

THE ECONOMIC BASIS OF AFRIKANER NATIONALISM

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POLITICAL movements do not operate in an economic vacuum. Whether all their members are aware of it or not, they represent certain economic interests and effectively support one side or the other in that universal conflict of interests which marks capitalist society.

In order to understand something of the economic forces which find their political expression in the Nationalist Party it is first of all necessary to be clear about the kind of Nationalism that the Nationalist Party represents. There is a well-known distinction between a broad, humanistic kind of Nationalism that seeks to further the well-being of all the people and the narrow, exclusive kind of Nationalism, also known as chauvinism, which seeks to advance the interests of one section of humanity at the expense of everyone else. Obviously, the Nationalism of the Nationalist Party is of the latter variety.

Now, historically, this exclusive kind of Nationalism has always been linked with the growth of a local bourgeoisie, a class of actual or incipient capitalists. Such a class finds in chauvinism a powerful weapon for extending its domain of economic exploitation and for maintaining an internal market against its rivals. On the other hand, the progressive Nationalism of the peoples of the colonial and semi-colonial countries, which is one of the most significant phenomena of our own times, has arisen out of the struggle of the great majority against Imperialism and its agents. Thus it is not surprising that this type of Nationalism has not been chauvinistic and exclusive but humanistic and democratic in tendency.

There can be no doubt that the struggles of the Boers against British Imperialism did have certain democratic features. But these features could never develop because of the role of the Boers as primitive labour exploiters and of the racialist ideology to which their mode of life gave rise. Moreover, the compromise which the Act of Union sealed between British Imperialism and white South Africa as a whole completely drew the teeth of Boer anti-Imperialism and reduced it to a verbal flourish. In its subsequent development Afrikaner Nationalism rapidly lost what anti-Imperialist content it had once possessed and grew into that monster of vicious chauvinism which we know today.

This development would not have occurred if a new class of Afrikaner had not emerged to give it a social basis. Boer society was not marked by class divisions. It was composed of a relatively homogenous group of subsistence farmers and primitive labour exploiters. But with the growth of large internal markets for agricultural products in the mining areas of Kimberley and the Rand some of the Boer farmers turned to commodity production for profit. They were transformed into entrepreneurs, rural capitalists, who produced, not merely to satisfy their own needs, but in order to make a profit out of the sale of their goods on a market.

The results of this change were far-reaching. On the one hand it led to an intensification of the exploitation of African farm labour, the legal basis for which was provided by the 1913 Land Act, and on the other hand it led to growing inequality among the Boers themselves. It is a universal feature of simple commodity production that it gradually leads to the enrichment of some at the expense of the impoverishment of others. The competition of the market throws the less fortunate contenders out of business while others prosper. This is precisely what happened to the Boers. While some became exceedingly wealthy, real land barons owning several large farms each, others had to sell land and eventually they or their children had to pack up and go to the towns where they were transformed into workers. This process was accelerated by the large scale land speculation of the big mining companies in the Transvaal.

All the time this was happening it was fashionable to talk of the so-called Poor-White problem, but no-one paid any attention to the much more serious problem presented by the concomitant growth of a class of Afrikaans-speaking rural capitalists who provided the soil for that deadly combination of extreme racialism and an untrammelled ideology of exploitation which finds its modern expression in the policies of the Nationalist Party. However, the growth of this class was relatively slow, and it was only when it began to invest its surplus capital in trade, industry and finance that it really became a factor to be reckoned with. The partial shift of Afrikaner capital to other than agricultural investments in its turn created a new class of urban Afrikaans speaking business men who were determined to break the business monopoly of the English speaking section. This new group was concerned above all to capture as large a share as possible of the profits that were being wrung out of the super-exploited Non-White workers of South Africa. Where the old Boers had fought in the first place for freedom from foreign domination the new champions of Afrikaner Nationalism fought for maximum opportunities of exploitation.

