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Title: Temperate Gangsters in a Sub-Tropical Place.

by: John Higginson

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Temperate Gangsters in A Sub Tropical Place: American Engineers
and the Advent of the Corporation on the Rand, 1902-1912

John Higginson

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Introduction

Recent conversations with some native artisans who have been at the Rand since the war elicited certain facts which may be calculated to render all attempts at learning any kind of profession altogether futile. Coloured mechanics can get no employment in Johannesburg--the greatest centre of all sorts of industry at the present time. It appears that the white professional tradesman treat all kinds of professions as a monopoly and master builders and contractors are subject to the dictatorship of "rings" formed by the labouring classes who are determined to preclude all persons of colour, of whatever capabilities, from partaking in occupations that make it worth their while to be on the Rand...

We are not aware to what extent the government of the country is responsible for allowing this state of things to exist. But if one section of the community is to suffer hardships through the uncompromising attitude which the white tradesmen have assumed toward the black, and the government remain passive or incapable of doing anything, there is no knowing to what eventualities this may lead. In America, where the inhabitants are of a diversity of colour as out here, things cannot be said to be in a satisfactory condition, and in some quarters, there are sad forebodings of the future of the States. Colour-line prejudice is greatly responsible for what has and what may happen. To differentiate the conduct of industrial pursuits (sic) on colour lines is the worst thing to do and no better factor, to eliminate mutual sympathy and mutual confidence from among the races, can possibly be devised...The position of the of the Rand at the present time with regard to natives and professions leads one to think that in the near future it shall become necessary for the black races to act independently, which will mean competition against if not opposition to white interests. We shall then experience the same condition as in the States.

excerpt from an editorial in Ipepa lo Hlanga, 26 February 1904

The money that will be required here [in South Africa] is startling in its amounts, and with the apathy which the world has been led to feel toward us, I cannot but feel that organized capital will have great opportunities...

W.L. Honnold to Robert Goering, 25 July 1904

Many of the questions that underscore my present research grew out of the final chapters of my book on the first two generations of African mineworkers at the Union Minière du Haut-Katanga (A Working Class in the Making: Belgian Colonial Labor Policy, Private Enterprise and the African Mineworker, 1907-1951, Madison: University of Wisconsin Press, 1989). In those closing chapters I maintained that once the Union Minière became the chief supplier of strategic raw materials for the United States and Great Britain, including cobalt and uranium for jet airplanes and atomic bombs, during the Second World War, the old forms of state power became woefully inadequate. The external and internal economic and political demands of the war pushed Belgian colonial rule in Katanga to the brink of collapse. Consequently, much of the explosiveness of the inter- and post-war periods derived more from the repressive nature of the colonial state than the growth of the industrial workforce per se. Yet the grievances of the African mineworkers and other African workers quickened protest from other quarters of society--to the point that many local European administrators thought that colonial rule would be swept away by one solitary wave of popular protest.

The present crisis in southern Africa, particularly in South Africa, shares many common features with the Congo crisis. Moreover, the acute economic rivalry among the western powers and Japan, which has been advanced by low rates of profit and economic growth, global unemployment, balance of payment difficulties, and the attempt to monopolize technical innovations in microprocessing and genetic engineering, has enhanced the destructive potential of the crisis in southern Africa. Whether this situation can be likened to an instance of what the economist Joseph Schumpeter called "creative destruction" remains to be seen. But like many authoritarian societies that have been compelled to change in the face of widespread popular protest, questions about who shall acquire the lion's share of political power appear to have prevailed over those that ask the meaning of justice and popular sovereignty.

The stalled nature of southern Africa's industrial revolution, combined with the economic difficulties and political devolution of the Soviet Union and Eastern Europe, has led to a protracted restructuring of interstate relations within southern Africa--so much so, that heretofore implacable enemies in Angola, Mozambique, South Africa and elsewhere feel compelled to engage in urgent and frank discussions about the region's future. But how do the hundreds of thousands of rural families scarred by war, agricultural involution, and famine fit into these discussions? What of the industrial workers who face an uncertain future as a result of fluctuating business activity and the efforts of various states in the region, most notably South Africa, to impede popular intervention at the workplace and in the establishment of democratic forms of government?

