Consolidated Gold Fields Limited

ANTI-REPORT CIS

price 25p

'In a way it is even humiliating to watch . . . miners working. It raises in you a momentary doubt about your own status as an 'intellectual' and superior person generally. For it is brought home to you, at least while you are watching, that it is only because miners sweat their guts out that superior persons can remain superior. You and I and the editor of the Times Lit. Supp., and the poets and the Archbishop of Canterbury and Comrade X, author of Marxism For Infants – all of us really owe the comparative decency of our lives to poor drudges underground . . . with their throats full of . . . dust, driving their shovels forward with arms and belly muscles of steel.'

(George Orwell, Down the Mine)

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Introduction

Consolidated Gold Fields was the first mining finance house set up to exploit the South African gold mines. Ever since its foundation by Cecil Rhodes it has been an instigator and prop of the apartheid system. The two main groups who benefit from its continued existence are the South African government and its sháreholders. The profits that these groups draw are built on the exploitation of a black labour force. Since it commenced its operations 85 years ago, it can be very conservatively estimated that over 5,000 black workers in its employ have died in accidents and not less than double that number have been killed by diseases caused by working conditions. Over a quarter of a million of its workers have suffered serious accidents. For a 60 hour week, working in almost unimaginable conditions in one of the most dangerous occupations in the world a black worker is paid an average of less than £3. This is less than one third of the minimum level laid down to support a family of five by the Association of Chambers of Commerce, and less than one fifth of the poverty line calculated by Professor Watts of Natal University. In real terms it is considerably less than he earned in 1889.

In South Africa alone it has been estimated that not less than one million black children suffer from malnutrition. Only a tiny fraction, of course, suffer directly from Consolidated Gold Fields; all suffer indirectly however. Gold is the main export of South Africa 'providing over one third of her earnings abroad' (Department of Trade and Industry: Hints to Businessmen, 1972) and is the economic foundation of apartheid. Capitalism and racism march hand in hand as they did thirty years ago in Germany. As is clear from numerous accounts, the results in human suffering are beginning to approach similar proportions.

In this report we have devoted almost the entire space to South Africa; we have not, as in the case of Rio Tinto Zinc, attempted to cover the full spectrum of Consolidated Gold Field's activities.

On the other hand we have devoted more attention to the question of exactly who does benefit and more importantly to the questions this raises concerning the nature of our economic system and its 'morality'.

'You will remove them (the Natives) from that life of sloth and laziness, you will teach them dignity of labour and make them contribute to the prosperity of the state, and make them give some return for our wise and good government'. (Cecil Rhodes)

Structure and history of the gold mining industry in South Africa

1. General
There are just over 50 large gold mines in South Africa, which in 1970 produced 32 million ounces of gold, worth almost £500 million, accounting for three quarters of 'free' world supplies and two thirds of total world production.

Almost all of these mines are controlled by the seven major finance houses which are linked informally through cross-holdings of shares and cross-directorships, and formally through the Chamber of Mines. Gold Fields of South Africa is the second largest mining finance house, producing approximately 17% of all South African gold production and employing about the same percentage of total black labour. It is the only mining finance house registered in London.

2. Role of Finance Houses
Owing to the considerable cost of establishing a gold mine, it became obvious at an early stage in the South African discoveries that large companies able to muster both capital and expertise were essential for the development of claims. In the early years of the industry five of the seven major finance houses which control gold mining were established. The first of these was Consolidated Gold Fields, to be joined by Rand Mines, Johannesburg Consolidated Investments, General Mining and Finance, and Union Corporation. These five were later joined by Anglo-American (now the largest) in 1917 and Anglo-Transvaal in 1933.

'Although each individual mine is floated as a separate company with its own shareholders, chairman, board of directors and mine manager, its destiny is guided by one of these giant seven'. (Green). The role of the finance house is to nurse the mine until a floatation of the subsidiary is ready. **'The comforting knowledge that a finance house is administering a new mine is crucial in persuading an investor to risk his money in the venture',** says Green. As against this factor he goes in with the knowledge that the finance houses are major dealers in the shares of their own mines, about which, of course they know a great deal more than he does. The basis of the finance house's control of an individual mine is not its majority shareholdings but contracts for mine management which are entered into before the mine is floated to outside investors.

3. The Chamber of Mines
The Chamber of Mines was set up in 1889. All seven mining finance houses and over 100 individual mines and collieries are members of the Chamber. 'The Chamber's seven-man Gold Producers' Committee made up of one representative from each of the mining houses, is the inner sanctum of the industry. Its deliberations are as secret as those of a cabinet.' (Green).

The major function of the Chamber both in its early days and now was the regularisation of recruitment of black labourers, to prevent the mines competing with each other for labour. The main product of this monopsonistic approach is the very low level of African wages, certainly much lower than if there had been a free market. The Chamber is also the only body allowed to recruit foreign black labour. 'In its early years', remarks Green, 'the Chamber was an extreme organ of British imperialism.' Now it is solely an extreme organ of white imperialism, the change for the black labourers is nil. The Chamber is also responsible for refining and marketing South Africa's gold and plays an 'active role in encouraging worldwide discussion of the price and marketing of gold.' (Green).

History and labour background of the Group

The Gold Fields of South Africa Ltd was registered in London on 9th February 1887. It was the brain child of Cecil Rhodes and Charles Rudd. During 1886 this partnership had been buying leases on the Witwatersrand Gold Field, which together with their ventures in the construction of the De Beers diamond group, had exhausted their capital resources. The first chairman was Rudd's brother Thomas Rudd, and all the 100,000 £1 shares offered in London were fully subscribed (25,000 shares were reserved for South Africa). Numerous further claims were purchased and the authorised capital of £250,000 was soon called on. On the strength of the mining boom the managing directors floated off a number of the claims as separate mines on such terms as to ensure a profit for the parent company. However the various claims staked proved extremely poor and after receiving the first returns from their properties, well in advance of other investors, Rhodes and Rudd invested the remainder of Gold Field's cash in their own De Beers mines. The gold mining boom continued until March 1889 when the shafts struck pyritic ore, meaning a rise in working costs of at least £1 per ton in treating ore, sufficient to mean that low grade mines — such as those of Gold Fields — were worthless. The directors of Gold Fields immediately began to sell the shares held in their mining subsidiaries and managed to dispose of almost all their shares before the news broke to outside shareholders in the mines — leading, of course, to a catastrophic slump. During this period Rudd, for a paltry sum, had obtained the mining rights to Matabeleland and Mashonaland (now Rhodesia) from King Lobengula. To work these concessions, the British South Africa company was incorporated by Royal Charter in 1889 and was known thereafter as Chartered. Gold Fields held a substantial stake in this company.

The invention of the cyanide process for treatment of pyritic ore and the development of deep level mining brought a new lease of life to the Witwatersrand gold fields in the early 1890's. In 1893 John Hays Hammond (the most famous mining engineer of the era) was engaged by Rhodes, and Gold Fields commenced an era of rapid acquisition. Between 1892 and 1898 the share capital rose from £1.25 million to £3.25 million. **By 1895 profits were £2,161,778, a larger profit 'than any ever realised by any limited liability company in the City of London'** to quote Thomas Rudd.

However, Rhodes, his brother, and Hammond were all implicated in the Jameson Raid in 1896; the latter two being sentenced to death and later reprieved. This brought about an obvious crisis of confidence on the board and Thomas Rudd resigned to be replaced by H. E. M. Davies and later by Lord Harris, one time Kent cricket captain.

Despite the enormous profit boom in the 1890's the wages of the workers were pushed steadily downwards. This was achieved by two separate methods, the law and recruiting organisations. In 1895 the Transvaal Volksraad enacted a pass law drafted by the Chamber of Mines to control the mobility of the black labour force. Whilst 'in 1893 the Chamber of Mines established a Native Labour Department with the two fold objective of **'assuring an adequate and regular supply of black labour'** both from inside Transvaal and from Mozambique **'and of taking active steps for the gradual reduction of native wages to a reasonable level'.** In 1896 the Chamber of Mines formed the Rand Native Labour Association to bring labour to the mines and reduce wages — enforced by an examination of wage sheets. At the AGM in 1898 the spokesman for the association was able to point out that employment had risen from 14,000 in 1890 to 88,000 in 1897 'without any appreciable rise in wages' which might have arisen had each mine been 'touting for its own labour'. By 1899 the wage rate was 'considerably lower than it had been ten years earlier'. Yet in 1900 the reorganised recruiting body, the Witwatersrand Native Labour Association lowered the wage rate from the pre-war average of £2.50 per month to £1.50 per month.

'Except for work on farms, where there were generally better fringe benefits, this was probably the lowest cash wage for black labour in the whole of South Africa.' (Francis Wilson). Since working conditions were deplorable (the death rate for recruited workers reaching 8% in 1903) it is small wonder that the number of Africans working in the mines fell from 107,482 in 1899 to 64,577 in 1903. Lord Harris' answer to this was a request to be allowed to import labour from India, refused by the Colonial Office. Eventually a source of cheap labour was tapped through the importation of 50,000 men from China. This, however, lead to a political furore and in 1906 the Liberal party, partly elected on this matter, prohibited further recruiting of Chinese labour and the vast majority were repatriated. In 1912 the Chamber of Mines established the Native Recruiting Corporation to carry out, within South Africa, the same job as the WNLA was doing in Mozambique: the recruitment of native labour. 'Because of the appalling pneumonia death rates, recruiting from any area north of 22° south was prohibited in 1913' (Wilson).

Meanwhile in 1913 and 1914 the white miners struck for recognition of their unions and recognition of the colour bar and in 1918 the Chamber of Mines agreed that the existing status quo on the mines in regard to black and white jobs would be maintained. Between 1917 and 1920, owing to enormous inflation, black wages in real terms fell by over 20% and in 1920 there was a major black strike. Wilson describes it as follows; 'From the beginning police and troops from the S.A. Mounted Rifles surrounded the striking compounds, arresting leaders and protecting strike breakers. There was one violent clash in which three men were killed and nearly fifty men (including about a dozen on the government side) injured. But, in general, the demonstration of force brought about a peaceful return to work.' During this period Consolidated Gold Fields had been living off its immensely rich Robinson Deep and Simmer and Jack mines, earning profits 'of the order of £800,000 to £1,000,000 a year' (Cartwright). Its attempts to extend its interests outside South Africa had been almost uniformly disastrous. Rising costs had, by 1918, lowered profits substantially and only temporary relief was obtained from the fact that in 1919 the mines were allowed to sell their output on the free market. The life of the two ageing mines was extended by obtaining further claims from the government and the Sub Nigel mine also began to make big profits.

In 1922 attempts by the Chamber of Mines to reduce white wages and increase the amount of black labour led to a strike by white miners which escalated into a full scale rebellion in which 153 people were killed and 534 wounded. The Chamber of Mines temporarily achieved its objectives but the return of Hertzog's African Nationalist party in 1924 gave eventual victory to the mineworkers, particularly as embodied in the Mines and Workers Amendment Act of 1926. 'The Act', comments Wilson, 'remains the basis of the colour bar in the mining industry'. As regards the white workers the 1922 Rand uprising was the last major confrontation between the Chamber of Mines and the white unions.

The depression of the early 1930's saw the gold price move from 84s per oz in 1932 to 140s per oz in 1934 and owing to world wide unemployment the Chamber of Mines was able to hold down wages of both black and white alike. In the seven years between 1933 and 1940 working profits earned by the gold mining industry were £275.3 millions as against £263.3 million for the 22 years preceeding, yet in 1941 white earnings per shift in real terms were no higher than in 1911, whilst black earnings were 15% lower. The 1930's saw enormous expansion for Consolidated Gold Fields through its discovery of the West Wits line of fields, symbolically enough by 'an active supporter of the Nazi movement' (Cartwright) Rudolf Krahmann. These did not make any contribution to profits until the early Second World War years, however, but Gold Fields was able to live off the fat of its old mines. Sub Nigel, for example, pushed its working profit from £1.35 million in 1933 to £2.83 million in 1941.

The 1930's however, saw the interests of the Chamber of Mines and the white supremacist government marching hand-in-hand. **'Those years in which, to the pleasurable astonishment of the annual presidential address to the Chamber of Mines, African labour supply increased from 211,000 in 1930 to 367,000 in 1940, were the decade in which the subsistence tribal economies of South Africa 'pushed' their 'unlimited labour supply' onto the mines. They were the years in which the process of making millions of Africans legally landless was fermenting its urbanised proletariat. The African's economic life was being compelled to adapt to the white man's polity'** (Horwitz). That the rise in employment was not due to the 'pull' of satisfactory conditions can be seen by the formation of the African Mine Workers Union in 1941. The AMWU's demands for higher wages were followed by the appointment of the Lansdown Commission whose 'miserable and grudging' recommendations were cut by 30%. In 1945 the mining industry reduced beer and porridge rations which caused a number of strikes. Numerous approaches were made to the Chamber of Mines which refused to reply and in August 1946, the AMWU embarked on a general strike. Wilson describes the ensuing effects as follows. **'Strike leaders on all the mines involved were arrested, police surrounded the compounds and, when stoned at one mine, fired on the miners. In another mine a baton charge was made and in another the men were driven underground from their compounds at bayonet point. 70 men were dismissed, 9 were killed, and more than 1,200 injured. At no stage was the government or the Chamber willing even to discuss, let alone accede to, the demands of the strikers.'**

Shortly afterwards the Chamber of Mines issued a statement saying that 'trade-unionism as practised by Europeans is still beyond the understanding of the tribal Native . . . He has no tradition in that respect and has no experience or proper appreciation of the responsibilities arising from collective representation. No proper conduct of a trade union is possible unless the workers have that tradition and such a sense of responsibility'. As Wilson comments 'if black unions are never to be allowed to exist how will the workers ever acquire the 'tradition in that respect' which the Chamber consider a necessary prerequisite?'.

The post-war period saw Consolidated Gold Fields reaping the benefits of its new mines on the West Wit line, in particular the opening of the West Driefontein mine, 'the worlds richest gold mine'. On the back of these gold mine profits, which in the mid 1950s still accounted for nearly 80% of revenue, the group began a world-wide investment programme, with particular emphasis on Australia and the U.K. In terms of both assets and profits South Africa with 50% of assets and 32% of group revenue is still the major component of the group and it should not be forgotten that the other expansion would have been impossible without the gold mining revenue.

Between 1946 and 1965 productivity in the gold mines rose by 40%. Owing to the unionisation of white labour the benefits of this rise were shared between shareholders, the South African Government and white workers. In the same period, white earnings rose almost 50% in real terms, while black earnings rose 7%. By the mid-1960s a shortage of white labour led to attempts by the Chamber of Mines to extend the number of jobs which could be done by black workers. In return for limited concessions, the white Mine Workers Union obtained a pay increase of 11% to be paid for by the increased productivity of black workers, who received nothing. Real wages in 1969 were the same as in 1966 for black workers, for white workers they were 17% higher.

The overall situation is that the gap between black and white earnings which only changed from 9:1 in 1911 to 11:1 in 1946 has now jumped to 20:1. The increase paid to a white miner in 1967 was greater than the total wage of a black miner. All the evidence is that this gap will continue to grow.

Gold mining in the 1880s . . .

and in the 1930s

Salient facts

1. Total revenue of Consolidated Gold Fields for the year to 30.6.72 was £31.4 million and total assets as at 30.6.72 were £404 million.

The geographical distribution was as follows:

Revenue:	
Australia	32%
South Africa	32%
U.K.	27%
Canada	9%

Assets:	
South Africa	50%
U.K.	22%
Australia	19%
Canada/U.S.A.	9%

The major reason for the apparently lower return from South Africa is that this figure only includes, for the most part, dividends received on South African shares and not the profits retained by South African interests. In the case of Australia and the U.K. the majority of interests are held directly.

