.

88. Ibid. p. 6.

89. K. Gottschalk: Industrial Decentralization, Jobs and Wages. SALB, Vol. 3 no. 5, p. 51.

90. Interview with J. Thomas, Secretary of Industrial Council for Transvaal Clothing Industry SALB Vol. 3 no. 5. p. 64.

91. Ibid. p. 63.

92. Derived from SAIRR's Annual Survey of Race Relations in South Africa for the years 1968-1976.

93. Cited in D. Hindson: op. cit. p. 208.

94. This idea was first mooted in the 1961 Bantu In European Areas Bill.

95. Memorandum on the Bantu Laws Amendment Bill submitted by ASSOCOM, FCI et al, 11/3/63 p. 3.

96. FCI: Notes on Draft Bantu Laws Amendment Bill (unpublished) 16/1/68.

97. Ibid. p. 1.

98. See for example, the Joi, Memorandum on "Proposals to Ease Race Tension".

99. Minutes of Meeting of the Non-European Affairs Committee, Natal Chamber of Industries 24/1/68 (unpublished) p. 16.

100. See for example, "Commercial Opinion" April 1952 p. 457.

101. See for example, Koornhof's opening address at the 1969 IANA Annual Congress, pp. 8-9.

102. Reports of public meetings of Native Industry Board members, collected by Bantu police officials of the Johanesburg Non-European Affairs Department: the meeting in Mofola Village, 29/5/66.

103. D. Hindson: op. cit. p. 245.

104. Letter from A.W.G. Champion (Chairman of Ninginzimu Advisory Board) to Bourquin (Manager of Non-European Affairs Department, Durban Municipality), 9 April 1965.

105. D. Innes: op. cit. p. 188-9.

106. According to ASSOCOM, "the white labour force is estimated to increase at an annual rate of between 2,2% (with 20 000 immigrants) and 2,4% (with 30 000 immigrants), whilst the demand for white labour in industry is calculated to increase annually by between 3,7% (at a 5% p.a. growth) and 5,0% (at a 6% p.a. growth)". (Representations Regarding Notice R1260 of 7 August 1970 - "Employment of Bantu in Certain classes of work" 26/11/70.

107. City of Johannesburg, NEAD: Bantu Male Employment and Starting Cash Wage Trends: 1964/July 1965 to July 1966/ June 1967. (unpublished). Figures were not available for the Johannesburg workforce for the previous decade. Those for cape Town, during 1949-1954 were used instead, to illustrate the tendency towards an increasing proportion of black semi-skilled workers. According to these figures, 2% of the black male workforce in Cape Town (1949-54) was skilled, 8% semi-skilled, 90% unskilled. Again, although the comparison is not directly valid, the figures for Johannesburg can be compared to the national breakdown of the black workforce in 1948: 4,2% skilled, 12,3% semi-skilled, 83,5% unskilled. (cited in The Logic of Economic Interation, SAIRR (unpublished paper) 1952 p. 2).

108 F. Johnstone: White Supremacy and White Prosperity in South Africa Today. African Affairs p. 128.

109. F. Jonstone: ibid. p. 130.