The degree to which the regional character of southern Africa becomes a sanguine feature of economic and political life very much depends on the character of the new relationships being forged by internal and external corporate interests, the extant nation-states, and the nature of the intervention that southern Africa's rural and urban population will make in the new discourse on political participation and economic well-being. These developments may in fact become the catalyst for renewed demands for an immediate increase in the living standards of the African majority, touching off a crisis not unlike those of Poland and Eastern Europe. The central paradox of the present and long term situation is that no one's interests will be served if southern Africa finds itself on the margins of the new pattern of global economic and political transformation.

Underscoring the striking array of social inequality in southern Africa is the fact that nearly all the states of Africa that have achieved independence in the past generation are plagued by stagnant agricultural development. The difficulties with agriculture are all the more acute in southern Africa because of the widespread nature of industrial activity. Recent statistics suggest that shortfalls in agriculture in southern Africa are in fact worsening. The roots of the problem lie not only in the present situation but also deep in the colonial past.

The Problem

The problem before you seems to me to be one of national economics, and not one merely of class grievance. Every rapidly advancing country has had frequently, to remodel its fiscal system and administrative laws, not only to meet the requirements of its growing Government, but to satisfy the strenuous demands and imperative necessities of its expanding or languishing industries. The present case in the South African Republic is not exceptional in the mere fact of clamorous demand for reform and abolition of industrial burdens. It is singular only in the form in which it has appeared, and in the fact that it has become so acute as to cut its way into international politics.

William Hall, American civil engineer, giving testimony before the 1897 Industrial Commission of Inquiry of the Transvaal Republic

Following the Great Slump or Panic of 1873 the industrial elites in all the western countries were in a position not unlike that of the European aristocracy in 1815: outwardly stable and in complete moral and ideological control of their respective societies, inwardly divided and unsure of their own moral

convictions and social ideals. Some of them clung to the old beliefs in Free Trade and supply and demand, while rejecting state intervention in the economy. Others believed that they could only protect themselves from the catastrophic fall in prices with protective tariffs, assured markets, and a gold standard for the currencies of the industrial nations, even though those entrepreneurs and statesmen who plumped for these measures were not in complete agreement about how they were to be implemented. None of them, however, wanted to pay the price of their convictions--they wanted privilege without obligation, power without responsibility.

Consequently, as early as the 1870s, the industrial nations plunged into a series of foreign wars which sought to redivide the spoils of the global economy in accordance with the new, more Eurocentric relations of power. These wars of colonial conquest further enhanced the gap in the standard of living between the industrial and agrarian countries-- a gap which achieved frightening proportions in the years between 1873 and 1895. Much of the carnage associated with the colonial wars was a result of the disparity between their objectives and the means of prosecuting them, for these were nineteenth century wars fought with twentieth century means. The South African War of 1899-1902 was, in fact, such a conflict, bringing in its train a pall of devastation that spread over agrarian communities from the Cape of Good Hope to the Zambezi River. The avatars of industrialization--drilling rigs, machine tools, rail lines, strong drink, and humbled expectations--followed swiftly behind the cassons and howitzers.

However, well after the war, making the colonies of southern Africa pay for themselves by selectively industrializing their infrastructure in order to facilitate better the extraction of agricultural products and raw materials remained problematic. One can best sum up the importance of this problem by contrasting it with what came immediately before. Of that previous time one historian has said: "Trade by itself made no difference to the map of Africa or Asia. It was only when this trade was backed up by an investment in law and order that it led to territorial changes." In short the quintessential expression of the advantage possessed by the industrial nations was their ability to produce and exploit devastating weapons of mass destruction.

For example, in southern Africa in particular, all the colonial powers claimed, in one way or another, that they had come to Africa to save the Africans from themselves--to build a dike against the swirling waters of nihilism, anarchy, and disease; to become in fact a servant of the future interests of the African people. This entailed compelling the Africans to labor without concern for their immediate benefit or remuneration, but with the assurance that the colonial masters would eventually bestow the fruits of their unrequited labor on future generations of Africans. But how many Sotho or Tswana peasants, much less British working-

class conscripts steaming toward South Africa in the winter of 1899, believed this formula to be an apt expression of their sentiments?

European plans for southern Africa were often as ambiguous as they were colossal. Cecil Rhodes's Cape to Cairo railroad scheme and the German massacre of the Herero and Nama bore powerful witness to the monstrous nature that these plans could assume. But how they were to be realized remained an area of darkness until the close of the First World War. In this early epoch of dimness the groping of the colonial powers led to a vast and senseless loss of African life, and to a belief on the part of European employers and the state that they could outfit industry and agriculture with the requisite amount of cheap African labor within the confines of a purely microeconomic framework. Put crudely, the problem was how to exploit the African as peasant farmer and wage laborer; govern him largely without his consent; and simultaneously accord him a measure of humanity that would make his exploitation and lack of political participation appear tolerable. Any solution to this conundrum would have seemed like a conjurer's trick.