2. (a) The total value of investments in South African exceeds £200 million. These are held partly directly, partly through wholly owned subsidiaries and partly through the associated company Gold Fields of South Africa (in which Consolidated Gold Fields owns 49% of the equity). Gold provides 80% of the group's South African revenue, other metals 10% and industrial and commercial interests the other 10%; there are also substantial share dealing profits, mainly from gold shares operations, which made a profit of £3¼ million in 1971/72.

(b) Of the gold mining interests the chairman says in his 1972 annual report: 'Gold production during the year from Group mines fell by over 9% to 5.7 million ounces, due principally to a reduction in milling rates following fires at West Driefontein and Kloof, and to lower grades. Nevertheless, sales of gold at enhanced prices lifted the aggregate working profit to a new record of £46.3 million compared with £44.0 million last year. Taxation and State's share of the profit absorbed £24.4 million and total distribution to shareholders were a record £16.9 million.'

Almost half the total of gold produced came from the West Driefontein mine which produced a working profit of £28.1 million and paid dividends of £10 million.

(c) The most important other South African interest was a 21% holding in Rustenburg Platinum Mines, the world's largest producer of platinum. The group also had a substantial share holding (but less than 10%) in De Beers Consolidated Mines, Palabora Mining (managed by RTZ) and Union Corporation.

(d) The company report lists the group's Namibian interests under South Africa. The most important of these is a 16% holding in The South West Africa Co. Ltd. (q.v.)

3. The major U.K. interests are Alumasc Ltd, manufacturers of aluminium products; Amalgamated Roadstone, quarrying sand and gravel (to which the Amey Group has been added since 30th June 1972); C. Tennant, a finance group; and the Wheal Jane tin mine. There is also a joint exploration company, half owned by Consolidated Gold Fields and half by Rio Tinto Zinc. The two groups were also partners, amongst other mining companies, in the setting up of the Zuckerman commission.

4. The main Australian subsidiary is Consolidated Gold Fields Australia Ltd, in which a 68% interest is retained. Amongst the minerals mined by the group's subsidiaries are copper (Mt Lyell), tin (Renison), coal (Bellambi Coal Co) and ilmenite (Western Titanium).

5. In Canada the group holds 59% of Newconex Holdings and in the U.S.A. 61% of American Zinc.

Particulars of Directors

	Home Address	Shares Partly paid:	Shares fully paid:
Ronald William Amey The Amey Group Aymacadam Ltd	Rowleigh House, Besselsleigh, Abingdon, Berks	—	—
Rt. Hon. The Viscount Caldecote, DSC Delta Metal Company Ltd Cincinnati Milacron Ltd Kingham Hill Trust Corporation Ocean Youth Club St. Lawrence College Enfield Cables Ltd Delta Metal Electrical (Holdings) Ltd Heatlock Engineering Ltd J. Smith & Sons (Clerkenwell) Ltd Formetals Ltd Midland Electrical Manufacturing Ltd	Debden Manor, Saffron Walden, Essex	—	222
James Braid Davis Gold Fields Mining & Industrial Ltd Carmen Valley Gold Mines Ltd Gold Fields Industrial Holdings Ltd New Consolidated Gold Fields Ltd South West Africa Company (Investments) Ltd The South West Africa Company Ltd (Alternate) Mining & Industrial Holdings Ltd Wheal Jane Ltd	Brook Farm, Nr. Cuckfield, Sussex	15,000	555
The Rt. Hon. The Lord Denman, MC M&G Properties Ltd Marine & General Insurance Office Ltd Marine & General Mutual Life Assurance Society National Mortgage & Agency Company of New Zealand Ltd The Orford Trading Company Ltd Tennant, Budd and Roderic Pratt Ltd Tennant & Budd (Underwriting) Ltd C. Tennant, Sons & Co. Ltd C. Tennant (Investments) Ltd Tennant Guaranty Ltd Tennant Trading Ltd Tennant Securities Ltd Highden Ltd Highlands and Lowlands Para Rubber Co Ltd Overseas Marketing Corporation Ltd Overseas Marketing Corporation Technical Information Centre Ltd Malden Trust Ltd The British Bank of the Middle East Anglican Church Trustees (Egypt) Ltd	Highden House, Washington, Nr. Pulborough, Sussex	19,100	900
The Rt. Hon. Lord Erroll of Hale, PC ASEA (Great Britain) Ltd B.P.B. Industries Ltd London Chamber of Commerce (Incorporated) Stal Laval (Great Britain) Ltd Whessoe Ltd Stal-Levin Ltd Canning Club Ltd Norwest Holst Ltd The Nuclear Power Group Ltd S.F. Air Treatment Ltd F.C. Construction (Holdings) Ltd R.C.A. Ltd Scandinavian Glasfiber Ltd (Chairman)	21 Ilchester Place, London W.14	—	483
John Donald McCall Gold Fields Mining & Industrial Ltd Ultramar Company Ltd United Kingdom South Africa Trade Association Ltd The Standard Bank Ltd The Standard Bank of West Africa Ltd	Heydon Place, Heydon, Nr. Royston, Herts.	30,000	624
Harry Angus Mackay British-Borneo Petroleum Syndicate Ltd Brupex Investments Ltd Mining and Industrial Holdings Ltd	8 Greenwood, 31 Princes Way, Wimbledon Common, London S.W.19	22,500	200
Malcolm Maclachlan British-Borneo Petroleum Syndicate Ltd Brupex Investments Ltd Gold Fields Mining & Industrial Ltd	2 Broad Street Place London EC2	—	—
Gerald James Mortimer, MBE Mining & Metallurgical Agency Ltd The South West Africa Company Ltd Greenwoods (St. Ives) Ltd Greenwoods Transport Ltd Craig-yr-Hesg Aggregates Ltd St. Ives Quarries Ltd Amalgamated Roadstone Corporation Ltd Cwmrhydyceirw Quarry Company Ltd Wheal Jane Ltd	40 Harestone Valley Road Caterham, Surrey	30,000	1,500

	Home Address	Shares Partly paid:	Shares fully paid:
Overseas Mining Association (Executive Representative) United Kingdom Metal Mining Association (Member of Council) T. J. Jones & Sons (Carmarthen Quarries) Ltd Sand and Gravel Association Asphalt and Coated Macadam Association Ltd			
Martin Ellison Rich Mitchell Cotts Group Ltd Tobenoil Ltd The Consolidated Trust Ltd Gold Fields Industrial Holdings Ltd Alumasc Ltd Metalion Ltd	51d Cornwall Gardens, London S.W.7.	30,000	1,099
John Robert Allan Montague Storar Agency Registrars Ltd Annaben Productions Ltd Cape & General Finance Ltd Cape Property Ltd London Mortgage Trust Ltd National Metal & Industrial Finance Company Ltd Securities Agency Ltd Securities Agency (Nominees) Ltd The Governments Stock & Other Securities Investment Company Ltd The Municipal Trust Ltd Union Commercial Investment Company Ltd Allen West & Company Ltd Allen West Pension Trustees Ltd The Consolidated Trust Ltd The Premier Investment Company Ltd Second Consolidated Trust Ltd 117 Ventures Ltd 117 Old Broad St Ltd 117 Holdings Ltd 117 Holdings (Ireland) Ltd Cavalier Securities Ltd British Industries and General Investment Trust Ltd The Colonial Securities Trust Company Ltd Mitchell Cotts Transport Ltd Janus Securities Ltd Princia Finance Ltd Drayton Group Ltd	Langskaill, 5 Atherton Drive, Wimbledon, London S.W.19		333
Sir George Steven Harvie-Watt, Bart, TD, DL, QC Monotype Corporation Ltd Gold Fields Mining and Industrial Ltd Midland Bank Ltd Eagle Star Insurance Company Ltd Monophoto Company Ltd Monotype Marketing Company Ltd Pictorial Machinery Ltd Anglo-Scottish Amalgamated Corporation Ltd Anglo-Scottish Securities Ltd English and International Trust Ltd Clydesdale Bank Ltd The North British Steel Group Ltd	Earlsneuk, Elie, Fife	—	1,210
Robert Lawrence Whiting Tennant Guaranty Ltd London and General Finance Ltd South West Africa Company (Investments) Ltd Angbur Investment Trust Ltd Rose Lloyd & Co. Ltd Tennant Securities Ltd The Anglo-French Exploration Company Ltd New Consolidated Gold Fields Ltd Amalgamated Roadstone Corporation Ltd Mining and Industrial Holdings Ltd Gold Fields Mining & Industrial Ltd (Alternate) British-Borneo Petroleum Syndicate Ltd (Alternate) Brupex Investments Ltd (Alternate)	11, The Drive, Chorleywood, Rickmansworth, Herts.	17,000	111
Arthur Robert Owen Williams, OBE The South West Africa Company Ltd Amalgamated Roadstone Corporation Ltd M. M. Distribution Consultants Ltd	5 Bedford Gardens, London W.8	—	840
William John Busschau None	9 Murray Street, Waverley, Johannesburg	—	1,000
John Brian Massy-Greene None	38 Roslyndale Avenue, Woollahra, N.S.W.2025 Australia	—	527
Adriaan Louw None	14 Argyle Street, Waverley, Johannesburg	—	121
William Mason Smith None	52 East 92nd Street, N.Y. City, New York, USA		400

Gold as commodity

1. Gold As Money

'Nobody could ever have conceived of a more absurd waste of human resources than to dig gold in distant corners of the earth for the sole purpose of transporting it and reburying it immediately afterwards in other deep holes, especially excavated to receive it and heavily guarded to protect it.' (Professor Robert Triffin)

'The world's largest hoard of gold is not, as readers of *Goldfinger* might imagine, locked away in the bowels of the earth at Fort Knox. It rests 85 feet beneath the streets of Manhattan in the air-conditioned vaults of the Federal Reserve Bank of New York at Liberty Street in the heart of New York's financial district. . . . When one nation buys or sells gold to another . . . a note goes down to the vaults to transfer the gold from one nation's locker to the other's. Normally four men working in two shifts are required to keep pace with the constant change of gold reserves. On an average day they hump up to 2,000 bars of gold, each worth $14,000, from compartment to compartment. Within 48 hours of a paper transaction between, say, West Germany and the International Monetary Fund, the gold will have been physically transferred. Normally . . . the shift of gold reserves calls for muscle. The task is lightened by fork lift trucks and conveyor belts. . . . In 1965 for example, the men in the vaults heaved around 430,000 bars and bags of gold worth $5.9 billion . . . the glamour of gold does not last long for men faced with such back-breaking tasks.' (Green p122-124)

The empty Sisyphean labours of these muscular moles in the Federal Reserve Bank cellars are not as meaningless as they seem. They are the operatives of a subterranean abacus, which plots the ebb and flow of payments between competing nations. But the shifting of gold is not a mere accounting device. It can signal, as it has in Britain in repeated crises, the onset of economic disruption. When the men in the vaults hump a heap of gold from one underground cupboard to another, before they can hump it back again, real wages must fall, belts must be tightened, thousands must lose their jobs. Oceans of ink are spilt on the dire straits of the balance of payments, money market prices are carefully scanned and when the gold bars finally retrace their short journey of a few yards, to gather dust in this vault rather than that, they leave in their wake the messy debris of once-more aborted growth.

The world market has created an international division of labour, of which South Africa with its gold mines is a part. But imposed upon the structure of that world economy is a patchwork grid of national boundaries, the interfaces of constant competition between conflicting nation states. Some stable standard, some common measure is needed to overarch the conflicting petty sovereignties of the world's money system. Until recently, the only measure of value beyond the reach of any one of the competitors themselves has been gold, supplemented and diluted by greater and greater admixtures of paper credit it is true, but ultimately tied to gold. Despite these successive dilutions, as the world has become aware of its absurdity, gold's monetary role has obstinately survived, as competing national economies have failed to reach simultaneous agreement on any single acceptable substitute.

Before 1914, the gold standard reigned supreme. All currencies had a fixed value in terms of gold, which circulated freely in each country in the form of coins worth their full face value. All bank-notes were redeemable in gold on demand. Internationally, there were no restrictions on the import and export of gold, and all international payments deficits were settled in gold. The system was automatic and self-regulating. If a country was in external deficit, gold flowed out, thus reducing the internal money supply. Thus prices came down, exports became more competitive, and foreign currency earnings expanded again. International monetary stability was automatically guaranteed, and the citizen could have confidence in the immutable value of the currency. Or so the theory went, and still goes in some nostalgic banking circles.

In practice it suffered from at least two defects. The first and most obvious was that it threatened to tie the money supply of the world economy to a rate of growth determined by the output of the world's gold mines, rather than the rate of growth of economic activity. To some extent this was overcome by the increase in gold output in the nineteenth century; more gold, it has been estimated was mined between 1800 and 1900 than in the preceding 5,000 years. It was also overcome by an expansion of credit, in the form of paper currency and bank deposits. Professor Triffin has calculated that notes and deposits made up less than one third of the money supply of the leading countries at the beginning of the nineteenth century, but accounted for 90% by 1913. As people became accustomed to accepting paper money and cheques as substitutes for gold and in domestic payments, gold piled up in the central banks, which held over 50% of the world's monetary gold and silver in 1913, as against 10% in 1848. (Fred Hirsch *'Money International'* p65) And this made the external financial situation less pressing.

This expansion of credit did not occur smoothly. Banks could and did fail if confidence in them collapsed and creditors rushed to draw out their gold. Central banks could prevent these financial crises by standing ready to lend to banks in this position, until confidence was restored. With the outbreak of the first world war however, there was a rush to convert the notes of the central banks themselves into gold; all the belligerent countries suspended the convertibility of paper currency to preserve their reserves and gold gradually vanished from circulation. The gold standard, seemingly immutable, did not withstand its first serious test.

Since the twenties, the process of the pyramiding of credit on a proportionately shrinking gold base, which went on within countries in the nineteenth century, has been at work internationally. Efforts have been made to provide the same solution of a lending 'backstop' to the issuers of paper currency; in this case it takes the form of international lending facilities to central banks and governments. And more recently, a start has been made on the complete demonetisation of gold, by the issue of 'paper gold' in the shape of the

International Monetary Fund's 'Special Drawing Rights' (SDRs). The difference is the absence internationally of any central authority analogous to a national government or central bank, able to overarch the competing interests of national states. After the end of the first world war, fixed parities were restored. Gold reserves were added to by cutting down on gold coins in circulation and gold reserves were supplemented by 'reserve currencies' such as sterling or the dollar, which were themselves convertible into gold. Thus the same amount of gold could go further.

But there had not been any equivalent development of international cooperation. The earliest possible return to parities fixed in terms of gold, if possible at the pre-war rates, was thought of almost magically, as a means of returning to pre-war 'normality'. The pre-1914 system had partly been made possible by Britain's ability to extend credit. This had itself been weakened by the war.

It was weakened still further by Churchill's decision, in 1925, to return to gold at the 1914 rate. This represented an overvaluation of some 10 per cent in terms of 1925 purchasing power. In a bid to reduce home costs in compensation, the government launched the attack on the miners' wages and conditions which led to the 1926 general strike.

Keynes had pointed out in the early 1920's the second great weakness of the gold standard; that its supposed 'stability' was confined to the exchange rates, while prices and employment levels were in fact extremely unstable. For a deficit country, there was no alternative to deflation. The weakness of this rigidity of exchange rates was shown in the 1929 slump. In the thirties, the major powers each tried to isolate themselves from the international economic blizzard by putting up exchange control barriers and the gold standard was abandoned a second time, to be replaced by fluctuating exchange rates.

As the second world war drew to a close, there was agreement amongst the western allies on the need to devise a new system that would avoid both the rigidities of a fixed parity system, and the isolationism and tariff wars of the 'thirties. Keynes proposed an international bank with power to grant deficit countries credits in an international currency, to be known as 'Bancor'. Surplus countries would be required to consult with the bank on the best way to reduce their surpluses. If they failed to do so, their credits with the bank could be cancelled.

