



Diamond mining in the 1870s

From diamonds to apartheid

South Africa started on the road to its present system in 1867, when diamonds were discovered at what is now Kimberley.

Up to then the area had been unimportant in the world economy. Britain held the Cape area and Natal (on the eastern coast) for strategic reasons — the Cape commanded the route to India and Australia.

These colonies were populated by Dutch settlers — Afrikaners, they called themselves — who had established themselves there between 1652 and British conquest in 1806; 'Coloureds', mixed-race people and Indonesians who had been made slaves by the Dutch; and, from 1860, Indian labourers brought in by Britain to work on sugar plantations in Natal.

Further inland, two independent republics — Transvaal and the Orange Free State — were ruled by Dutch people who had moved inland on the Great Trek of 1836 after Britain abolished slavery on the Cape in 1834.

The whole area had about 260,000 whites, amidst maybe a couple of million Africans. The farmers (or Boers) in the Afrikaner republics had made the Africans feudal-type tenants or sharecroppers. But in large areas the Africans still retained their independence.

Then came the diamond rush. By 1871 there were over 10,000 whites at Kimberley, and 30,000 black labourers. That year Britain annexed the area round Kimberley. In 1872 the black claimholders were excluded from the diamond mines, by demand of the whites, and the first pass system for black labour was started.

In 1875 the 'compound' system for black labour was first introduced, and in 1884 the De Beers company started using black convict labour.

By 1880 three-quarters of the white former claimholders had become salaried overseers, and by 1888 De Beers had a complete monopoly of the mines.

Rigorous

The system of controlling black labour was made rigorous. "The compound was an enclosure surrounded by a high corrugated iron fence and covered by wire netting. The men lived, twenty to a room, in huts or iron cabins built against the fence.

"They went to work along a tunnerl, bought food and clothing from the company's stores...all within the compound" (1).

Before then Africans had been strip-searched at the end of each shift to make

sure they were not stealing diamonds. They had struck against this in 1887. Under the compound system they were strip-searched and made to vomit at the end of their contract.

The diamond mines had already created South Africa's "first industrial colour bar...and for the first time the systematic disciplining of a large black labour force by pass laws, searching and compounding" (2).

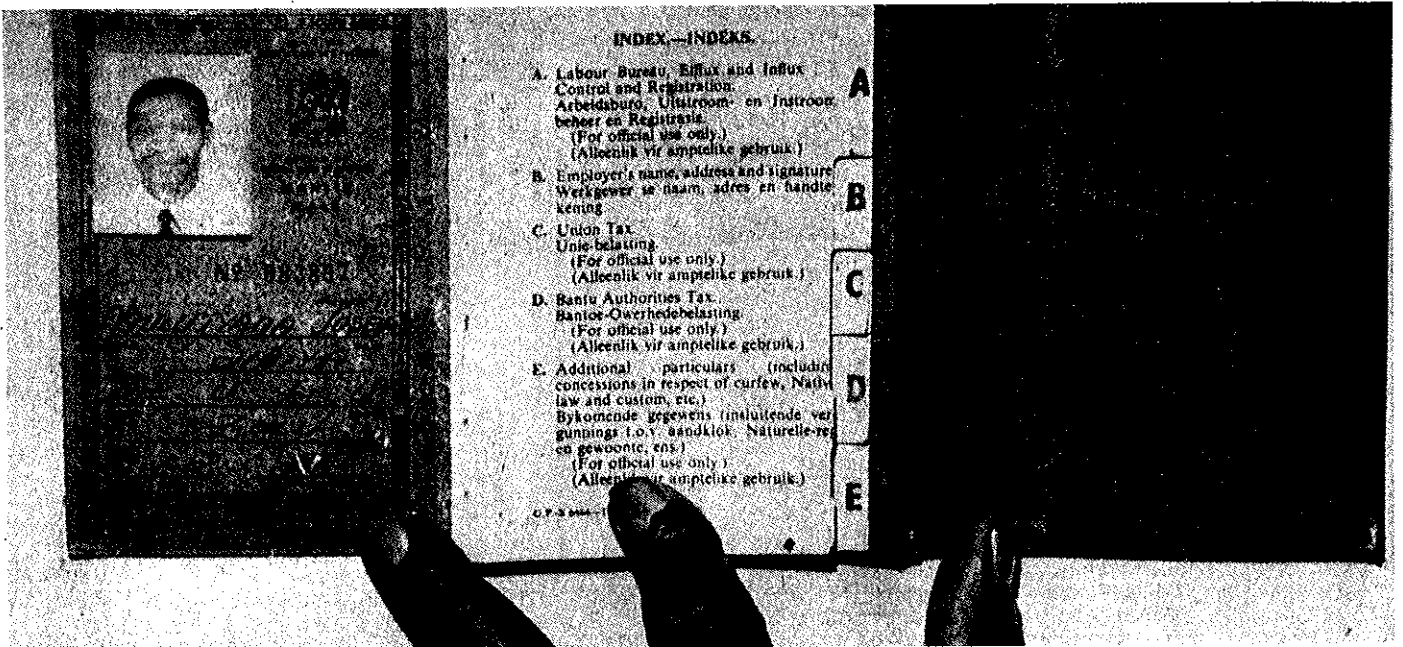
The system also required the conquest of African areas until then independent. Africans in those areas were driven off the land and into the diamond mines by forcing them to pay taxes in cash.