It was the period between the two World Wars that saw the first success of the young Afrikaans capitalist class, a period marked by the formation of such pillars of Afrikaner capitalism as Boere Saamwerk, Avbob, Sanlam, K.W.V., Volkshkas and Uniewinkels.

The new class made up in ruthlessness what it lacked in numbers and resources. Its leading representatives recognised that the overwhelming strength of the established capitalist groups made it impossible to force them by purely economic means to share the fruits of exploitation. Thus the further progress of Afrikaner capitalism had of necessity to depend on the use of political means for economic ends. The two political trump cards in this game were the numerical superiority of the Afrikaner and the corrosion of his political consciousness by the poison of racialism. Together, they could be used to give the Afrikaner capitalist a position of power in the country which his economic position alone could never give him.

Thus there were certain analogies in the position of Afrikaner capitalism and that of German Imperialism facing the old established hegemony of British and French Imperialism. In both cases racial demagoguery was used to mobilise political forces that were to gain a new group of exploiters a place in the sun. Thus it is not surprising to find that the new

Nationalist ideology that was developed in the thirties was to a large extent, and often quite explicitly, based on the ideology of Nazi Germany. This emerges clearly in the writings of Nationalist "theoreticians", like Dr. Diederichs, who are also highly conscious members of the new class of Afrikaner capitalists.

In 1939 the new economic forces among the Afrikaners had grown to the point where the new policies could be clearly formulated and given organisational expression. That year saw a mustering of the forces of aggressive Afrikaner Nationalism at the Eerste Ekonomiese Volkskongres and the formation of the Reddingsdaadbond. With a hypocrisy that was new among Afrikaners this handful of entrepreneurs and their ideologists pretended to be "saving" all sections of the Afrikaner people economically, when in fact they were simply concerned to save their own profits and to increase their own economic power.

This group recognised that in the era of finance capitalism and in a country like South Africa, where economic life is so completely dominated by a few financial giants, the development of independent small and medium enterprises was subject to very severe limitations. Thus the only way to real economic power and to a share in the super-profits of the monopolies lay in the co-ordination of the limited resources of the Afrikaner capitalist class as a whole. Such a co-ordination of economic resources was provided by the Reddingsdaadbond at a crucial stage in the historical development of Afrikaner capitalism. Inevitably, the degree of economic centralisation involved in this policy resulted in the concentration of economic power in a very few hands. The pooling of economic resources gave enormous power to the tiny minority who were in effective control of these resources. Thus Afrikaner capitalism assumed a centralised, bureaucratic character which provided an additional basis for its espousal of Nazi doctrines.

The spread of the chauvinistic propaganda of Afrikaner Nationalism was expected to induce an increasing number of Afrikaners to invest their saving and surplus capital with Afrikaans financial institutions, to take out policies with Afrikaans insurance companies, to build their homes through an Afrikaans building society and to do their shopping at Afrikaans shops.

In this way the capital controlled by the handful of financiers at the head of these institutions could be expected to increase greatly and the monopoly of the existing old established institutions could be challenged. In the words of Dr. Diederichs at the second Ekonomiese Volkskongres: "As regards the relationship between business and sentiment it has been our standpoint that business could not be based purely on sentiment but that an Afrikaner business could in no way exist without sentiment."

Large sums were accordingly made available for propaganda purposes and the spectacular rise in the assets of the major financial institutions of Afrikaner capitalism during the last ten years seems to indicate that this investment has paid off handsomely. At the same time it was recognised that the numerical superiority of the Afrikaners among the white voters created the possibility of political power for Afrikaner Nationalism. Once in control of the state its economic branches could be used to further the interests of Afrikaner capitalism in a multitude of ways. So the directly political branch of the movement, the Nationalist Party, was given every support.

But all these manoeuvres might not have gained such immediate concrete results if World War II and the post-war boom had not provided favourable conditions for a greatly accelerated growth of Afrikaner capitalism. Cut off from overseas products local enterprises sprang up and developed rapidly. This period was marked by the foundation of the most important industrial undertakings of Afrikaner capitalism, such as Rembrandt and Veka, as well as the formation of finance companies for industrial and other investments, such as Federale Volksbeleggings, Tegniëse en Industriële Beleggings, Bonuskor and Asokor.