Not surprisingly, the plan was officially advanced by Britain, with its weak international position. And equally unsurprisingly, it was rejected by the United States, which had ended the war as the world's creditor and held massive stocks of gold.

Instead a modified version of the gold exchange standard was introduced. The International Monetary Fund was set up, able to extend loans to a country in deficit in the 'hard' currencies it required to meet its creditors, which it could pay for initially in its own currency, and repay the loan when it was back in balance. A country in fundamental disequilibrium could devalue. The USA provided the bulk of its funds and this was reflected in the voting rights.

The system broke down when the international economic 'league table' changed, and was no longer reflected by the fixed exchange rates established after the war. Germany and Japan revived from their postwar prostration, and America lost its original position as a creditor nation, and went into deficit. Under the Marshall plan, $13,000 million of American funds flowed into Europe, to be followed by continuing American overseas investment. The paper dollars held outside the US could be redeemed for gold at $35 an ounce. America's gold reserves dwindled, and the dollar was no longer able to play the role of world currency which it had acquired at the end of the war. (Still less of course was sterling.)

In 1968 this pressure on the dollar led to the adoption of the so-called 'two-tier' system. Uncertainty had led to a sharp rise in the market price of gold, as speculators anticipated a rise in the official price. The central banks announced that they would no longer intervene to sell gold on the open market in order to prevent the price rising above $35. But they would continue to deal in gold among themselves at the $35 price. Since then, the issue, albeit in small quantities so far, of Special Drawing Rights (SDRs) by the IMF has shown that the creation of international 'paper gold' is a possibility. And since the United States suspended gold payments, at the same time that it raised the monetary price of gold last year, it has seemed that gold has been effectively demonetised.

This is not to say however, that demand for gold for monetary purposes can be expected somehow to wither away. Even though it has lost its place of preeminence, it still remains one reserve item amongst others. And it cannot disappear as thoroughly from international monetary transactions as it has from domestic, until an international system of monetary regulation has emerged as authoritative as that provided within each country by central banks and governments. The obstacle to this is the instability of an international economy based upon competition between sovereign national centres. The growing trend to government regulation of the economy increases the potential for divergencies at the same time that growing commercial integration increases the disruption which this can cause. As the interests of creditors and of debtors always diverge, to hit upon a system requiring conscious regulation and acceptable to all is difficult. Pierre-Paul Schweitzer, managing director of the International Monetary Fund, summed up his problem by describing the IMF as 'a complex instrument with a complex task, because it must try to get each member country simultaneously to aim for several internal and external objectives.'

The monetary value of gold is in the end as arbitrary as the monetary value of a piece of bank paper, whether the bank is national or international. The difference is precisely that its value does not depend on the policy decisions of this or that national government or on the creation of an authoritative world monetary authority. Even if the skeleton of such a world system now exists, gold will retain some monetary significance, not only for those governments and bankers who lack confidence in its successor, but for those private hoarders whose demand, as we shall see, is so significant, and who share the view cynically expressed by Bernard Shaw in 'The Intelligent Woman's Guide to Capitalism and Socialism'; 'You have to choose between trusting to the natural stability of gold and the honesty and intelligence of members of the government. And, with due respect for these gentlemen, I advise you, as long as the capitalist system lasts, to vote for gold.'

'The idols of the heathen are silver and gold, the work of men's hands . . . they that make them are like unto them, so is everyone that trusteth in them' Psalm 135

Gold as commodity

2. Gold as Fetish & Industrial Uses

As the monetary role of gold has declined, private non-monetary demand has increased. According to IMF estimates, until 1960 private absorption accounted for only about one half of all gold becoming available. In the first half of the 1960s, however, private demand took nearer 80% on average of new mine production, and additions to official reserves were made to a large extent from Soviet sales. By 1967, private demand had reached double that of new mine production. The difference was met from official gold reserves, and it was this which led to the adoption of the two-tier system.

This created a need for a marketing strategy by gold producers, and in 1968 Consolidated Gold Fields and Chartered Consolidated each independently launched studies of the market. Their findings were within a close range of each other and apart from a decline in speculative hoarding, which has led to a disbursement of some hoarded gold back on to the market, the 1968 findings remain valid today. In the words of Luc Smets, head of Chartered's research department; 'Our estimate of total intake to firm hoards in 1968 is 570 tons. This is over and above industrial uses that absorbed a massive 1050 tons, making a grand total for non-monetary absorption of 1620 tons. This figure is very much higher than most previous estimates, mainly because those were dependent on government returns, which gravely underestimate gold's clandestine movements. . . . Indeed it is estimated that by 1973, world production can be absorbed solely by the industrial users of gold (i.e. excluding the element of intake into hoards.) If this cumulative shortfall is to be met, it means in effect that either there have got to be substantial releases from stocks . . . or that there will be a dramatic increase in the free market price.'

There are four main uses for non-monetary gold. (Monetary purchases for 1970 were estimated at 221 tons.) These are jewellery, pure industrial uses, dentistry, and 'firm' hoarding (as opposed to short term speculation).

The jewellery sector absorbed some 857 tons in 1968, of which over half was accounted for by Western Europe. Italy absorbed some 190 tons of this, more than twice as much as any other country in Western Europe, a lead believed to be due to the ease of smuggling.

Outside Europe the biggest importer is one of the world's poorest countries, India. According to one estimate, in 1970 alone India imported 270 tons of gold, something over a quarter of South Africa's entire production in that year. In the face of a ban on gold imports in force since 1947, this gold is smuggled in illicitly, mostly from the Persian Gulf sheikdom of Dubai. Dubai's gold imports rose between 1965 and 1970 from 118 tons to 259, and its free market in gold is the biggest single market in the world. Despite the local saying that 'there are a lot of dentists in Dubai', it is common knowledge that the destination of the gold is in fact the illegal smuggling route by dhow across the Indian Ocean. The banks in Dubai which are closely associated with the gold traffic are the British Bank of the Middle East, the First National City Bank of New York, the Bank of Oman and the National Bank of Dubai. The gold is bought by local smugglers, whose activities, in view of Dubai's free market, only become illegal when the gold is transferred from the dhows to local fishing vessels somewhere off the coast of India.

This legal loophole provides the cover for the involvement of the world's most 'respectable' gold dealers in the traffic. 'The gold itself arrives in Dubai aboard regular BOAC or Middle East Airlines flights from London . . . normally sent on consignments by Sharps, Pixley, Mocatta and Goldsmid, Samuel Montagu, the Swiss Credit Bank or the Swiss Bank Corporation; these five firms between them supply the bulk of Dubai's needs'. (Green p179) The first four of these are amongst the daily participants in the ritual of 'fixing' the price of gold on the London Gold Market:

'Moments before each fixing starts, four men walk up the steps of Rothschild's marble offices in St Swithin's Lane and join Edward Hawes, the manager of Rothschild's bullion and foreign exchange department, in the gold fixing room on the first floor. It is a large room, with fitted olive green carpet, green chairs, and an ancient pendulum clock. On the walls are portraits of Francis I of Austria, Frederick William III of Prussia and Empress Alexandra of Russia, together with those of other European monarchs for whom the Rothschilds negotiated loans in the early 19th Century. Edward Hawes, a large jovial man who used to be a fast bowler for Herefordshire, sits at one end of a long table with an Odhner calculating machine in front of him. The other dealers sit at four desks around the walls. On each desk is a telephone with an open line to the dealer's own trading room, and a Union Jack. This flag enables a dealer to stop the meeting at any point with a cry of "Flag up" while he confers with his trading room, which in turn is in communication with perhaps a dozen clients scattered across Europe. Once he has reached a decision with them, he lowers the flag and fixing proceeds.' (Green p110-111).

Once in India, smuggled gold is immediately melted down from the 10 tola bars (3.75 ounces) in which it is imported, into crudely fashioned gold ornaments, so that its origin cannot be traced. Its chief end-use is in wedding dowries. The Indian peasant, like the French, has acquired a traditional reliance on gold as the only secure store of value in conditions of uncertainty and insecurity. But an additional demand comes from businessmen and industrialists unwilling to place profits and other earnings into bank accounts or other traceable and taxable destinations. The Indian government allows licensed gold dealers to purchase government-produced gold bars which, officially, cannot be held by private individuals.

Trade in these is currently estimated at some 15 tons per annum, and the gold submitted by merchants for rendering into bars is believed to consist 90% of freshly-made gold ornaments, themselves newly fashioned from smuggled gold. The total of 'black' money in India is estimated to equal over 50% of the open money supply and as it is undeclared, cannot be taxed or used for economic development. The anonymity of gold, therefore, facilitates the aggravation of India's misery.

Pure industrial uses absorbed 119 tons of gold in 1968. According to Luc Smets 'Almost half of this amount (59 tons) was accounted for by the USA, with West Germany (17 tons) and Japan (12 tons) the only other countries absorbing significant quantities. The electrical/electronics sector in the USA absorbed 54 tons of gold, the major use being in connectors, printed circuits and semi-conductors. Other minor uses include electron tubes, wave guides, thick films and relays and switches. The American aircraft/airspace industry accounted for a further 5 tons of gold . . .' Rising price levels have led to a reduction of gold use per item, by economising and substitution. This complicates any attempt at projecting forward demand, but continued growth seems certain.

Apart from the 74 tons devoted to dental uses, the other main destination of gold in 1968 was gold for hoarding, in bar and coin form. Estimates of this vary from around 540 to 570 tons. It has dropped subsequently, and the changes in the position of gold have led to dishoarding. Major hoarders include France (estimated to have absorbed 150 tons a year on average for hoarding between 1960 and 1967) and South Vietnam (said to have absorbed an average of 24 tons each year between 1968 and 1970).

With the monetary future of gold in question and the growing importance of the industrial sector of the market, gold now needs to be marketed like any other commodity. If gold loses its monetary mystique, its allure for decorative and jewellery uses may no longer be automatically renewed for each generation of consumers. A well planned public relations drive is needed to ensure that the metal is not de-mystified for the private consumer.

With this end in view; 'South Africa's Chamber of Mines has formed a new company, the International Gold Corporation, to sell more gold for non-monetary purposes. IGC has links with free-world producers in Canada, the USA, Australia, Rhodesia and elsewhere and is planning an advertising drive through international jewellery and watch groups. It recently became a member of the Swiss Watch Federation and is embarking on several joint promotional ventures. In addition IGC will be opening a number of information and promotional offices. The long term aim of IGC is apparently based on what De Beers achieved in the diamond market; a slowly rising trend of prices, and above all an orderly market. . . . One of IGC's policies will be to ensure that rises in the price of gold are not to steep as to deter consumption.' ('Incentive' August 1971)

But while the mining companies look to the future, their present seems secure. Whatever the legal obstacles on its movements, gold will always find a way, through the Dubais, the Hong Kongs and the Macaus of the world market, to those seamy pockets of insecurity, greed and fear, which assure it of a market amongst mistrustful Indian peasants, tax-dodging black marketeers, or Saigon officials preparing for a quick get-away. The pattern of its illicit distribution follows the course of the seismic faults of the system which produces it. The oppression and violence by which gold is mined from the earth are simply the concentrated expression of the features of a worldwide system. As long as this remains the case, the same conditions which attend its birth will assure it of a ready market wherever it goes.

The white unions

'The movement and the nation can derive advantage from a National Socialist Trade Union organisation only if the latter be so thoroughly inspired by National Socialist ideas that it runs no danger of falling into step behind the Marxist movement . . . It must declare war against the Marxist Trade Unions . . . It must declare itself hostile to the idea of class and class warfare and, in place of this, it must declare itself as the defender of the various occupational and professional interests of the German people.' (A. Hitler, Mein Kampf).

'The Bond, said its chairman Ben Schoeman, would purify the unions of non-national influences and eradicate the communist leaders who preach atheism and stirred up class war. His party,he told Parliament, proposed to introduce a "new economic order" in which the state would regulate wages and confine the unions to the role of looking after domestic matters and the workers' spiritual welfare'. (Simons p564).

Gold has paved the way for the rest of the South African economy, not only in terms of economic development and the treatment of black labour, but also in the position of the white trade union movement. The system by which a small white aristocracy of labour has its privileges buttressed by a formal and informal system of job reservation in return for which it consciously collaborates in the preservation of the helot status of the black workers, had its origin in the goldfields. The emergence of the present state of affairs is only superficially obscured by the fact that it was arrived at by a process of conflict between white unions and mine-owners, sometimes, as in 1922, erupting to the point of insurrectionary confrontation. The political system provided the structure, through an alliance of white trade unionism and Afrikaner nationalism, by which a profitable compromise, acceptable to the mineowners, was arrived at.

The initial white labour force on the mines at the end of the nineteenth century was recruited from the new immigrants, often with trade union experience in their countries of origin and in other countries of white settlement such as Australia and the USA. Their craft traditions of defensive protection drove them to use their trade union organisations against the threat of substitution by the mineowners of cheap labour for skilled. White workers acted as overseers, and used the traditional language of trade unionism in defending their position against the employment of cheap and unorganised labour. But this position was at no time accompanied by any attempt to organise the unorganised and so do away with the roots of the problem. The attitude of the white trade unionist was summed up in the evidence of the general secretary of the (white) Mine Workers' Union to a Royal Commission in 1914; **'Seeing that the average Kaffir is bred as a slave, he has no right to usurp our position as a free man, or drive us from these mines — we have a right to the colour bar. I hold that the Kaffir should be allowed to get free, but in the interim, as he is only here as a semi-slave, I have a right to fight him and to oust him . . .'** (Horwitz p90).

The argument that the poor black savage was an unwitting tool of the capitalists was reconciled by white trade unionists with a refusal to support any improvement in African wages or conditions, by the argument, also used by the employers, that as the native was not used to money economy, the effect of wage increases would be simply to reduce the length of time for which he would come to work in the mines.

But the true base of the white miners' attitudes was somewhat different. **'The white miner, a director of labour rather than a labourer, owed his supervisory role to the constant flow of green-horns down the shaft. Since his job was a function of their inexperience he was dispensable to the extent that they learned the skills of their trade. His dependance on the ignorance of the men under his supervision and his estrangement from them made him feel insecure'.** (Simons p52).

The vested interest of the white miner in the subordination of the black lay not only in his massive income differential and his skill monopoly but in his ambiguous position as a wage earner who also preserved, in his payment system, elements of his earlier position as a sub-contractor;

'Shaft sinkers and developers were the direct descendants of the contractor who in the earlier days of the goldfields had developed stoped, or trammed for a fixed price per unit of work done. In the later years the company took over responsibility for recruiting and paying the African, partly to stop crimping and to peg his wages at a figure acceptable to all owners. The principle of relating the white miner's earnings to the amount of work extracted from his gang persisted. He was paid both a minimum daily wage . . . and an amount determined by the amount of ground broken or excavated. As an official of the Krugersdorp branch of the miners' union explained, his earnings depended on "the efficiency per boy per fathom per day." The harder the African worked, the greater was the ganger's income.' (Simons p277).

After the first world war, the owners tried to reduce the numbers of white miners and increase the proportion of blacks. Between 1913 and 1921, the African miner's wage had risen by only nine per cent, and the white miner's by more than fifty per cent. 'Clearly' the Chamber of Mines argued in its 1921 report, 'the reduction of the excessive cost of European labour is the line along which mines are bound to look for relief '. The resistance of the white miners to this attack led to the famous confrontation of 1922, in which the white miners, waving and singing the Red Flag, raised the slogan 'workers of the world, unite and fight for a white South Africa'.

