

Western support

Why there is no change

by Eugene Plawiuk

South Africa has moved from a predominantly agricultural and resource economy to being one of the most advanced industrial economies in Africa. It outpaces the rest of Africa, producing 22% of the continent's gross domestic product and 40% of her manufacturing output while accounting for 53% of her energy consumption. Yet this economy rests upon an autocratic system of segregation which denies the bulk of the working class any political rights.

As a capitalist country, South Africa has some special features. First, the overwhelming majority of the working class is denied any political rights because it is black and is subjected to a series of controls (e.g. Group Areas Act, Pass Laws, Anti-Communist Act, etc.) aimed to preventing it from becoming a stable, settled urban class with the sort of trade union and political organizations that workers in North America and Western Europe take for granted.

Second, gold-mining plays a central role in the South African economy. Third, the state not only manages the economy, but also owns large sections of South African Industry. Fourth, capitalist control of the state is organized under the hegemony of the Afrikaner (white) minority and this hegemony is exercised through the Nationalist Party, which has been in power since 1948.

The use of a permanently migrant labour force (i.e. politically disenfranchised blacks) has allowed South

investments. As well, this use of cheap black labour has allowed huge profits to be gathered by a few South African monopolies to be used to expand their denomination in Southern Africa (eg. investments in Zambia, Zaire, Rhodesia, Mozambique, etc.) and to invest heavily in Europe and North America.

Resource Industry

The major industry that has supported the white rule of the South African state has been mining. South Africa contains resource minerals unavailable elsewhere in equal quantities; eg. gold, diamonds, chromite, crococolite, asbestos, phosphates. Many of these minerals (especially cromite used in stainless steel production) are much needed by the U.S., Canada and Europe.

But by far the gold-mining industry is the most important: in 1975 gold revenues brought in close to 6,000 million dollars and employed 37,000 white workers and 359,000 black workers.

This industry has been monopolized by two major South African groups; the Anglo-American group is run by Harry Oppenheimer and is one of the most successful South African Multinationals. Along with its dominance in South African goldmining, Anglo-American Corp. has monopoly over South African diamond production, and also controls 22% of uranium production, 44% of the coal industry and 47% of Zambia's copper industry. Anglo-American has invested millions of dollars in industrial development in

and Canada.

Manufacturing Industry

Between 1960 and 1970, the South African economy had a *real growth rate* of 7%. Foreign capital poured into the country, increasing the South African international debt and doubling previous direct investment from foreign capital. The proportion of total foreign investment grew from 60% in 1970 to 68% in 1970. Western Europe's share of this grew in the same period from 14% to 24%. This foreign investment reflected a trend toward financing South African manufacturing.

Between 1965 and 1971, U.S. and Canadian investment in manufacturing grew from 48% to 112% of their total investment in South African economy. The U.S. has especially been a major investor in South African mining for raw and rare resources. This trend contributed to a growing and prospering South African white ruling class while the

South Africa has opted for inviting increased foreign capital to update her technology, while still relying on a system of slavery.

real wages for black workers dropped by 18% over the same period of time.

Foreign investment has provided the capital equipment and technology which has enabled South Africa to build new sectors of its economy. "There is a difference between the Western capital involvement in the South African economy and in the rest of Africa, where the 'classic' pattern of extractive investments (colonialism) still largely holds sway. South Africa's highly industrialized economy and her mineral wealth has resulted in a concentration of Western investment that has been critical in making available to South African capitalist countries. The result is, as we have seen, that South Africa today possesses many of the features of an advanced capitalist country, and is closer in structure to the western economies than to the ex-colonial stereotype."

However, because of the exploitation of black workers, the level of productivity in South Africa is one of the lowest in the world. This is because black workers have less training (so as not to create a competitive market with white workers), less wages than their counterparts, and are subjected to a migrant labour system.

This lower rate of productivity, coupled with increased foreign investments, has lead South Africa to seek to alleviate her growing international deficit and growing unemployment by exporting products and capital. This exportation will be reliant on increased productivity to make her prices competitive on the world market.

Rather than increase black worker's wages and alleviate their oppression, South Africa has opted for



Prime Minister John Vorster

inviting increased foreign capital to update her technology, while still relying on a system of slavery. One of these foreign investment groupings was formed in 1970, by Afrikaner Tobacco Tycoon, Anton Rubert. He set up a multinational investment bank, Economic Development for Equatorial Southern Africa Corp. (Edesa), aimed at raising international finance for South African investment in the rest of Africa. Its president is Karl Schiller, former West German Minister of Economic Affairs, and has such illustrious shareholders as: Anglo-American Corp and Rothmans (South Africa), Bank of Montreal (Canada), Barclays Bank (Britain), Ford, General Motors and IBM (USA) and Japanese, German, and Dutch backers.

South Africa acts as the pimp for multinational investments which are raping Africa of her resources while her people remain oppressed.

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The South African government claims that there will be changes and blacks will be allowed to govern. The 1958 *Promotion of Self Government Act* boasts a policy of separate development which can best be described as refined apartheid. The creation of nine "Bantustans", with specific tribes occupying each, were the areas which the government would allow blacks to govern themselves. The 2.5 million coloreds and 750,000 Asians would be provided with limited representations in the white government. However, the result would be that 17 million blacks would be living in 14 per cent of South Africa while the less than eight million whites, coloreds and Asians would be in control of 86 per cent.

In October, 1976, the first of the Bantustans, Transkei, was given its independence. The government plans to give independence to a second Bantustan, Bophitatswana, later this year. These "separate freedoms" are being condemned by Black Africans, the UN, and countries throughout the world. These puppet states would allow white South Africans to continue to exploit the blacks for labor without providing them any of the benefits of social welfare nor any political rights.

Opposition is intense as blacks in South Africa are again being subjected to a government manouever to rob them of their birthright to a share of the country's wealth.

[CUP] Meliorist



Africa to produce cheap products and sell these both in Southern Africa and competitively on the world market. The cheap cost of labour and the expanding mining and manufacturing industry in South Africa has attracted European, American and Canadian corporate

Manibia, Swaziland, Rhodesia, Angola, Mozambique, Tanzania and the Congo.

Not satisfied with controlling industrial development in Southern Africa, Anglo-American has a large interest in the mining industry of Australia, Britain, the U.S., Malaya,