The rate of development of Afrikaner capitalism in the decade 1939/49 was considerably greater than the rate of development of the economy as a whole. According to the figures supplied by A. J. Bosman in a volume entitled "Die Triomf van Nationalisme", the total turnover of Afrikaans business undertakings increased from 5% of the national total in 1939 to 11% of the national total in 1949. In that decade the number of Afrikaans industrial undertakings rose from 1239 to 3385 and the number of commercial undertakings from 2428 to 9585. The total turnover of Afrikaans industrial undertakings increased from £6 million to £44 million and of commercial undertakings from £38 million to £204 million. By 1949 Afrikaner capitalists were estimated to be in control of 6% of the country's industry and 25 to 30% of its commerce (Volkshandel, Sept. 1950).

In the same period, according to Prof. Pauw, the number of Afrikaner directors and manufacturers increased by 295%, of business managers by 208% and of traders by 212%. In 1939 Afrikaners formed 3% of the directors, 8% of the business managers and 4% of the traders among the white urban population, but in 1949 these proportions had increased to 5%, 15% and 10% respectively.

However, the most important source of capital accumulation by Afrikaners during this crucial period was undoubtedly provided by the exploitation of Non-White farm labour on a greatly intensified scale. This intensified rural exploitation was largely bound up with the exceptional profits of the war years and the rapid mechanisation of agriculture which made this possible. Thus the total number of tractors on farms increased from about 6000 in 1937 to 48,000 in 1950, and in 1951 a further 15,000 were imported. In a survey made by the Division of Economics and Markets in 1947/48 it was found that on mechanised farms labour productivity was much higher than on non-mechanised farms and the farmer's profit was approximately doubled. Of course, the wages of farm labourers remained at starvation level.

It was the grossly underpaid, semi-starved agricultural labourer who played the role of the goose that laid the golden eggs from Afrikaner capitalism. Just how golden those eggs were may be illustrated by the fact that between 1937/38 and 1947/48 the sale of farm products by producers' co-operatives, mostly involving Afrikaner capital, increased from £17 to £68 million. It was only because of the enormous profits made by farmers that some of them were able to invest in commercial, financial and industrial undertakings. Because of Nationalist propaganda the big financial institutions of Afrikaner capitalism managed to control much of this investment and in this way rapidly increased their economic power.

Since the coming to power of the Nationalist government the most significant feature of the development of Afrikaner capitalism has been the enormous growth of a small number of big financial institutions. The

high degree of centralisation which has always been a feature of Afrikaner capitalism has become even more marked. While the Afrikaner share in industry and commerce has remained more or less constant, their share in finance, the most vital sector of modern capitalist economy, has been growing steadily. Last year, Dr. M. S. Louw, himself one of the most prominent Afrikaner financiers, estimated their share in the country's insurance business at 16% and in banking at 8%. The Reddingsdaadbond, however, puts the latter figure at 10%.

But the actual economic power of the Afrikaner financiers is greater than these figures suggest. This is due to their commanding position in the state apparatus and the control which they are able to exercise over such government sponsored organisations as the Industrial Development Corporation, the Electricity Supply Commission, Iscor etc. Afrikaner financiers have also sought with some success to attract German, Swiss and Belgian capital into joint enterprises.

For the purpose of assessing trends of development the absolute level reached by Afrikaner finance and investment is less important than the rate of its increase and the comparison of this rate with that of other institutions in the same line of business. When this is done the favourable position of the Afrikaner institutions becomes apparent. Thus, while the total assets of Sanlam more than trebled between 1948 and 1956, the total assets of the Old Mutual merely doubled in the same period. While the total assets of Volkskas almost quadrupled in those eight years of Nationalist rule, the assets of the Standard Bank remained almost stationary. In 1942 Volkskas controlled only 1.5% of all savings and deposits in banks in the Union, but by 1952 it already controlled 9.7%. In an unmistakable allusion the chairman of the Standard Bank stated at the annual general meeting in July 1956 on the subject of "banking competition": "In the Union considerations quite unrelated to the service provided by the bank have often been brought to bear in order to secure the transfer from us of accounts which we have held for many years".