Despite the weapons of mass destruction and the ideological overlay, these objectives were simply impossible. What the employers and colonial officials had not sufficiently understood was that even a much qualified version of industrialization was going to change not only those Africans who came to live in the cities but also those who remained on the land. Once the colonial enclosure of land commenced, the catalysts for this transformation came in the persons of missionaries, tax collectors, and labor recruiters. And once industry and commercial agriculture became focal points of economic exploitation African colonial subjects quickly grasped the lessons that had eluded their former political leaders. In fact, we need to know more about how the battle lines between rulers and ruled were redrawn in this crucial period, in order to understand better how ordinary people in Africa came to terms with colonial rule.

Consequently, I also start with several deceptively simple questions: What kind of society did white men of power and influence construct in southern Africa and, parenthetically, in the United States at the close of the nineteenth century and at the outset of the twentieth century, by means of other people's labor and a ruthless and uncompromising drive to accumulate wealth--by what the German political scientist Jurgen Habermas might call "rational sublimation"? More importantly, how did this process of accumulation and domination produce a rage so intense at all levels of these two societies during this period that the means of accumulating wealth could and did, on occasion, grate sharply against the rather modest expectations of people who were neither

powerful nor white---nor male in many instances? Finally, how did this rage and the unmet expectations of those people who did not possess great wealth or direct access to state power occasionally coalesce to produce startling and ominous instances of popular protest.

To be sure, this protest was not virulent or sustained enough to undo the rule of the men who were called the Randlords in South Africa and the robber barons in the United States; but on occasion, in the wake of popular discontent over taxes, freight rates, and wages, men such as Cecil Rhodes, Julius Werhner, Lionel Phillips,

and J.P. Morgan were compelled to examine the precise nature and extent of their power. Under the impress of popular agitation and protest such men were also obliged to make disturbing associations, at least from their perspective, between economic growth and democratic ideals. This pairing of ideals and economic objectives, however disconcerting it may have been, became characteristic of American bankers, engineers and statesmen who envisioned a determining role for the United States in southern Africa at the turn of the century; for they believed that the gold mines of the Rand presented a unique opportunity to test the strengths of the new American business culture. All of their activities in southern Africa were informed by a single question: was the new and uniquely American form of business organization, the corporation, a democratic means of orchestrating the participation of various classes and races in orderly economic progress or was it merely a shill for high level instances of piracy?

After 1907 the American corporation, then, became the institutional center of a new kind of business culture in both the United States and South Africa. It would find its most illuminating expressions in South Africa in the opening up of the deep level mines of the Far East Rand on the one hand and the transformation of the legal context of land ownership in the Transvaal and Natal Provinces on the other. The transformation in both spheres of economic activity had far reaching consequences for the kind of civil society that emerged in South Africa at this point, inasmuch as both served to rupture the customary relationship between property ownership and the political franchise that usually obtains in industrializing capitalist societies. However, the triumph of the corporate form of business organization in South Africa raises as many questions as it answers. Consider the observations of Peter Richardson and Jean-Jacques van Helten:

This review of the long-term accumulation strategies of the various groups between 1902 and 1918 suggests that current research has obscured some important behavioural and structural changes in the Witwatersrand mining industry. . . , by ignoring the importance of the Far East Rand in this period, it has made unintelligible the veritable revolution

in the balance of power among amongst the groups which became evident during the First World War. The sharply augmented power of JCI(Johannesburg Consolidated Investment Corporation), A. Goerz and Company, and CMS(Consolidated Mines Selection Corporation) at the expense of the more conservative groups derived largely from the Far East Rand and suggests that the causes of this process deserve greater attention than they have so far received from historians.

But the competition for means of production and the consequent shift to deep level mining began as early as 1902, some five or six years before the conditional triumph of the corporation in South Africa. Moreover, deep level mining did not immediately replace outcrop mining. For example, the absorption of Werhner, Beit and Company into the London based investment group, the Central Mining Trust, was a powerful attempt to shore up the productive base of mining operations on the Central Rand, while establishing new financial criteria for large-scale participation in the mining industry in general. To be sure, Sir Julius Werhner's efforts in this area may have been prompted by a fear that the value of the properties he was associated with would soon plunge to basement bargain levels with the onset of the depression of 1906-08. But these efforts also demonstrated the growing appreciation that the previous generation of Randlords had for the closer relationship between problems of labor and technology in the mining industry immediately after the war. One need only take a casual glance at the monthly reports of the Chamber of Mines in the immediate postwar period to get a sense of the breadth of their appreciation.