The strike was violently suppressed, with the use of troops and aircraft. The casualties totalled 153 killed and 534 wounded. The mine-owners enjoyed their victory for only a short time however. In 1924 an alliance of the white Labour Party with Hertzog's Nationalists won an overwhelming majority over Smuts. The colour bar was entrenched anew on the mines, by the 1926 Mines and Works Amendment Act. This specifically barred blacks and Indians from jobs as mine managers, mine overseers or surveyors, mechanical engineers, engine drivers, miners entitled to blast and various others. It remains the basis of the colour bar in the industry today.

'From 1924 onwards' writes Horwitz, **'there is a virtual end to serious labour disputes in the Rand mining industry. In total contrast to the previous quarter-century of almost continuous turbulence and frequent syndicalist violence on the Rand mines, the forty subsequent years have been marked by an industrial 'peace' probably unparalleled in the world's mining industry. The Chamber of Mines acquiesced in a collective bargaining agreement with the white Trade Unions, that from 1924 onwards recognised the written and unwritten rules of White-Black job demarcation as simply not an agenda item. Year after year the presidential address of the Chamber of Mines from 1924 refers to the cordial relations with its White organised labour. . .'**

The political alliance of rural Afrikaner Nationalism with the white working class had succeeded in reversing the policy of the Chamber of Mines. The Chamber accepted the situation and sought instead to seek its objectives by securing government co-operation in creating a political and social power structure that would minimise the cost and maximise the flow of that part of the labour force which could not resist; the unskilled black workers. The inter-war period in which this balance was struck, was the period in which the laws were passed which laid the foundation of the apartheid economy.

'Smuts' Industrial Conciliation Act of 1936 had the effect of extending the pattern of labour organisation on the mines to manufacturing industries. Artisans, like miners, obtained a permanent stake in the white power structure, while employers offset the cost of sheltered employment by paying Africans less than a living wage.' (Simons p336) The Act, as amended by the Native Labour (Settlement of Disputes) Act 1953 sets up a framework of industrial councils to regulate collective bargaining. Black Africans are excluded from this system, are barred from joining any registered union, and cannot form unions legally recognised or able to enter into collective bargaining. Strikes by African workers are prohibited under heavy penalties.

This is not the only field in which gold has led the way. 'The migrant labour system has always been the basis of the gold and diamond mining industries. The system is now being extended to the manufacturing sector, despite the spectacular industrialisation of recent years . . . Another aspect of the two distinct labour codes is that there is a colour bar in employment. It has its origins in the early days of gold and diamond mining'. (First p44-5).

'Indeed for their labour policy in all sections of the economy, the architects of apartheid have taken the gold mining industry as their model'. (Wilson p13)

By the mid-1960's the situation had changed. 'In recent years, apart from the extra labour costs involved, supervision problems have been aggravated by difficulties in finding whites willing to work underground. In the 1960's mining no longer represented the "aristocracy" of white employment in South Africa as it had in decades past. Sons no longer follow fathers into mining, and alternative job-opportunities are more attractive.' (Horwitz p416).

In 1965 after some pressure from the mine-owners, a plan was drawn up by the white Mine Workers Union by which some of the white mine-workers' duties would be delegated to Africans in return for wage increases. An experimental scheme was approved by the Government Mining Engineer. When the experimental scheme came to light, however, it had to be abandoned under pressure led by a break-away group of white miners, who feared it would be the 'thin end of the wedge'. Pressure for an agreement continued however, and in 1967 a productivity agreement was signed by which whites received an average increase of 11% in return for allowing Africans to do some previously all-white jobs.

As the Economics Editor of the 'Financial Mail', wrote in September 1971 'Looking ahead, mine managements believe the only way to keep their wage bills under control will be to further increase the ratio of black to white workers. Plainly with black wages so much lower than white ones, the managers are on to a good thing.' He went on to explain management plans to offer whites a shorter working week in return for further job fragmentation: 'We would now ask the white mine worker to take a step or two up the ladder of responsibility, and allow the non-white to do the same; the white man will assume a more supervisory role and would release to the non-white the remainder of the tasks he formerly carried out. . . the industry has offered to guarantee that no white employees will be retrenched as a result of such changes and obviously, since the blacks under the proposal would be doing only part of the operations previously carried out by whites, they would not, according to the employers, need to be paid the same.' (Article in 'The Banker' September 1971, quoted in First p75-6).

When apologists for overseas investment in the apartheid system refer to the pressure which business itself is exerting to 'moderate' the restrictions of apartheid, it is to these developments, described by Mr Harry Oppenheimer as 'floating up', that they point. 'It is already happening. Whites are moving into the professional, technical, administrative, and managerial grades, and Africans are entering semi-skilled and even some clerical jobs. All that is happening is that the threshold is rising. The discrimination based on colour which is intrinsic in a system of white supremacy remains — in work allocation, in work roles, and above all in rates of pay.' (First p77).

Labour conditions

**'We agreed to leave our kraals,
In herds we came, castrated,cattled,
We left our mealies, milk and beer,
To eat this lumpy porridge here,
Now we are 'boys' and men no longer,
And all our world is upside down,
At dawn we're roused to stand in lines . . .
Have you seen buried men survive,
Walking and seeing and staying alive?'**

B. Wallet Vilakazi.
Down the Mines

For the 370,000 African miners working in the goldfields of South Africa, there is nothing romantic about the gold bars they produce. For them there is no fascination in gold jewellery or the gold in Fort Knox. They are simply a unit of production that has been forced to work in inhuman conditions in a vast financial machine that benefits from their labour.

Gold mining in South Africa is an extremely difficult operation, above all for the miners themselves. The Chamber of Mines summarized the technical difficulties in a passage produced by their public relations department: 'Imagine a solid mass of rock tilted . . . like a fat 1,200 page dictionary lying at an angle. The gold-bearing reef would be thinner than a single page, and the amount of gold contained therein would hardly cover a couple of commas in the entire book. It is the miners job to bring out the single page — but his job is made harder because the "page" has been twisted and torn by natures forces and pieces of it may have been thrust between other leaves of the book.'

The difficulties imply physical dangers to the miners. These include the existence of highly explosive methane gas; or a stope face two miles below the surface bursting under pressure or the ever present possibility of unexpected flooding from millions of gallons of water. The gold-bearing ore itself is not very rich, though it does lie in a relatively concentrated area. The ore also lies deep, up to three miles below the surface, which accounts for the high temperatures (over 100°F) under which miners have to work.

'To get some idea of the working conditions with which those actually mining the gold have to cope, it is perhaps easiest to start thinking of a road labourer digging up a pavement with a jack hammer drill. Now imagine him doing that work thousands of feet underground, in intense heat, where he cannot even begin to stand upright, and where the drill is not going with the aid of gravity into the ground beneath, but where it has to be held horizontal and driven into the wall in front. Add to this picture the noise of the road drill magnified several times by the confined space; dust . . . which invades the lungs and the possibility that the roof of the mine may suddenly cave in under pressure, or that the spark from the drill or a careless cigarette might ignite a pocket of methane gas, and one has some idea of the work of a "machine boy".' (Wilson p20)

In these conditions in the mines of the Witwatersrand, 'generally blacks worked longer hours than whites. By law each group is supposed to work a 48 hour week, but in 1965 although this was true of whites, blacks spent approximately ten hours a day, six days a week, between the time they got into the "cage" to go underground and the time they got back to the surface.' (p62) For this work, 'the total underground rate, including overtime and bonus, but excluding the additional half shift on Sundays, was 2.5 pence per hour, for the African miner.' (p55)

A 60 hour week underground in any situation would warrant at least some form of paid leave. In the South African gold mines the white miners working underground on completion of 312-936 shifts were granted 18-30 days leave on full pay. For the black miners there is no paid leave.

In the South African goldfields 19,000 men, 93 per cent of them black, died between 1936-1966, as a result of accidents; an average of three deaths per shift. 'The white death rate averaged 0.97 per 1,000 men per annum, whilst the average rate for blacks was 1.62 per 1,000, proving the assertion that the black jobs were somewhat more hazardous than white jobs.' (p21) During 1971, 524 blacks and 21 whites were killed. In 1968, 25,000 blacks and 2,000 whites were disabled for at least 14 days by accidents. Most of these accidents were estimated to have been due to the inherent dangers of the work.

The Compensation Act of 1941 formed the basis of subsequent legislation under which 'compensation paid to an injured man and his dependents was calculated according to his earnings at the time of the accident. Under the rules, compensation for an average worker totally and permanently disabled by a mining accident was a lump sum of approximately £614 if he was black and an annual pension (paid monthly) of £900 if he were white.' (p50)

A disabled miner, of course, has the option of being 'rehabilitated'. The Witwatersrand Native Labour Association have special hospitals 'which deal with more serious operations and rehabilitation work of those crippled by accidents at work.' (p49) The rehabilitation 'problem' occupied a paragraph in the 1971 Chamber of Mines Annual Report. It read:
'A sub-committee was appointed to consider the encouragement of uniform action by the mining industry as a whole in the rehabilitation of disabled Bantu employees to an extent that they could be gainfully' (sic) 'employed on the mines and elsewhere. The sub-committee recommended . . .
1) the industry should make use of the facilities provided by the Transvaal Bantu Blind Society at its training centre at Ga-Rankuwa north of Pretoria in the Tswana homelands, for those Bantu employees who were blinded in mine accidents.
2) that the disabled Bantu employees be encouraged to return to the mines on which they are employed, for retraining and rehabilitation for a period of not less that three months immediately after the initial hospital treatment and prior to their returning to their homelands, and
3) devised, for the guidance of the mining industry, a scheme for the retraining and rehabilitation of the permanently disabled Bantu.'

Accidents, however frequent, are sudden hazards for the miners. A more lasting and incipient danger is the occurrence of pneumoconiosis, a disease caused by dust getting into the lungs, which then become more vulnerable to tuberculosis. 'By 1936 a total of 5,200 white miners had been granted monthly allowances for secondary silicosis or for silicosis with tuberculosis; 3,500 of these miners had already died by 1936; their life expectancy from the time they received their certificates from the Phthisis Board being no more than 5 years.' (p50)

The 1943 Miners Phthisis Act Commission reported, 'a disquieting state of affairs in regard to compensation, the medical examination and the after-care of native-employees who have contacted compensatable lung diseases.' (p51) In other words African miners were neither tested nor compensated for lung diseases.

In 1967 £5 million was paid by the mining employers as compensation for lung diseases. This was mainly in the form of lump sums or pensions. Of this total two-thirds went to white miners and their dependents in cases of deaths. The remaining one-third went to blacks. 'Between 1964 and 1967 the average numbers of whites who were certified each year as having compensatory lung diseases was 605; the average number of blacks was 5,930.' (p51) The mine employers in 1967 paid a pension of £615 a year to every white miner suffering from pneumoconiosis with tuberculosis. 'In the case of blacks it was a once and for all payment of £288.' (p51)

In addition, 'white miners who develop tuberculosis have access to the Springfield Sanitorium, where they are looked after for several months until they are cured.' (p52) Africans on the other hand used to be sent home as soon as tuberculosis had been checked but 'it was found that with the lack of food at home, tuberculosis often recurred and the ex-miner infected others.' (p52) Now they are kept in bed for 3-4 weeks before being sent home. At home the Africans are given anti-biotics but in most cases 'tuberculosis recurs.'

The 'inherent dangers' of gold mining also include the geological formation of the mines and the areas surrounding them. A notable example is the West Driefontein mine, managed by Gold Fields of South Africa. A giant dolomite which is a 2,000-million-year-old marine deposit, comes to the surface over half the area of the mine. It lises in a bed up to 3,000 feet thick at West Driefontein and is riddled with caverns. These were formed as a result of water seeping through into the dolomite and eating away at the rock, which has a soluble lime base. 'Underground reservoirs were formed in this way — tiny at first but growing slowly until the largest could be measured in hundreds of millions of gallons.' (Rand Daily Mail) A geologist maintained that 'if you drill in the dolomite it is an even chance whether you get millions of gallons of water or a dry borehole.' (RDM)

It had been the opinion of experts since 1936 that, 'shafts would be flooded' if the mine was established. Gold Fields nevertheless 'decided to tackle the impossible and began to sink its first shaft . . .' (RDM) The consequences of that decision can be seen in three recent disasters.

On the 12th December 1962 at 6 a.m. what was termed as a 'freak' disaster occurred at West Driefontein. 34 Africans died and 20 others were injured.

'A large sinkhole, about 150 feet in diameter, probably caused by the collapse of a vast cavern in the porous dolomite, thousands of feet below the surface, swallowed up the main crushing plant.' (RDM)

The subsidence occurred without warning. At the time the night shift was over and the day shift was just coming on. 'But for this the loss of life might have been greater.' **'Dozens of African workers caught in the subsidence tried to claw their way out of the sheer-sided crater. As they did so a 30-inch iron burst pipe poured thousands of gallons of waste water, pumped from the mine, back into the hole.'** (RDM)

The flow of water was estimated at 20 million gallons a day. It was, until then, the greatest disaster in South African gold mining.

On October 28, 1968 the same West Driefontein mine 'suspended operations as a result of the flooding.' There were constant fears that the mine was 'going to drown in the 100 million gallons of water a day that was thundering into its underground workings from caverns in the dolomite.' (RDM) The flooding was again 'completely unexpected.' The water burst from a fissure which was always thought to be dry. 'What is believed to have happened is that the fissure higher up passed close to a cavity in the water bearing dolomite. Somehow the wall between them burst, and the water thundered hundreds, perhaps thousands of feet down the fissure and then into the mine at the 3,000-4,000 feet level.' (RDM)

The miners working at the stope heard the rockface beginning to 'talk' — mining parlance for the creaking and groaning sounds that often precede a rockburst. They had just left the stope area when water burst through a fissure in the rockwall. 'It came through . . . in an "atomized spray" at an estimated rate of 10 million gallons a day.' More than 2000 workers left the mine in four hours. (RDM)

On the 29th January 1972, 100 miners 'succumbed to carbon monoxide fumes 520 meters below the ground at West Driefontein Mine.' The miners in the affected section, and elsewhere in the mine, started to filter back to the stations after the evacuation order. Unknown to them, smoke, carbon monoxide, and carbon dioxide from the fire, about 500 meters below them, had filtered through the ventilation tunnels into the passage ahead of them. It was then that they ran into trouble. Blinded by smoke and choking on the fumes they began running towards the station and safety.' (RDM)

'We ran down a narrow passage in a frantic effort to reach the station,' said a 49-year-old miner from

Botswana. 'There was confusion. People were bumping against each other and falling as they tried to run down the passage.' (RDM) The first rescue team to reach the area described the scene. 'Those who were living just lay there breathing deeply like men in a heavy drugged sleep. But some of them were dead and motionless.' Thirteen Africans died in the disaster. A further three Africans were found dead after a search. (RDM)

The eight white miners detained at the nearby Blyvoruitzicht Hospital were all released. 'They had been ordered by the mine management not to speak to the press.' (RDM) The annual report of the West Driefontein Mining Company said in 1972: 'Production was adversely affected by two underground fires in September 1971 and January 1972, and also a serious pressure burst in March 1972, all in the No. 5A Sub Vertical Shaft area. It was necessary to flood the area affected by the second and more serious fire, and it was only established on 23rd February 1972, that this fire has been extinguished.'

Nowhere in the company report is there mention of the deaths incurred in the fires. However the Report goes on to say: 'An amount of R502,340 was recovered from the company's insurers in respect to the loss of profits resulting from the first fire, and provision has been made for the recovery of R2,000,000 claimed as a result of the loss of profit resulting from the second fire. These two amounts totalling R2,502,340 are shown in the profit and loss account.'

The West Driefontein Mine is the richest gold mine in the world and is considered the 'pride' of the South African mining industry. This by virtue of the enormous profits it has made for its owners. Between 1952-62 it produced 9 million fine ounces of gold worth £114 million. In 1972 it made a working profit of £28 millions from gold alone.