Then from the 1890s the system was repeated in the Transvaal on a much bigger scale.

Gold was first discovered in 1870. The Witwatersrand Main Reef — a vast layer of gold-bearing rock, whose resources are still practically limitless — was discovered

1652: First Dutch settlement on the Cape.
 1806: Britain takes the Cape.
 1836: Great Trek inland by the Dutch (Afrikaners), after Britain outlaws slavery.
 1867: Diamonds discovered near Kimberley.
 1871-94: Big new areas annexed by Britain.
 1886: Transvaal gold rush starts.
 1899-1902: Anglo-Boer War.
 1910: Union of South Africa formed.
 1913: Native Land Act (beginning of

bantustan system).
 1922: Rand Revolt — white miners strike and fight troops and police in defence of colour bar.
 1924: Afrikaner-Nationalist/Labour coalition government elected. Introduces measures to build up industry and protect white labour.
 1946: Black miners' strike.
 1948: Nationalist government elected. Imposes a full dogmatic system of apartheid.
 1960: Sharpeville massacre. 87 Africans on pass law protest shot dead.



The hated pass books. Photo: IDAF.

in 1886. Deep mining for gold started from the early 1890s.

To this day South Africa produces nearly half the world's gold (680 out of 1420 tonnes in 1983), and gold is 45% of its exports (1983).

Witwatersrand has vast quantities, but of low quality ore. The gold mines required, and require, large initial capital investments to drill deep shafts, and great amounts of labour to process great masses of ore.

The technique has changed little since the earliest days. The gold mines today employ a huge workforce — 500,000 to 600,000 — and produce little more gold per worker than at the start of the century. Labour costs were 60% of total costs in the first decades, and are 40% now.

But the gold capitalists had great advantages. They had an unlimited market — for gold is the one commodity that can never be unsaleable — at a fixed sterling price. So long as they could reduce costs sufficiently, they had a guaranteed fortune.

Foreign capital poured in. By 1913 £370 million of British capital was invested in South Africa. 60% of the capital raised for the gold mines in 1887-1934 was foreign.

The capitalists needed two things: skilled mining labour to drill the shafts, which they imported mainly from Britain; and masses of cheap unskilled African labour.

Getting that cheap labour was not easy. In the early 1890s black miners were able to get wages perhaps twice as high in real terms as their successors in 1970.

A pass system was started from 1892. New taxes were imposed on African peasants in South Africa. In return for a fee to the Portuguese colonial government, Mozambique supplied workers (over half the workforce by 1890; the industry has depended heavily on foreign labour ever since, with 80% of black miners in 1973 being from outside South Africa, and 40% today).