However, in all its various forms, the investment group was a transitory and transitional form of business organization. It arose in direct response to the economic crises of the early 1890s and passed out of existence at the end of the abovementioned depression. Moreover, despite Robert Vicat Turrell and Jean-Jacques van Helten's trenchant observations of S.D. Chapman's conception of the investment group, Chapman and others have rightly observed that the investment group was a uniquely British response to crises and opportunity at the turn of the century. Consequently, given the dramatic decline of British manufacture against that of Germany and the United States in this same time period, it was also a uniquely passive response, which, of course, became more or less ineffectual at the close of the twentieth century's first decade.

Hence the origins of the present long-term secular crises in the United States and South Africa are in part rooted in how each of these countries negotiated the circumstances of the period between the Depression of 1906-08 and the failure of the industrial countries to institute a unilateral policy of price and monetary stabilization after the First World War and the corrosive global recession of 1921-22. In the wake of these circumstances farmers

of all kinds in both countries were compelled to recognize that the business cycle and the modern state had an even greater effect on them than the passing of the seasons, and that they had little or no chance of succeeding in a test of wills between themselves and these institutions. Workers in fields, factories and mines were subjected to rules of work governed not only by wages and hours but by the ghoulish intervention of more and more machinery--machinery that had been called into existence by the efforts of previous generations of living labor(machine tools and the assembly line in the United States, and mining stamps and drills in South Africa, for example). And entrepreneurs and politicians, while sometimes willing to play a fast and loose game of "give and take" on the question of living standards, even in these two multiethnic and multiracial societies, were absolutely intransigent on the question of broadening the popular base for formal entitlements and political participation.

Corporate culture in the American and South African settings has tended to place a great deal of emphasis on withholding any participation in setting production procedures and the cultural context of production from unions or their functional equivalent. Well before the depression of 1906-08 and the triumph of what I have provisionally called the "corporate model", Cecil Rhodes minuted, "The natives are in a sense citizens, but not altogether citizens. And though we place them in individual position with regard to certain pieces of agricultural land, we protect them by all sorts of laws..." Rhodes could have closed by saying, "...in much the same way as we do for natural resources." In short, even with the ownership of land, Africans did not assume enough risk to be thought of as citizens, or to participate in the fundamental debates of the public sphere of civil society. Indeed, their future condition formed one of these fundamental debates.

And how did Rhodes and the subsequent generation of Randlords interpret "risk"? One can reasonably assume that their definition of risk derived from their experiences in the mining industry. Hence risk was associate with being a large employer of wage labor. And once professional engineers began to supplant their more swashbuckling predecessors the notion of risk-- in defiance of the degree of uncertainty that is inherent in the very definition of the term-- came to be invested with a scientific aura. Even though the letter way of thinking was implicit, it was deeply inscribed in the thinking of the men in question. Conversely, risk for a peasant farmer amounted to gambling with his household's margin of subsistence to improve his position with respect to the commercial market for whatever he produced.

The intransigence of the two sets of entrepreneurs in question was a result of more than bourgeois cultural mores and personal tastes, although one should not readily discount such factors in the process of reconstructing the idiom in which these men thought and made decisions. Coming out of the generation of slump and

depression, from 1873 to 1894, entrepreneurs on both sides of the Atlantic feared that they were in danger of becoming public servants. Long bouts of prices falling below the cost of production, the phenomenal increase in the wage rate of many kinds of industrial workers, and the resurgence of popular forms of republicanism did in fact give the big capitalists cause to worry. And it was this ominous feeling of potential disaster that lurked behind their rock-ribbed determination to go on to the gold standard, disciplining the wage rate of industrial workers, in turn, and once again make the world a safe place for gentlemen of property and standing. But the intransigence of business and government elites in these matters was also fed by a common belief that their initiatives had shielded the home populations in the various nation-states of the English speaking world from the worst features of the Depression of 1906-08, and later First World War, and that whatever economic spoils accrued to their respective nation-states as a result were theirs for the taking.