'Historically it was largely the plentiful supply of cheap Native labour which had made possible the proving and working of the relatively low grade ore of the Witwatersrand.' (Van de Horst) The laws enacted since the 1890s to force blacks into the service of white employers were **'significant as demonstrations of the power of the mining financiers to make laws in their favour.'** (Wilson p2)

Miners' medical examination.

The aim of the Chamber of Mines was first to force Africans to leave their rural homes to work in the mines and secondly to control that labour once it was there. To the Africans, working on the gold mines was not an attractive proposition. The Star reported on 20th September 1972 **'that the Africans had no value except as an equivalent of so much horsepower. They were both indispensable and expendable. Accidents and disease killed, maimed and incapacitated thousands every year.** Employers recruited fresh supplies of sturdy young men from the villages within the radius of 500 miles. They came by foot and rail, often riding for 10 days in open cattle trucks, to be sent underground the day after their arrival without training or time to recuperate.' The resulting death rate was high. It averaged 69 per 1,000 for diseases on the Rand mines in 1902-3, when the first health statistics were compiled, and ranged from 118 to 164 per 1,000 in groups of men from tropical regions. Pneumonia, scurvy, meningitis, and dysentry caused the death of 3,762 Africans, or 82% of all who died from disease on mines and works of the Witwatersrand in 1903.

The death rate fell to 33 per 1,000 in 1906, after Milner's administration had enforced minimum standards of diet, housing sanitation and hospital care. The high incidence of deaths, and injuries — for which no compensation was paid — bad food, poor accommodation and unpleasant work gave the mines a bad name.

'We do not like our men to go to Johannesburg, because they go there to die,' chiefs from Basutoland told Sir Godfrey Lagden, the Transvaal's first secretary of Native Affairs under British rule.' (Simons p57) The Glen Grey Act, introduced and subsequently passed in the Cape, was sponsored by the founder of Consolidated Gold Fields, Cecil Rhodes.

The act imposed a 'labour tax of 10s a head on "selected male natives." ' A similar bill was passed a year later in the Transvaal, also imposing a 10s 'hut tax'. 'Each male native above 21 years of age who was unmarried or had only one wife was assessed as one "hut", and each additional wife as an additional "hut". Consequently the tax was in reality a poll and a wife tax.' (Van der Horst)

A memorandum by the Department of Native affairs suggested that these laws, 'were also a strong endeavour to force natives to work as it was quite impossible for those residing away from European centres to raise the necessary money to pay the above mentioned taxes, and many were thus forced to come and work in the town and the mines.' (Van der Horst)

The Glen Grey Act also had provision to impose individual tenure on land in the African agricultural areas. The idea was to increase the supply of African labour by the systematic destruction of the traditional basis of African agriculture. Whereas land previously had been held on a communal basis, the Act made provision 'for the issue of title deeds for arable allotments to individual native land holders. The rights of the title holders were restricted in various ways. Allotments had to be beneficially occupied. They could be only transferred subject to official approval. On the death of the title holder the allotment passed to his heir according to official interpretation etc.' (Van der Horst)

The Cape Labour Commission felt that the 'golden road' to increase the supply of labour was 'by furnishing all natives . . . with individual titles, and preventing all those who had no title from occupying land.' (Van der Horst)

Eventually, 'it was the Land Act of 1913 that was decisive. Its effects were to prove more beneficial to the Chamber of Mines which drew so large a proportion of its black labour force from the overcrowded "reserves" created by the Act.' (Wilson p3) 'In 1913 the areas scheduled for African ownership amounted to some 7 per cent of the total area of the country; in 1936 the polity proposed to release about another 6 per cent so that the final share of the land of South Africa under African ownership would be about 13 per cent.' (Horwitz p145)

The Native Trust and Land Amendment Act of 1954 was designed to limit and register annually all African 'labour tenants' and 'squatters' on white farms. 'Tenants' work on white farms for part of the year, 'squatters', pay part of the produce they raise, in return for the right to live on a small part of a white farm. The Act removed a previously binding obligation on the Government to find alternative land for squatters or labour tenants who were displaced.

'In terms of the 1937 amendment to the Immigration Act, the Chamber of Mines alone was in the position to bring in contract labour from countries north of South Africa . . . In South Africa, given the political objections against attracting black labour to the cities, the men who made and enforced the laws were likely to favour those industries that were able to use temporary labour and which had an established method of controlling the entry and repatriation of such labour. The fact that the gold mines had an efficient recruiting organization encouraged the government to permit them to draw in foreign labour.' (Francis Wilson p71)

A South African Government publication called the 'Golden Magnet' proclaimed that, 'for almost 80 years tribal Bantu recruits have been coming to the reef for work on the gold mines. Approximately 220,000 of the average of 350,000 recruits enrolled annually from the countries beyond the borders of South Africa. They are all volunteer recruits.'

With regard to Mozambique the situation is somewhat different. 'There is no doubt that there is an intimate connection between Mozambique's internal labour policy and the movement to the mines. The African male in southern Mozambique is caught in a great vise. In effect, the Portuguese labour policy decrees that those who cannot find work in the carefully regulated labour market of the Mozambique cities, must face the alternative of emigrating to the mines or being conscripted as shibalos. (i.e. unpaid, forced agricultural labourers). When the hunt for shibalos is intensified in a particular district the recruiting posts of the Witwatersrand Native Labour Association which are strategically placed throughout Southern Mozambique, are suddenly deluged with Africans anxious to sign mine contracts.' (M. Harris)

Apart from recruiting labour the Chamber of Mines also felt it necessary to control its black labour force through the 'contract system'. Contracts pertaining to African labour vary between 12 and 18 months or on the average of 350 shifts. 'The cost of recruiting from all areas worked out at slightly less than 9 cents (4p) for each shift worked in 1969.' (Wilson)

The Chamber of Mines was also responsible for the drafting of the 1895 Transvaal Law 23, which, 'provided that on entering a gold field . . . a native had to provide himself with a District Pass, authorizing him to seek employment for 3 days, with provision for extension of the period on payment of a fee. When the native found work, the employer took possession of the District Pass and retained it until the native was discharged, the native employee being provided with the Employer's Pass. Natives found without a pass were liable to be arrested.' (Van der Horst)

With the Pass Laws and the Native Urban Areas Act, which enabled the Urban authorities to order Africans out if their presence was detrimental to 'peace and order', the white control over the movement of Africans to the cities was tightened.

This influx control over thousands of African workers, 'gave employers in the mining sector a decided advantage over their competitors for labour in the manufacturing industries. No obstacles were placed in the way of men in the reserves wishing to go the the mines; to get permission to work in a factory was far more difficult.' (Wilson p81)

The Natives (Abolitions of Passes and Co-ordination of Documents) Act of 1952 required all Africans to carry at all times reference books (passes) containing proof of employment and permission to be in an urban area. The Native Laws Amendment Act of the same year extended the system of influx control to women as well as men and established labour bureaux in African 'homelands' to control the movement of work-seekers. In 1969 the number of convictions under the Pass Laws rose to 632,000, an average of one person every minute of the day and night.

The Mining Journal of 1959 suggests that one of the reasons for the sharp increase in the supply of black labour in 1958 was 'the government policy of repatriating unemployed natives in the towns, either inside or outside South Africa. Some quarters may regard this last as a police state action, but the growth of a large unemployed population in the urban areas, constitutes a serious social problem, as shown in the increase in the incidence of serious crime . . . Once repatriated, it is possible for the natives to apply for work on the mines.'

The Pass system in fact was also a means of enforcing contracts. Regulations were designed to record, 'the whole of a man's service, his movements and character and so to control his career as to check the viscious habit of desertion formerly prevailing.' (Van der Horst)

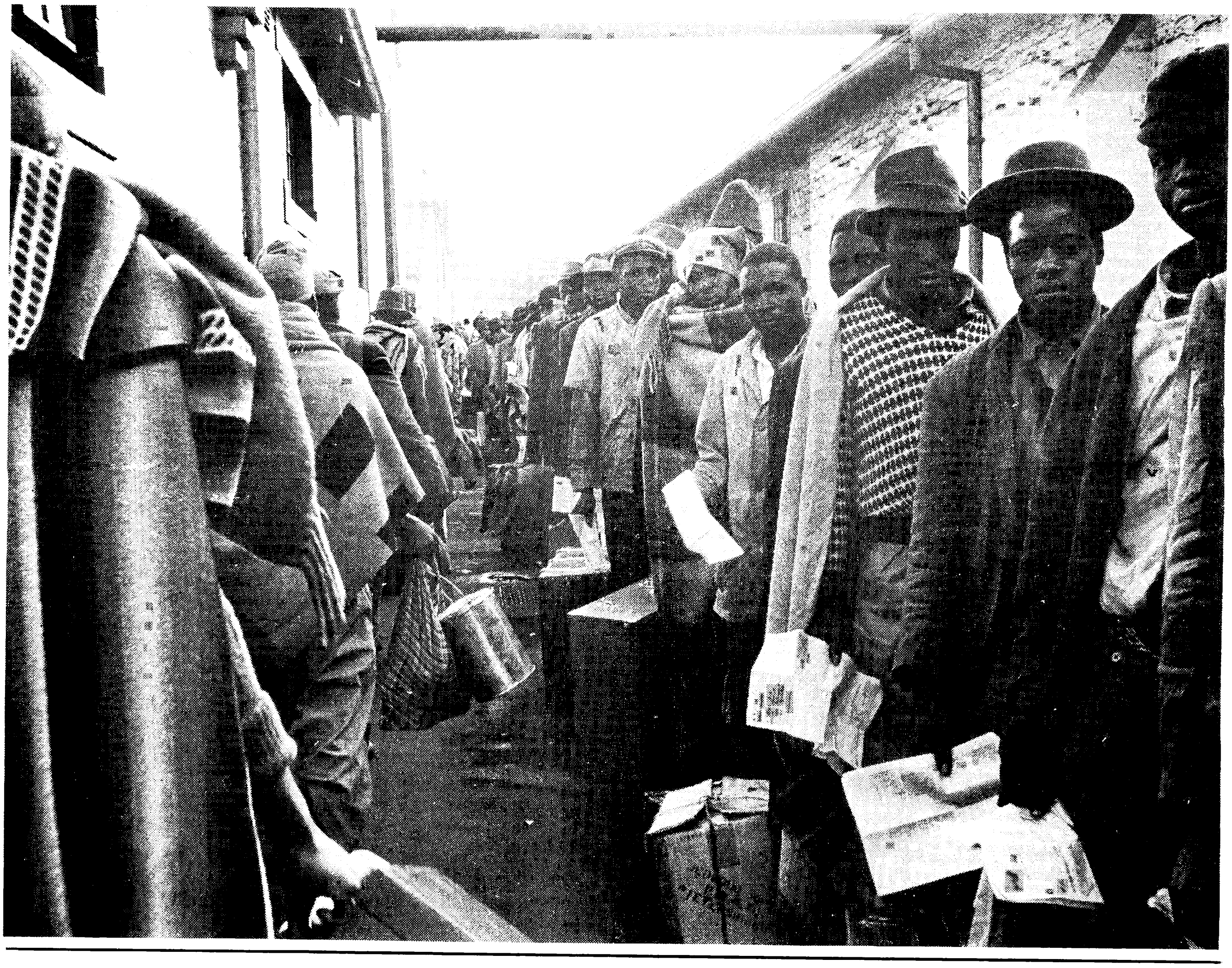
Apart from the laws of South Africa, the method of recruiting and employment in the mines, compounds the misery of the African miner. For the new recruit from the rural area, to go to work in the mines is more than a casual change of occupation. It took the West European worker decades to adjust to the regimented existence of industrial life. In South Africa thousands of rural Africans have to compress this painful experience into a matter of days. days.

'At its local recruiting offices Wenela signs up the Africans provided they are 18 years old, weigh at least 110 pounds and pass a preliminary medical examination . . . At the reception centre on Eloff Street in Johannesburg, which can marshal up to 4,000 new arrivals a day, they are all X-rayed by a battery of 6 machines at a rate of 800 an hour, given a further medical check and are dispatched to the individual mines.' (Green p67)

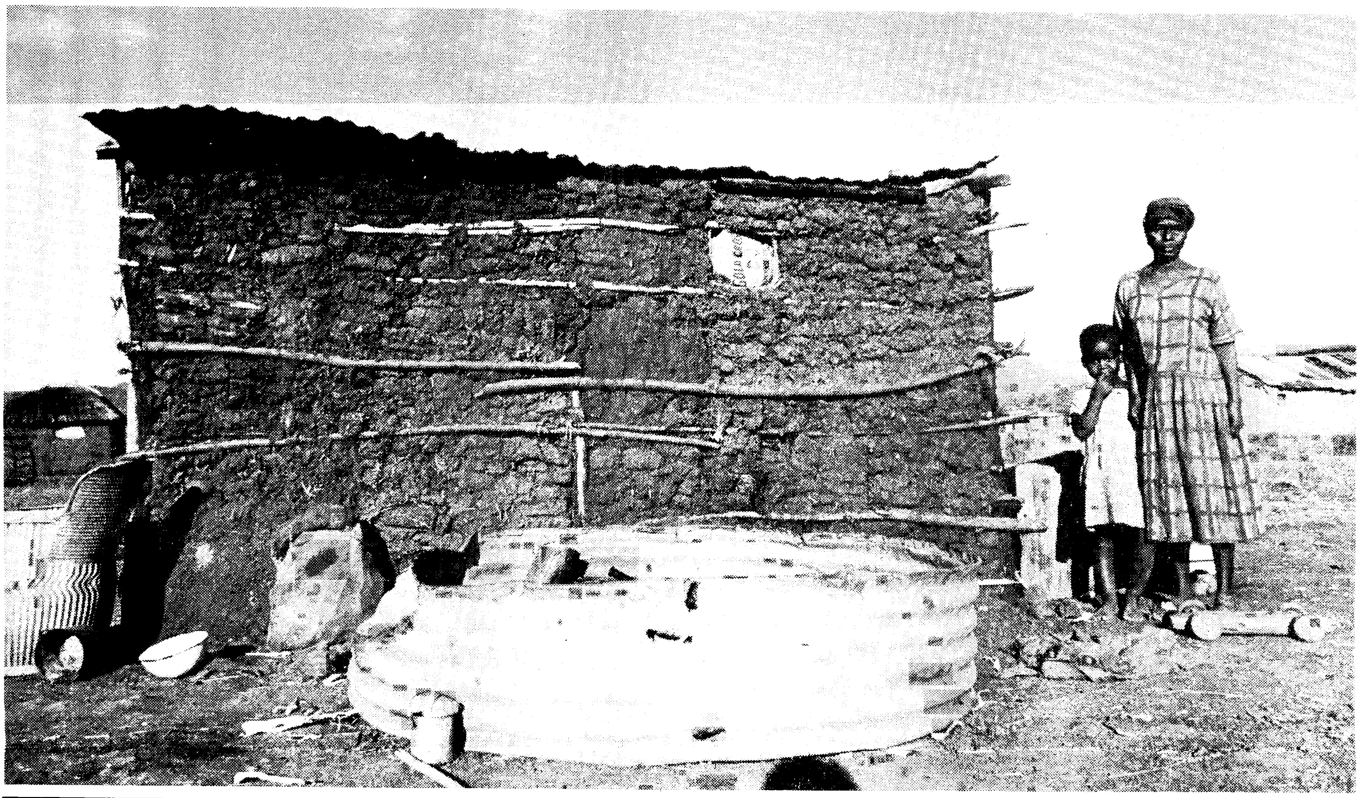
'Methods of acclimatising men before they started the hard physical work in the fiery conditions underground were first developed as part of the effort to lower the death rate of men from tropical areas. In the 1930s such men were employed in open air occupations for a month before being sent underground but the cost of employing men unproductively for so long was high and the method was replaced by one in which new recruits worked for 26 days at the shallower underground levels.