Still the capitalists were not satisfied. By 1899 they needed 97,000 workers. The Boer republic, though fervently and dogmatically racist, was not able to organise the necessary control over African labour. It drew heavy taxes from the mineowners and refused all new settlers — uitlanders — the vote.

In 1899 Britain went to war against the Boer republics — partly pulled into it by the mineowners, partly worried that a booming Transvaal under Afrikaner control would take the Cape and Natal out of the British Empire. After desperate guerilla resistance by the Boers — against which the British pioneered the use of concentration camps — Britain triumphed.

"The war had been fought to make the Transvaal safe for the Corner House" (the headquarters of the biggest mining company) (3).

Now pass laws were tightened. The Native Locations Act of 1904 segregated Africans. Wages were pushed down. The mineowners established a consortium for joint recruitment of labour (which still exists). From 1904, some 50,000 Chinese were brought to the mines on short-term contracts.

A few people — notably the future Labour leader Frederic Creswell — demanded mass immigration of white labour, to run the mines on an all-white basis. The High Commissioner, Milner, dissented. "We do not want a white proletariat in this country".

Caste

South Africa would be neither a new Australia or Canada — with the native people wiped out — nor a new India, with only a small white ruling caste. It would be something in between.

The mines were run on a basis of approximately one white miner to ten blacks. (Today it is 1:20 or 1:25).

The Chinese experiment was soon abandoned, but the new Union of South Africa, set up as a British dominion in 1910, took steps to solve the mineowners' labour problem. The 1913 Native Land Act restricted African peasants to a small proportion of South Africa's land (basically the present-day bantustans). The 1911 Mines and Works Act introduced a colour bar for skilled jobs in the mines. A range of laws "laid down the broad legal framework for present-day apartheid South Africa" (4).

The African peasants and workers resisted. There was a big black miners' strike over pay in 1920. The white miners clashed with the mineowners, too. In 1922

they struck. The strike culminated in armed fighting with police and troops in which over 200 people were killed. Yet its demand was to maintain the colour bar on semi-skilled jobs in the mines, in opposition to the mineowners' intention to relax it.

White workers felt at risk. The Boer peasant economy had begun to break up, and Afrikaners were streaming into the cities. By 1918, 75% of the white gold-miners were Afrikaners. Many were not skilled men like the British immigrants, but at best semi-skilled.

In 1924 these "poor whites" put into power a coalition government of the Afrikaner Nationalist Party and the (white, mostly British) Labour Party. The government, under Westminster supervision, tackled the class and Anglo/Afrikaner conflicts within the white community at the expense of the blacks.

Protectionist tariffs were introduced to help home industry. The state took a leading role: a state-owned iron and steel corporation was set up in 1928. (Today 58% of South Africa's fixed capital stock is state-owned). Whites were given preference for jobs in the state sector. Job preference laws for white workers were introduced, to counterbalance the mineowners' victory in 1922. An industrial bargaining system was set up for whites only. Legal barriers restricted Africans from moving to the cities.

As manufacturing industry began to grow, whites had a large percentage of the jobs — 45% in 1932-3.

But the world slump in 1929-32 caused new unemployment, both black and white, and generated a split in the Nationalist Party. One wing joined the more British-oriented South Africa party (to form the United Party, today the New Republic Party). The other became the ruling party in 1948, and has remained so ever since.

Black workers had been drawn into industry more and more. In 1942 and again in 1946 (the black miners) they had struck in large numbers.

The process of destroying the African peasant economy was well advanced — in fact, too far advanced for the liking of the Nationalists.

The 'Native Reserve' system had allowed mineowners to pay a wage which covered less than the normal reproduction

of labour power, relying on the peasant economy of the black miner's family in the reserve to cover the rest. A collapse of that system would inevitably mean a rise of wages and also an integration, on whatever bad terms, of Africans into the urban economy.