Tremendous progress has also been made by the Afrikaner investment corporations. Thus Bonuskor, to take one example, increased its assets five times over between 1947 and 1956. But the most spectacular phenomenon in this field was the meteoric rise of Saambou, the Afrikaner building society, which increased its assets about thirty times over between 1948 and 1956! Thus does the propaganda of chauvinism pay direct dividends.

Although many of these companies have a large number of shareholders the main beneficiaries of their great expansion have been a small group of financiers who control all the major Afrikaner institutions by a system of interlocking directorships. The overwhelming majority of urban Afrikaners have little or no share in this wealth, as is illustrated by the fact that only 1½% of the Afrikaans speaking adult males in the major centres of the Union have an income in excess of £1000 per annum.

The most recent period has seen the first serious penetration of Afrikaner capital into the mining industry. In 1953 its biggest financial institutions combined to launch Federale Mynbou Beperk which now controls two important Barberton mines and has an important interest in S.A. Minerals Corp. which controls major chromium and manganese mines. In addition, Afrikaner investment companies control two important coal mines and have begun to co-operate in the opening up of certain gold mining areas in the Far West and Far East Rand.

These developments appear to be part of a tendency for a breakdown in the rigid lines of division between the "spheres of influence" of Afrikaner finance capitalism and the old established financial interests. This tendency is assuming ever more definite form. The Afrikaner financiers have at last "arrived." They have become a force to be reckoned with in the economic life of the country, and so they are beginning to be admitted to the boards of directors of important enterprises like S.A. Chrome, Anglo-Alpha Cement, Vanderbijl Engineering, Winkelhaak Mines etc. In fact several of the big financial and mining houses have begun collaborating with Afrikaner finance capital in various enterprises. Among them one may mention Union Corporation, Anglo-Transvaal Consolidated, General Mining and Finance and Johannesburg Consolidated, not to speak of many smaller capitalists who are adopting the same policy.

These recent developments raise important problems for the future development of Afrikaner capitalism. According to their leading economists, even if their own institutions managed to obtain a complete monopoly of all the financial affairs of the Afrikaner people, they still would not control more than 30% of the country's private finance. Thus there are very definite limits to the continued expansion of Afrikaner finance capital on the present basis. As the financial resources of those who can be affected by chauvinistic appeals are limited, once this source has been tapped continued expansion must depend on the use of different techniques. In fact, the only practicable alternative is increased collaboration with the old established financial groups.

Moreover, these new policies may be expected to become manifest long before the above-mentioned limit to expansion on the old basis has actually been reached; firstly, because this limit is only a theoretical limit which would never actually be reached in practice, and secondly, because present policy is always directed by expectations of future trends. Thus it seems not unlikely that the point of reorientation has been very nearly reached by Afrikaner finance capital. At the same time, collaboration with it becomes more and more attractive to the older financial groups, particularly in view of the drying up of external sources of capital. We may therefore expect the process of capital fusion to continue during the coming period on an increased scale.

Such developments in the economic sphere cannot remain without repercussions in the political sphere. The new unity of the exploiting groups is likely to be reflected in an ever closer political collaboration, even across existing party lines. For example, the criticism of the Tomlinson Report by capitalists in the ranks of the Nationalists was almost identical with that offered by their counterparts in the U.P. It is hardly necessary to enumerate the efforts of the U.P. to emulate Nationalist policy.

The only force that will halt these developments is the determination of the people to rid themselves of all exploiters, no matter what language they speak. For the liberation movement the present trends within South African capitalism make it imperative to place maximum emphasis on the struggle against economic exploitation and against the legalised robbery of the majority of the population. The Pound A Day Campaign will help to smash the attempts of the present ruling cliques to tighten their hold on the country.