After further experiment, the period of acclimatisation was reduced from 26 to 8 days, of which 4 were spent on the surface. But with further mechanization it became increasingly difficult to find productive work during this period and so it was combined with training. **For 8 days new recruits spent 4 hours learning about mining and the other 4 hours becoming acclimatised by the singularly tortuous method of stepping on and off a bench 24 times every minute in a "hot-box" full of steam at a temperature of approximately 90 degrees F. . . .** Moreover blacks are more prone to heatstroke that whites because they have to exert far more physical energy during the course of their work as whites are supervisors not manual labourers.' (Wilson p96) After the acclimatising process the African miner faces the hard and dangerous work underground. If his life is arduous underground, he gets little comfort above ground, for here he is accommodated in the compound system. (See p23)

In his daily life the African miner is subjected to abuse and discrimination by his white superiors, since he is 'held in contempt by many individual white miners.' (Green p68) Assault still remains a common form of 'discipline'. In the job itself the black labour force, 'had been regarded largely as an undifferentiated mass of inter-changeable units.' (Wilson p94) For example, 'over the years the industry has been slow to develop mechanization underground, because it has so frequently been cheaper just to send in another 10 Africans instead of inventing a machine.' (Green p66)



The miners leave . . .



Their families stay behind.

The migratory labour system

'The Chamber of Mines, which represents the gold industry and constitutes the most powerful economic group in the country, has a strong vested interest in the migratory system'. (Van den Berghe p 192) **'The survival of family community life is precarious at the best of times for Africans in South Africa. Wherever they live, they are forced into the White social and economic system where they occupy the lowest and most despised status. Even in the "homelands", overcrowded and desperately backward, Africans cannot survive without sending male members of the family as migrant labourers. Wherever they go, they are expendable, half chattel, half enemy to the White man, and harassed continually by the pass laws and countless acts of arrogance to keep them in their place.'**
(Desmond pp2-3)

The reasons for the continuance of the migratory labour system in the gold mines are both economic and political. The latter are summed up in a comment by the Transvaal Local Government Commission of 1921: 'The native should only be allowed to enter the urban areas, which is essentially the white man's creation, when he is willing to enter and to minister to the needs of the white man and should depart therefrom when he ceases so to minister.' This process has in fact been accelerated in the past few years. In 1967 the Secretary for Bantu Administration stated 'It is accepted Government policy that the Bantus are only temporarily resident in the European areas of the Republic, for as long as they offer their labour there. As soon as they become, for some reason or another, no longer fit for work or superfluous in the labour market, they are expected to return to their country of origin or the territory of their national unit.'

The two main reasons for the Chamber of Mines' support for the migratory labour system are;

1. Necessity for employees to be based in rural areas in order that their wages may be kept low.

2. Employers need not be responsible for the housing of families.

In connection with the first point the president of the Chamber of Mines in the annual report for 1943 said, referring to the Lansdown Commission: 'In regard to wages we are naturally disappointed at the substantial nature of the recommendations, especially as we feel the Commission had neither the time nor the facilities for a full and satisfactory investigation into the complicated question of budgets in the Native territories, and the income derived in such territories.' Wilson comments 'It is worth pointing out that the recommendations which seemed so substantial to the president of the Chamber were only adopted to the extent of raising the real level of black wages in 1943 to what they had been in 1941.' (p75) The Lansdown Commission itself pointed out that 'the Chamber of Mines has based its case very largely on the argument that, in fixing the wages of the mine labourers and in determining whether the wages so fixed are adequate, it is entitled to take cognizance of the full subsistence which a native is able to obtain from his holding in the reserve.' As regards the second point it has been estimated that in 1960 the annual housing cost per man of the compound system was about £8 per annum, whilst for the tiny minority housed with their families it was £55. However the bulk of this latter figure was amortisation of the capital cost involved, some £500. In contrast the average housing subsidy per annum for a white worker was £256, at a conservative estimate.

Mechanics
Recruiting for the gold mines is controlled by the Chamber of Mines through the Witwatersrand Native Labour Association which recruits outside South Africa, and the Native Recruiting Corporation which recruits inside South Africa. The sources of black labour recruited were as follows:

	1936	1969
	%	%
Transvaal	7.0	3.8
Natal and Zululand	4.9	1.9
Swaziland	2.2	1.4
Cape Province	39.2	23.6
Lesotho	14.5	17.5
Orange Free State	1.1	2.1
Botswana	2.3	4.0
Mozambique	27.8	26.9
North of latitude 22° S	1.1	18.8

(Note includes employment on Transvaal coal mines)

As can be seen, in 1969, about 32% were recruited inside South Africa and 68% elsewhere, as against 53% and 47% respectively in 1936. In view of the general poverty in Southern Africa the gold mines, by extending their recruiting area, particularly into the tropics, have managed to resist the competition for black labour from manufacturing industry, offering higher wages.

Compound System
Ninety-nine per cent of all black miners live in compounds or hostels. The number of men in a single compound varies from 2,400 to 7,000. In 1969, 71% of the labour force were living on compounds built after 1945 and 15% on compounds built before 1914.

Describing conditions in the latter Francis Wilson writes; 'Beds are not supplied and men either sleep on the concrete bunks or they have to make or buy from their predecessors, wooden beds specially designed to fit the short bunks. In some compounds the bunks have concrete sides and tops as well so that men can only enter them by crawling in at one end. On the older mines there are no dining rooms and men eat either outside or in their dormitories.'

The number of men in each dormitory in the oldest compounds can be as high as between 60 and 90, but on the newer mines which generally have separate dining rooms, it varies from 12 to 20.

'To an outside visitor,' writes Wilson, 'the most noticeable feature of the compounds apart from the sheer number of men in each, is the fact that no women are allowed into them.' Unsurprisingly therefore, the Cape Synod of the N.G. Kerk records in 1965, as two major disadvantages of the migratory labour system: (a) **'The frightening**

increase in homosexuality, especially in the compounds and single quarters' and (b) **'The fighting and stabbing that go hand in hand with these social deviations and frustrations.'**

Food is supplied by the employers. 'The importance which the industry attaches to highly scientific methods of feeding is a measure of the food's value as an investment rather than a mere wage. As an inspector of mines pointed out in 1946, new recruits were often in poor physical condition because of under-nourishment and disease and they needed a considerable period of feeding and manual labour before they became efficient workers.' (Wilson)

Migratory Labourers' families

If the effect of the migratory labour system on the workers themselves is horrific enough, it can at least be said that they have enough to eat, the gold mines expending all of 8 new pence per day per man on free food.

The same cannot, however, be said for their families, those 'surplus appendages' removed to the 'homelands'. **'The physical conditions of life described . . . are such an appalling desolation that one is almost unable to think beyond bread and latrines,'** writes Nadine Gordimer in her introduction to Father Cosmas Desmond's book about life in the 'homelands', 'The Discarded People'. 'That is to say', she continues, 'the sense of urgency one feels on behalf of people whose struggle for existence has been reduced to a search for wood to make a fire, a bucket of clean water to drink, bus fare to a clinic, is inclined to set the mind safely on ameliorating such unthinkable concrete hardships.' Father Desmond as well as recording his own impressions quotes extensively from newspaper reports. Two short excerpts from these will suffice to give a general impression. Talking of the aptly named Stinkwater in February 1969 the Pretoria News wrote:
'The water crisis became serious last week when water points dried up completely leaving thousands of families without water for several days. Dirty water — scooped from the sands of the river bed where cattle gather — has led to serious outbreaks of enteritis and diarrhoea amongst the children. Parents are desperate with worry but cannot foresee any relief . . . An African man told a reporter that his wife spends all day at the river bed trying to scoop enough water for her five children to wash and drink.' (p123)

The Johannesburg Star of 1.7.70 reports: 'But most of the other families reported that they depended almost entirely on the money they received from an absent breadwinner. The money was usually received regularly and through the post . . . A widow, three adult women and three grandchildren were entirely dependent on the charity of an already impoverished tribe. The seven of them lived in a mud hut hardly bigger than the average urban storeroom. There was no door and no windows and the family slept on the floor on reed mats. There was also no furniture. Asked whether they ever ate meat they laughed with genuine mirth. Fruit, vegetables, meat and milk were unattainable luxuries. The family apparently lived on mealie-meal and nothing else.' (p198)

Towards the end of his book Father Desmond writes:

'Mr Botha, Minister of B.A.D. (Bantu Administration and Development (sic)) boasted at a meeting on 19th October, 1970, that there was not one African in South Africa who was *starving, and* he added that the Nationalist Government would not let it happen. When one has seen death certificates with the cause of death given simply as "starvation", when one has seen hundreds of children in hospitals throughout the country too weak from starvation to stand, one is no longer able to feel anger at such claims — one feels immense pity at the wilful blindness of these men in power.'

In Natal I told the people in one settlement what the Minister had said. They laughed. They were obviously starving. I asked if I could photograph some of them and they said, 'Take all of us, we are all starving. How could we be anything but starving in these conditions?' At another place, I met a woman of thirty five who was admitted to hospital weighing 50 lb. The nurses told me that she had been on the point of killing and eating her sixteen-month-old baby when she was admitted. In the same hospital I saw a fifteen-month-old baby weighing less than 10 lb and a child of five who weighed 20 lb. There were dozens of similar cases.' (p217)

In a study of landless villagers in the Ciskei in 1961, Hobart Houghton found that the median per capita income in the village was less than £1 per month from all sources, including remittances sent home by migrant workers and the value of vegetables grown for home consumption. The cost of providing sufficient food for a healthy life was calculated at the ruling prices to be £2.50 per month. By 1969 the official per capita median income for Africans living in the 'homelands' was £1.10 per month. In view of rising prices it is obvious that in real terms the situation had become even worse.

To summarise the situation the superintendent for many years of a hospital in Zululand writes;
'Economic or even social analysis of migratory labour will fail to reveal the full picture of its cost in terms of human misery. To learn this you must listen to the lonely wife, the anxious mother, the insecure child . . . It is at family level that the most pain is felt and we cannot forget that the African cultural heritage enshrines a broader, more noble concept of family than that of the West. . . .
'Migratory labour destroys this, by taking away for long months together the father, the brother, the lover and the friend. Each must go, and no one fools themselves that these men can live decent lives in a sexual vacuum. The resultant promiscuity is but one aspect of a mood of irresponsibility. For your migrant is concerned with nobody but himself; his own survival is the only survival that he can influence by any act that he performs . . . Deprived of their natural guides, children of migrants grow through an insecure, uncertain childhood to an adult life whose sole pre-occupation may be to escape the system. There must be a harvest of aggression, with the weeds of violence growing rank within it. The dreadful society is the community of the careless, those who, treated like boys behave like boys; of those who, having had no responsibility laid upon them, owe none to any man.' (A. Barker, 'Community of the careless' South African Outlook April 1970)

Namibia

Namibia, formerly known as South West Africa has been 'administered' by South Africa since 1919. In 1971, the International Court of Justice and the Security Council of the United Nations ruled that the continuing presence of the South African government was illegal and demanded its withdrawal. Instead, companies such as Gold Fields of South Africa, are being officially encouraged to increase the rate of exploitation of Namibian resources.

Gold Fields of South Africa has a 16% interest in, and manages, the South West Africa Co. It operates two mines, Berg Aukas, producing vanadium, lead and zinc, and Brandberg West, producing tin and wolfram; it also leases land to white farming interests and has a joint prospecting company with Tsumeb Corporation, the richest mining company in Namibia. It also has a small but valuable shareholding in the latter.
Labour conditions in Namibia are, if anything, worse than South Africa. Even the Secretary of the Chamber of Commerce of Windhoek describes conditions at Katura compound (near Windhoek) as 'disgusting' and the Windhoek Advertiser called it 'little less than a filthy ghetto'. Judge William Booth, a member of the International Commission of Jurists who visited Namibia in 1972, talks of his visit to an Ovambo compound as follows;

'The men are housed in barracks type buildings with only a concrete locker type bed for each man. The kitchen is quite unsanitary, with flies all over the place and cats chasing each other throughout the place. The food is served through openings in a wire fence separating the cooking area from the dining area. Porridge is slapped in a bowl with a shovel, a conglomeration of liquified vegetables is poured over the porridge and a piece of bread is also given each man. For meat, a hunk of bone is given on which there is some slight bit of beef.' A Lutheran Church worker, Rantia Voipio, interviewed two Ovambo workers from the Walvis Bay compound 'reputed to be among the better equipped in South West Africa' (S.A. Institute of Race Relations):

'Can you tell us what the compound is like?'
'Why must Ovambo stay in the compound? The cross above the gate is like a sign over a graveyard. Why must we sleep on concrete beds? They freeze your blood at night and you get sick. When I go to the compound I must produce my card that I belong there. Why? If I lose the card I must pay £8 for a new one. Where do I get that money if I get paid 6 pence an hour? It is a whole month's pay.'

'What about the showers?'
'The showers are all right.'

'And the food?'
'We are sorry to say, but the food is pigfood. There is a small piece of meat at lunchtime and a small piece of fish at supper. We never see food as bad as this in Ovamboland. You wouldn't give it to your dog.'

'Do you accept the new contract system?'
'It is misleading to say there has been a change in the contract. They broadcast on Radio Ovambo that the factories want boys. We go there and find ourselves rounded up. They force the people to be recruited. We don't want to say it, but what is said on Radio Ovambo is not the same as happens at Ondangwa. We don't see any change in the system. The government is trying to blind us. This evil system still remains.'

'Why then did you come back to work?'
'Some people really want to come back, but the others see soldiers and police and feel safer outside Owambo. Many huts have been burned down and people shot. It quite often happens that informers' huts are burned down.'

'What about the higher wages you are now getting?'
The question was dismissed with a derisory gesture. 'The 1½ pence increase does not help us at all. We were told if we weren't satisfied we would be sent back (to Ovamboland) immediately.'

As far as wages were concerned the South African Institute of Race Relations records in March 1972 **'One Gold Fields' mine is recruiting workers for a 12 month contract at 25-33 pence a shift, which will mean a monthly wage of between £6 and £8.** The Secretary of the Association of Mining Companies told the writer that recruiting wages offered by other mines probably did not differ very much from these figures.' Formerly labour was recruited through the South West Africa Native Labour Association, in which the South West Africa Co. held a 20% stake. It was SWANLA that used the infamous contract labour system which was one of the major grievances behind the Ovambo strike in December 1971. The President of the Association of Mining Companies in South West Africa, Mr W. H. Bailie (also general manager of S.W. Africa Co.) bewailed the closure of SWANLA in the following terms: '(It) deprived all employers of an organisation which watched and protected their interests over and above its function of obtaining the most suitable labour for employers.' (Windhoek Advertiser 24.3.72). The annual report of the Association is unobtainable outside Namibia. The South West Africa Co's 1971/72 profits were £88,365 as against £480,527 for 1970/71. The reason for this drop was the Ovambo strike of 1971/72.

In 1969 Gold Fields of South Africa Ltd, set up Kiln Products Ltd on SWA Co. property at Berg Aukas. This has been producing zinc oxide at the rate of 400 short tons per month, with an African labour force of 200. The zinc is supplied to the Zinc Corporation of South Africa Ltd for smelting, and supplies South Africa's annual requirement of 4,500 metric tons, which it cannot obtain from its own mineral resources.

Prospecting rights to explore ore containing source material (uranium) in the N.W. of Namibia near Rossing have been granted to Goldfields of South Africa Ltd. This is an area which the government has allocated as a 'homeland' for the Damara group, but it is unlikely that they will benefit.