The Nationalists did not want that. They set out to keep the African population as separate from the white areas as was consistent with the Africans providing the labour to produce the wealth of those areas.

Fervent nationalism, racism and cold war ideology helped them do it. The 1946 black miners' strike had been defeated; black trade unions were effectively outlawed in 1953. The white labour movement "buckled and broke" under Nationalist pressure, and excluded Africans (5).

The whole doctrinal system of apartheid was installed. In 1949-50 laws enforced racial segregation in trains; prohibited sex between different races; classified everyone in South Africa by skin colour; segregated residential areas for different races; and banned the Communist Party.

"The Bantu in the urban areas", the

1948 Nationalist manifesto said, "should be regarded as migratory citizens not entitled to political or social rights equal to those of whites".

And, on its own terms, the system worked. Waves of protest by the black population were eventually broken after the Sharpeville massacre of 1960 and the Rivonia Treason Trial of 1963 (at which Nelson Mandela was sentenced). In the 1960s South African manufacturing industry grew very fast. By 1979 it was 25% of national output; it had only been 4% in 1911.

Crises

Many Afrikaners made their way into the South African big business class, previously almost entirely English-speaking.

South Africa's profit rates were higher than elsewhere, and foreign capital poured in.

Since the late 1970s, however, the South African economy has run into crises. The political effects of national liberation victories elsewhere and a resurgent black workers' movement in South Africa are not the only reasons for this.

Productivity is very low in South African industry. In gold-mining it has stagnated. In manufacturing it rose only 1.4% per year between 1919 and 1976.

The reason is plain: for increased productivity you need healthy, well-educated workers. Brute repression can turn South Africa's black workers into half-starved helots and force them to labour, but it cannot get high productivity in modern industry.

In gold this problem matters relatively little, especially with the huge rise of dollar gold prices after 1971. Even so, the mineowners found it advisable to increase black miners' pay about 3½-fold in real terms between 1970 and 1978.

In manufacturing it matters much more. Under pressure from capitalists the government has allowed some liberalisation. In 1979, for example, there were no African apprentices in metal engineering. By 1982 there were 390.

Siemens increased the percentage of skilled and semi-skilled among its African workers from 2.4% in 1966 to 26% in 1980. Not out of any concern for justice — the same firm summarily sacked over 1000 black workers in July for going on strike — but out of self-interest.

The system also faces problems from the other end. The bantustan economies are collapsing. No government other than South Africa itself recognises the four 'independent' bantustans as independent. Even the pliant Chief Buthelezi says he would oppose by force any attempt to declare his KwaZulu bantustan independent. No number of police can stop millions of Africans — maybe five million now — escaping from these barren hell-holes illegally in order to seek work. The scheme of maintaining islands of pre-capitalist economy for the blacks within a dynamic advanced capitalist economy for whites is not viable.

A large section of South Africa's richest capitalists support the Progressive Federal Party, a 1950s split-off from the New Republic Party.

The PFP wants:

*Abolition of pass laws and apartheid.

*One person, one vote.

*A federal system giving local autonomy to white or black areas.

*Compulsory proportional representation of all parties in the federal government.

*Veto powers for a 15% minority in the federal assembly.

As it happens, the whites in South Africa are just over 15%.

Gavin Relly, chair of the giant Anglo-American Corporation, and a business group, the Urban Foundation, have made similar proposals. The PFP also works closely with Chief Buthelezi.

What these people want is controlled, limited reform from the top, guaranteed not to hurt the interests of any but the poorest whites. In any confrontation between black workers and the state, they will be on the side of the state; in any quiet period they will not be so dissatisfied with the status quo as to want to modify it more than slightly.

Footnotes.

1. J&R Simons, 'Class and colour in South Africa', p.42.

2. G. Wheatcroft, 'The Randlords'.

3. Wheatcroft.

4. D. Innes, 'Anglo-American and the Rise of Modern South Africa'.

5. Simons, p.594-8.



A black miner is strip-searched