The South African 'Financial Mail' (August 4th 1972) had this comment; **'Whether these areas will yield the same promising results as Rossing where Rio Tinto Zinc holds a uranium concession, only time will tell. But even if they do, it will make no difference to the Damaras, since discoveries of oil, precious minerals and uranium in the homelands remains the sole preserve of the State in the granting of mining rights. The best the Damaras can hope for is a few more jobs on the mines.'**

"Pig food"

The arguments of the Chamber of Mines

Confronted with the charge-sheet of exploitation and gross underpayment of African labour, the Chamber of Mines and its apologists have traditionally replied with three arguments; that conditions cannot be as bad as reported if so many Africans are still willing to offer themselves for service; that as the Africans come from tribal subsistence economy, and are new to a money economy, there is in effect a 'backward-sloping demand curve' for their labour; and that if the general level of wages were increased, the marginal mines would go out of production, thus putting many Africans currently employed, out of work altogether.

The first of these points has already in effect been answered. We have shown that it is the deliberate objective of the apartheid policy to confine the 'Bantu homelands' to such a small area as to make it impossible for them to support the 'Bantu' population, who are thereby compelled to seek work outside the reserves. Within this system moreover, as we have also shown, the operation of the pass law system is such that it is easier to get permission to work in the mines than in urban industry. The alternative, as Cosmas Desmond has shown, is often simply starvation, or, in the case of Portuguese Mozambique, slave labour. Outside the borders of South Africa as much as inside, the impact of imperialism and colonial rule has been to destroy the structure of the tribal economy, and through such devices as the Glen Grey Act, to force the native peoples to offer their labour on the market in order to survive. The same process took place in this country at the time of the Industrial Revolution, through the medium of the enclosures. But whereas working people in Britain and elsewhere won for themselves the right to organise and fight for a greater share of the product of their labour, the Chamber of Mines and the South African Government have, so far, succeeded in defeating the struggles of the African miners for the same objective. Moreover, one of the aims of the compound labour system is to prevent the formation of a stable black workforce which would be in a stronger position to fight for its rights. The history of the African miners' struggle, and the brutal measures taken to weaken and defeat it, are an adequate and eloquent refutation of the hypocritical paternalism of the mine-owners.

The argument of the 'backward sloping supply curve' will also not stand up to serious investigation. It claims that as the African is a stranger to a money economy, he only goes to work for wages in the white man's industry, in order to earn that relatively fixed amount of cash which he needs to satisfy those requirements which could not be met from the subsistence economy of the reserves. Thus if wages were, say, doubled, the only effect would be that the African miner could earn the same sum in half the time, and would spend the rest of the year 'loafing' on the reserves. As we have seen, the conditions in the reserves are far removed from the picture of rural tribal bliss presupposed by the argument.

The Lansdown Commission in 1943, after disproving the Chamber of Mines arguments concerning duration of stay on the reserves, indicated that the total income for an underground worker, including reserve income, over a two year period was £81.42 and for surface workers £75.67. Against this it indicated a budget for a family of five (with the man at work) as £115.20, making a shortfall over the period of almost a third for underground workers and over a third for surface workers. In fact, the Chamber of Mines itself has contradicted its own arguments. As its then President recognised during the Second World War: 'The glamour of high rates of pay in other industries . . . adversely affected . . . recruiting efforts.' And more recently, the 1969 report of the Chamber of Mines gave it as its opinion that 'The decline in the number of Bantu coming forward from Republican sources is mainly because secondary industry in South Africa is attracting labour away from mining by offering better opportunities for advancement together with higher wages.' (p9-10).

The decline referred to (described as a 'serious shortage of Bantu labour on the gold mines — the first for some 10 years') may, however, also have been due to the impact of the widely publicised West Driefontein disaster at the end of 1968.

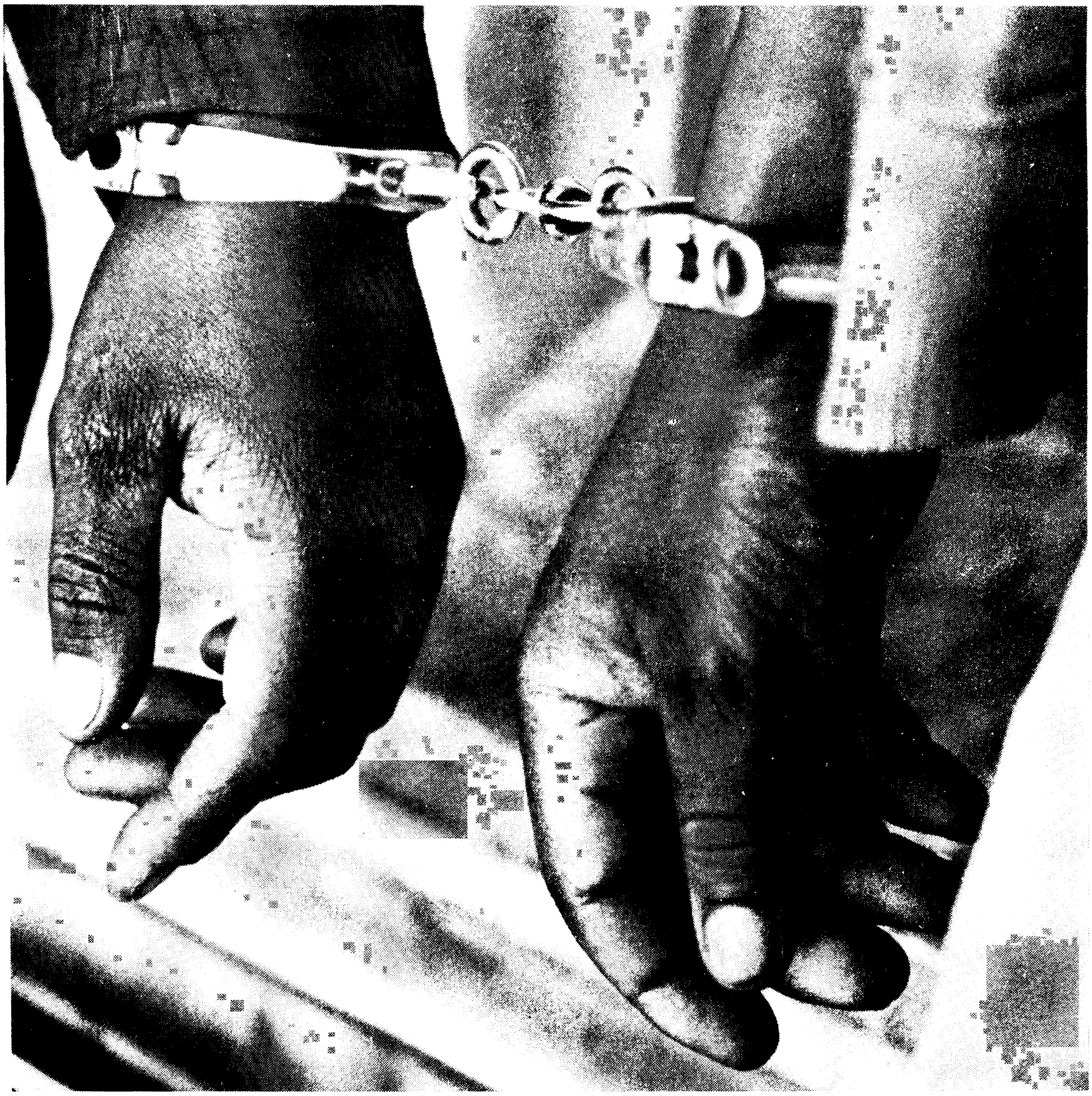
The third argument, that marginal mines would be forced to close if wages were raised, thus increasing unemployment, comes from the same school of nineteenth century paternalist sophistry as the others we have considered. A glance at the colossal profits of the mining companies is sufficient to expose the obscenity of their claim that they cannot afford to pay their miners more than some £2.50 per week. Nor can the mineowners claim that it is contrary to their business principles to subsidise uneconomic mines, as they have never in the past been known to refuse Government subsidies on the occasions when they have been offered, to keep marginal mines in operation. Such subsidies are of course unnecessary today, with a free market price of some $65 per ounce, and with market research conducted by the mines themselves, showing a future demand that can only drive the price higher. This had led to a situation where Bill Wilson, joint deputy Chairman of Anglo American, recently called for substantial increases in African miners' wages.' 'On present pay levels', he said plainly, 'one cannot be satisfied that this level of remuneration represents a reasonable reward for such arduous and dangerous work.' Even though wages were supplemented by food and clothing, it was not enough'. (Financial Mail September 8th 1972). The Financial Mail comments; 'Now for some action to follow up all these brave words.' It is noticeable that the directors of Consolidated Gold Fields have not even produced brave words.

Dr Francis Wilson of Cape Town University has claimed that the mining houses could afford to double the existing level of wages. The only reaction to his criticism was voiced at the Chamber of Mines annual meeting when outgoing president John Shilling restated a familiar argument in his presidential address:

'The mines would like to improve work opportunities for the African labour force, and be able to compete with other industries for South African labour. But current trade practices and legal requirements set an upper limit on what Africans could do, and so what could reasonably be paid them.' As we have already pointed out, the 1967 agreement between the mine owners and white trade unions transferred all benefits of increased black productivity to these two groups. **Even if wages were to be doubled, however, the mines would be left at the bottom of South Africa's 'league table' of wages for Africans as the following table makes clear.**

Average monthly earnings for Africans in selected jobs (First p48):

Mining and quarrying	£ 9.48
Manufacture	£29.16
Construction	£28.03
Electricity	£31.94
Banking	£94.92
Building Societies	£86.44
Universities	£81.45



Operation of the Pass Laws

Who benefits?
1) The South African government

'The possession of an export article, particularly one with the attributes of gold, which all the world wants, is a great advantage to a young country. Gold as the final means of settling international indebtedness can enter through doors which import controls close to other commodities. And hence, from the establishment of the Union, South Africa could pay, without undue difficulty for the capital goods it urgently needed to expand its total national production.' (W. J. Busschau, Director of Consolidated Gold Fields, 'Mining's part in the growth of the Union,' Mining Survey 1960 (p2).

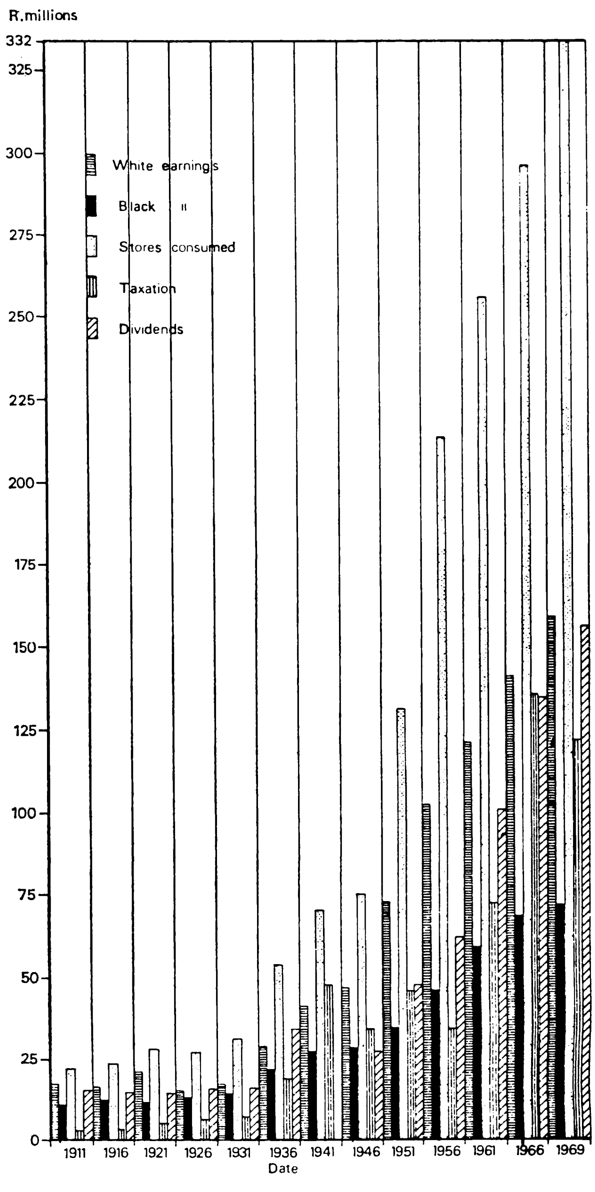
The South African economy, and therewith the South African state are amongst the chief and most direct beneficiaries of the gold mining industry. The gold mining industry led the process of opening up the interior of the country, and determined the pattern of the road and rail system. As we have seen, it set the pace in the development of the central features of the apartheid system as it has developed over time. It has also had a considerable 'spin off effect' in encouraging the development of other sectors of South African industry. A total of more than £175 million is spent by the industry annually on the purchase of stores and services including much intricate mining machinery whose local production was encouraged by the development of the gold mining industry. The percentage of gold dividends remaining in the country has steadily increased over the years. Only 26.9% of dividends were paid abroad in 1965 as against 47.6% in 1945 and 82.5% in 1918.

The South African State is to an increasing extent a direct financial beneficiary of the mining companies' operations. 'Through taxation, mining leases etc the State has become the largest shareholder of the gold mining industry. The Government receives approximately 46% of the profit and private shareholders 39%.' (State of South Africa Year Book 1972). In the case of Consolidated Gold Fields, from an aggregate working profit of £46.3 million in the year 1971/72, £24.4 million went in taxation and the State's share of the profits.

In the period before 1968, the peculiar structure of the world gold market meant that the gold industry was an important stabilising influence on the South African economy. The industry was assured of a market for all the gold it could produce, at a fixed price. Thus in times of depression, costs fell while the price remained the same, thus softening the impact of recession on other sectors of the economy and on government tax revenue.

The most crucial external contribution of the gold industry, however, is due to its effect on the balance of payments. The import of capital goods and raw materials needed for the general expansion of South African manufacturing industry and agriculture, would have been impossible without gold exports, as would the import of consumer goods essential to the white community's high standard of living. In the period from 1965 to 1969 inclusive, South Africa's imports totalled £4,614 million while non-gold exports totalled only £2,765 million. The massive deficit was covered by gold exports. The January-October 1972 South African trade figures show that gold constituted 36% of the total export earnings of £989 million.

Gold mining industry:
Major components of costs and profits, 1911-69



The Beneficiaries: the Church of England–represented by the Archbishop of Canterbury–meets the South African government in the person of John Vorster, Prime Minister

The Losers: African Miners

Who benefits?
2) The Shareholders

The obvious beneficiaries of Consolidated Gold Fields' profitable South African activities are the shareholders. In 1946 black workers' cash earnings were 13.5% of total goldmining revenue, whilst dividends paid were 13.2%. By 1969 however, black earnings had dropped to 8.8% of revenue whilst dividends had risen to 19.2%. Since 1969 the explosion in the gold price has led to substantial profit increases and dividends have continued to rise; black earnings on the other hand, in real terms have remained virtually static. (Source: Transvaal Chamber of Mines Annual Reports).

The owners of the 86 million Ordinary shares technically control the company by virtue of their voting rights. An analysis of these shareholders as listed on 7.12.71 shows that more than 27 million (31.4% of total) of the shares are held anonymously through nominee or numbered bank accounts.

Of the remaining two thirds of the shares whose ownership is not a closely guarded secret, 10.2 million are held by Insurance companies in lots of more than 10,000. This represents 11.9% of the total. Thirty of the companies hold more than 100,000 shares each. Investment trusts account for a further 7.9 million (9.2%). The South African Mutual Finance Corporation of Cape Town, a company unknown to the South African Embassy and not registered in directories of South African companies, has a further 2,574,619 shares — 3% of the total.

Thus 20.6 million of the 59 million shares of known ownership are in the hands of institutional investors: a group not renowned for a sense of responsibility to anything other than a high return on capital invested. This dedication to profit leads to such anomalies as the Co-operative Insurance Society (350,000) and the Salvation Army Assurance Society owning shares.

Two point four million shares (2.8% of the total) are held by the following Pension Funds:

Pension Funds

Airways Corporation Joint Pension Fund Trustees
Albright & Wilson Pension Trustees
Allied Breweries Pension Trust
Allied Pension Trust
ANZ Pensions
Associated Cement Workmens Pensions Trustees
ATV Pension Fund
Babcock Staff Pension Trust
BBA Pension Fund Trustees
Bookers Pension, Overseas Fund
Boots Pensions
Brickwoods Pension Trust
BICC Pension Trust
Cerebos Group Pension Fund
Chartered Accountants Trustees
Dunlop Pension Trust
Fisons Pension Trust
GEC Pension Fund Trustee
Hoover Trust Fund
International Nickel Retirement System Trustees
ITC Pension Investments
Kenning Group Pension Fund
Laporte Pension Fund Trustees
Leyland Motors Pension Trust
Lombard Banking Pension Trustees
London Transport Trustee Co
Lucas Staff Pensions Trust
Martins Bank Staff
MDJ Pension Trust
Nestle Pension Trust
Northern Ireland Local Government Officers Superannuation Committee
Pension Funds Securities
Plessey Pension Trust
Reed Group Pension Trusts
Royal National Pension Fund for Nurses
Shell-Mex and BP Pensions and Provident Fund Trust
Simon Engineering Pension Trust
SPCK Pensions Trustee
Teachers Family Benefits Schemes (GLC)
Textile Pensions Trust
Turner & Newall Welfare Trust
Ulster Bank Provident Fund Investments
Union Pension Trust
Union Provident Trust
William Cory Pension Ltd

The following local authorities hold 1.5 million share between them. The information as to the majority party on each council is taken from 'The Municipal Year Book, 1972' and 'Whitakers, 1972'. An asterisk (*) beside the name indicates that the council owns more than 10,000 shares in Consolidated Gold Fields.

Conservative Control:

*Blackpool (County Borough)
*Liverpool " "
Bath " "
Oxford " "
*Southampton " "
*Nottingham " "
Luton " "
Grimsby " "
Southend " "
Newcastle-u-Tyne "
*Birmingham " "
*Bradford " "
York " "
Ipswich " "

(County Borough)
*Bolton " "
*Teesside " "
Chester " "
Salford " "
*Northampton " "
*Reading " "
*Warley " "

*Greater London Council
London Borough of Barnet
* " " " Bromley
* " " " Enfield
* " " " Westminster
" " " Redbridge

*Berkshire County Council
*Derbyshire " "
*Gloucestershire "
*Isle of Wight "
*Worcestershire "
Essex " "
*Kent " "
*Surrey " "

Huntingdonshire & Peterborough County Council
Cheltenham (Non County Borough)
Poole " " "
Kings Lynn " " "
Slough " " "
Taunton " " "
*Horsforth Urban District Council

Labour Control:

Merthyr Tydfil (County Borough)
Rochdale " "
Norwich " "
Dundee " "
*Sheffield " "
Barrow in Furness " "
Burnley " "
*Darlington " "
*Dudley " "
*Oldham " "
Warrington " "
Lincoln " "
*Swansea " "

Durham County Council
Monmouthshire "
London Borough of Hillingdon
" " " Haringey
" " " Merton
" " " Hackney
" " " Barking
* " " " Greenwich
" " " Hounslow
* " " " Newham
* " " " Tower Hamlets
* " " " Wandsworth
Swinton & Pendlebury (Non County Borough)
Coalville Urban District Council

Other:

Anglesey County Council
* Buckinghamshire County Council
* Caernarvonshire County Council
Carmarthenshire County Council
* Cornwall County Council
* North Riding County Council
Denbighshire County Council
* Devon County Council
* East Riding County Council
* Glamorgan County Council
* Hampshire County Council
* Leicestershire County Council
Merioneth County Council

Montgomeryshire County Council
* Staffordshire County Council
* Warwickshire County Council
* Salop County Council
* West Riding County Council
* Kesteven County Council
Conway (Non County Borough)
Llandudno Urban District Council
Penrith Urban District Council
Runcorn Rural District Council
Aberdeen (Scottish Burgh)
Stirling (Scottish Burgh)

The Local Authorities Mutual Investment Trust has 187,500 shares.

Perhaps the greatest hypocrisy is evidenced by the holding of shares by the very institutions which profess to fight for the poor, the ill, the uneducated and the oppressed of the world — the churches and charities. The lists of religious and charitable investors are followed by a few examples of medical and educational institutions which own shares.

Church of England:

Central Board of Finance of the Church of England	70,000
The Friend of the Clergy Corporation	5,240
The Poor Clergy Relief Corporation	1,000
Church Pastoral Aid Trust	1,403
Liverpool Cathedral Committee	1,927
National Society for Promoting Religious Education in Accordance with the Principles of the Church of England	486
National Society of the Church of England	832
Church of England Soldiers, Sailors and Airman's Club	1,000
Society for Promoting Christian Knowledge	555
Rt. Rev. Hugh Montefiore, Bishop of Kingston	593
Rt. Rev. Victor Shearburn, Bishop of Rangoon	50
Rt. Rev. R. W. Stannard, Dean of Rochester	555
Rt. Rev. F. N. Chamberlain, Lord Bishop of Trinidad	344

Roman Catholic:

The Trustees for Roman Catholic Purposes	20,000
Portsmouth Roman Catholic Diocesan Trustees	2,500
The Carmelite Monastery, W10	233
Westminster Roman Catholic Diocese Trustee	3,520
Community of the Resurrection, Yorkshire	4,839
Bishop Patrick Casey	888

Quaker:

Friends Trusts Ltd, Friends House, Euston Rd, NW1	516

Methodist Church:

Trustees for Methodist Church Purposes	1,855

Presbyterian Church:

Presbyterian Church of England Trust	2,000

Salvation Army:

The Salvation Army Trustee Co	808

Non-denominational or Interdenominational:

Africa Evangelical Fellowship	219
Christian Alliance of Women and Girls Trust	233
United Society for the Propagation of the Gospel	1,500

Jewish:		**Islamic:**	
United Synagogues Trust Ltd	5,512	London Central Mosque Trust	1,200

Charities

The Official Custodian for Charities	52,248	The Dogs Home, Battersea	2,500
National Council for Social Service	1,250	Muscular Dystrophy Group of Great Britain	2,000
Imperial Cancer Research Fund	34,916	Royal Society for the Protection of Birds	1,839
Royal United Kingdom Beneficient Association	20,030	British Council for the Rehabilitation of the Disabled	
National Society for the Prevention of Cruelty to Children	4,444	British Polio Fellowship	
Doctor Barnados	3,399	Cheshire Foundation Homes for the Sick	
National Childrens Home	4,536	E. Alec Colman Charitable Fund	
		Seamans Christian Friend Society	

Hospitals and Medical Institutions:

Royal Hospital of Saint Bartholomews	16,069	Saint Mary's Hospital Medical School, W2	4,432
St. Mary's Hospital, London, W2	18,394	Birmingham Regional Hospital Board	750
Guy's Hospital	8,720	Hospital for the Maintenance and Education of Exposed and Deserted Young Children:	
United Liverpool Hospital	6,000		
United Bristol Hospital	8,000	Thomas Conran Foundation for Children	8,959
National Heart and Chest Hospital	2,926	Medical Research Council	725
Westminster Hospital	1,794	Royal College of Midwives	1,000
Queen Charlotte and Chelsea Hospitals	1,250	Royal College of Pathologists	1,554
Paisley and District Hospital	400	Royal College of Surgeons of England	4,000

Universities and Colleges:

University of Oxford	10,000	All Soul's College, Oxford	5,000
Somerville College, Oxford	4,218	University of Bristol	4,030
Christs College, Cambridge	4,000	University of London	3,992
St. John the Evangelist College, Cambridge	15,000	University of Reading	4,945
Downing College, Cambridge	2,000	University of Wales	1,450
Emanuel College, Cambridge	3,500	University College, Swansea	2,000
Trinity College, Cambridge	17,794	University College of South Wales	3,000
Jesus College, Cambridge	1,536	Royal Agricultural College	5,487

Individuals in whose names shares are held include 150 peers and their ladies; 532 persons with lesser titles; 144 clergymen; a selection of Judges of the Supreme Court, not the least of whom is the Rt. Hon. The Lord Widgery, Lord Chief Justice of England; and twenty five members of Parliament.

Members of Parliament in whose names shares are held:

Conservative:		**Constituency**
J. H. Allason		Hemel Hempstead
Colonel Sir Tufton V. H. Beamish		Lewes
R. McM. Bell	(Monday Club)	S. Bucks
W. R. Benyon		Buckingham
T. G. Boardman		S. W. Leicester
Rt. Hon. L. Robert Carr: Home Secretary		Mitcham
W. G. Clark		E. Surrey
Sir H. J. d'Avigdor-Goldsmid		S. Walsall
Maj. Gen. J. A. d'Avigdor-Goldsmid		Lichfield & Tamworth
H. E. Gurden	(Monday Club)	Selly Oak
J. More	(Monday Club)	Ludlow
Rt. Hon. M. A. C. Noble: ex Minister for Trade		Argyll
Rt. Hon. J. Enoch Powell		S.W. Wolverhampton
Miss J. M. Quennell		Petersfield
Rt. Hon. J. E. Ramsden		Harrogate
Rt. Hon. Sir D. L-M. Renton		Huntingdonshire
Hon. N. Ridley: Parliamentary Under-Secretary of State for Industry		Cirencester & Tewkesbury
I. W. P. Roberts		Conway
Sir R. S. Russell	(Monday Club)	S. Wembley
Rt. Hon. Sir D. Walker-Smith		E. Hertfordshire
J. M. Temple		Chester
Rt. Hon. R. F. Wood: Minister for Overseas Development		Bridlington

Labour:	
M. H. Meacher	W. Oldham
Liberal:	
Rt. Hon. J. Grimond	Orkney & Zetland
Ulster Unionist:	
S. R. McMaster	E. Belfast

Conclusions

It is easy to point to the paradoxes which arise from the shareholders' register of Consolidated Gold Fields, for example that of the N.S.P.C.C. investing in precisely those conditions in South Africa that it is attempting to fight in the United Kingdom. Equally it is easy to agree with Lord Caradon, writing in the preface to 'The Discarded People'; 'I hope the book will do more than help to stir the conscience of us all. **I hope it will help to shame the hypocrites who protest their dislike of apartheid but insist at the same time on sustaining those who practice it'.**

Unfortunately not only is it necessary to realise that shaming the hypocrites is not enough, but also to realise that many people are fully aware of what is happening and either approve or simply do not care. To arrive at a meaningful analysis of the situation it is necessary to take it out of the context provided by those who benefit from it. The situation, reduced to its simplest parts, is one in which a large number of people are working in abominable conditions to produce a commodity with a small industrial and a considerable fetishistic value. Those who benefit from this are not those who produce it, but those who through various means have constructed the system which forces the labourers to work. This is being done by the use of cruel and barbarous methods of exploitation. Certainly one way of ameliorating such conditions would be by forcing those who profit by them to suffer from them. If the directors and shareholders of Consolidated Gold Fields were forced to work in the mines under the same conditions as they now expect those who produce their wealth to work, who can doubt but that there would be an enormous amelioration in conditions? How would the chairman of Consolidated Gold Fields feel about exchanging his salary of £52,000 per annum and his option on 30,000 shares for £190 per annum and being separated from his probably starving family?

Such questions, however, remain at the level of palliatives. In the context of conditions in the gold mining industry, these are certainly necessary, but as Nadine Gordimer says, 'Those who urge only that removals be better planned, and carried out "more humanely" show a preoccupation with man's animal needs that surely must be termed cynical, coming from self-appointed guardians of civilised values' — and the same is surely true of conditions in the mines. The palliatives must not be taken for the cure.

The reasons for which the directors and shareholders of Consolidated Gold Fields collaborate in the apartheid system are surely not, at least for the vast majority, racialist. Rather they are concerned with money. 'What then is the attitude of the 'owner' of the big corporation to his 'property?" asks Erich Fromm in the 'Sane Society'. 'It is one of almost complete alienation. His ownership consists in a piece of paper, representing a certain fluctuating amount of money; he has no responsibility for the enterprise and no concrete relationship to it any way'. Certainly such an attitude of alienation is expressed in the recent decision of the Church Commissioners to sell their holding in Rio Tinto Zinc rather than make any attempt to change the conditions in that company. If the Church with its supposed moral and spiritual power can do nothing, people may ask, what can I do? But the whole point is that the Church in its role as investor remains as alienated as say the Salvation Army, the N.S.P.C.C. or any of the other investors in apartheid. It is in fact the interest of the Church as investor to stand opposed to the values of the Church as Church — a very real example of 'Thou canst not serve both God and Mammon'.

If the black workers in the gold mines can hope for little help — with occasional notable exceptions — from the church, he can expect less from the British Government. The South Africa Foundation, a group designed 'to promote international understanding of South Africa', quotes with approval an unnamed M.P.'s opinion on Mr. Heath's cabinet, **'The South Africa Foundation seems to have chosen the British Government'**; in recent years the S.A. Foundation has sponsored trips to South Africa by Sir Alec Douglas-Home, Anthony Barber and Selwyn Lloyd. The British director of the S.A. Foundation Mr. Roy McNab said happily after the 1970 election 'No British Government in history, no British Cabinet, has had more members with personal detailed, and recent knowledge of South Africa. Contact at high level has been maintained in London' he went on. 'One trustee dined with the Prime Minister at Chequers, others had talks with the Foreign Secretary and the Chancellor of the Exchequer' (First, Steele & Gurney). As the vast preponderance of Conservatives amongst M.P. shareholders indicates, the predilections of the Cabinet are shared by at least a substantial part of the Conservative party, not only members of the Monday Club. Equally, a study of the 1964-70 Labour administration, would give the black miner little cause for hope from a change of government. 'John Davies, then Director-General of the C.B.I. went out to South Africa to soothe industrialists there; Anthony Crosland, President of the Board of Trade, took the opportunity of sending him a sympathetic letter to use in his discussions'. (First, Steele & Gurney p214).

After discussing mutual trade Crosland continues: **'We have firmly resisted political pressure to terminate the preferential access enjoyed by South African products. Our concern to see this valuable trade develop and to avoid any economic confrontation with South Africa has been made repeatedly clear in Parliament and the U.N.'** The chairman of the U.K.-S.A. Trade Association at the A.G.M. in 1971 recorded 'Mr. Wilson and the previous Government encouraged industrialists to trade with South Africa.' The Labour party had certainly moved since Barbara Castle's 1963 statements;

'There are few people in this country today who are not repelled by the doctrine of apartheid . . .In the economic field there can be no such thing as a non-intervention policy towards South Africa. Not only is British investment steadily increasing; it is playing an integral part in underwriting the apartheid policy.'

What then of the 'liberalising' effect of British capital? A study of the history of the gold mining industry, built from British capital, shows clearly that far from being a 'liberalising' influence, the drive for profit has been an essential ally of racialist politics; indeed, in many cases, it has led the way. It is certainly true that black workers are being 'advanced', but the benefits of the increased productivity are divided amongst his oppressors; white capital, white labour and the South African Government.

It has been the role of some apologists for British capital to pretend that the groups who invest in South Africa are in some way unaware of the results of their investment. Such naivety could never be attributed to Consolidated Gold Fields. From Cecil Rhodes with the Glen Grey Act to Sir George Harvie-Watt, who told the Rand Daily Mail in 1971 that the statements of anti-apartheid groups 'don't reflect public opinion in Britain and **have no effect on investment decisions'**, the directors of Consolidated Gold Fields have stood firmly on the side of profit and against any other considerations.

The history of Consolidated Gold Fields is one of brutal and inhuman exploitation which still continues. It is a case history of our current economic system operating in its purest form.

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'An evil man out of the evil treasure bringeth forth evil things.'

Matthew 12:35