Imperialism and its Discontents

Let us consider the words of two men, T. Thomas Fortune and William Lincoln Honnold, who made unique and apparently contradictory contributions to the practical application of American corporate liberalism in southern Africa. First T. Thomas Fortune--Afroamerican newspaper editor and entrepreneur, occasional ally of Booker T. Washington, and fervent black nationalist and anti-imperialist toward the end of his life. At a conference on missionary activity in southern Africa held at Tuskegee in 1895, Fortune claimed that:

I believe that the nationalization of Africa will be along British lines, as that of the United States, in its language...in its system of government and in its religion. The English language is the strongest of all languages, the most elastic in its structure, the most comprehensive in its use as a vehicle of human thought and expression. The English system of civil government is the best that has been devised because it allows the greatest possible freedom to the citizen...

Now Honnold--a white American mining engineer who came out to the Rand at the close of the South African War, founding member of that incubator of the second generation of Randlords, the Fortnightly Club, and confidant of Herbert Hoover, who himself was a mining engineer and who later became President of the United States at the outset of the Great Depression:

These remarks are not intended for publication but more to put you in touch with the situation as it appears to position out here for the reason that it is quite impossible for those unfamiliar with local conditions, whether it be yourself or your readers to see the matter in its true light. There is too much danger of saying something which will only be misleading at home but attract either ridicule or resentment here. I have in mind particularly what you said with regard to sending over some of our American niggers and your Methusaleh article.

With regard to American niggers they would be the very worst thing that could be introduced. Aside from the fact that we require cheaper labor than they would provide, there is the much greater objection that they would tend to awake a spirit of insubordination among the ordinary natives. The nigger at home is very jealous of his position, and is always looking for an opportunity to emphasize his idea of his equality with the whites, and when he comes out here, as I have had occasion to note, he puts on even more airs than at home, and becomes a great nuisance, by reason of the distorted American ideas of liberty and equality, which he is always giving out to the niggers here.

The only possible way in which the small majority(sic) of whites can hope to preserve themselves is by keeping the niggers constantly under control and not allowing them, under any circumstances, to get the idea that they are the equal of the whites, and therefore you can see that to introduce leaders among them with all the distorted ideas which the American nigger would be bound to bring, would be fatal.

Honnold wrote this rambling and vitriolic letter to T.A. Rickard, an American partner in Herbert Hoover's London based engineering firm, Bewick and Moresby, on 30 June 1903. Rickard was also the editor of the Engineering and Mining Journal, a magazine that was to establish the leadership of American engineers in shaping the mining industry on a global scale during the years immediately following the First World War. Honnold's letter to Rickard was, in fact, the culmination of more than a generation of an American presence on South Africa's Rand. Indeed American engineers, merchants and mineworkers had been in South Africa from the inception of gold mining in the late 1870s and 1880s--to the point that contemporaries claimed that the first mining settlements in and around Johannesburg had a "pronounced American flavour". After the Boer or South African War of 1899-1902 the American influence on the Rand and in other nascent industrial regions of southern Africa grew by leaps and bounds--despite the primacy of British imperial interests in southern Africa.

The South African War of 1899-1902 was the third major military conflict of the industrial age (the American Civil War and the Franco-Prussian War were the first two). Once the war commenced, the impact of industrialization rolled northward, up the Zambezi floodplain, by dint of bayonets, Maxim guns, cannons and caissons, as well as machine tools and drilling rigs. African peasants saw their land enclosed and expropriated by force of arms rather than the law, for armies had to be fed and mines kept in production. But the war's military tactics and its subvention--J.P. Morgan lent the British government two hundred million dollars in order to bring the war to a swift close, for example--dredged up the most ironic feature of southern Africa's industrial revolution: that industrialization proceeded on the basis of two interrelated but competing conceptions of empire--one British, one American. The most palpable expression of this paradox was a society and industrial workforce imprisoned by an especially virulent form of institutional racism, to which Honnold's letter of 1903 bore powerful witness in spite of itself. Moreover, this paradox further enhanced the discontinuous nature of southern Africa's industrial growth. Rapid economic change, which had been compelled by war and imperial ambitions, and a relatively high but fluctuating minimum for white living standards established the context of the postwar social order. Yet by the outset of the First World War all the peoples of southern Africa--including the former citizens of the Orange Free State and the Transvaal Republic, the two defeated Boer republics--would look back on the string of British military victories during the South African War in much the same way that former masters and slaves in the United States must have perceived the powerfully destructive and liberating march of General William T. Sherman's army from city of Atlanta to the Atlantic Ocean: the British victory in the war was more than a horrifying and stunning set of military campaigns--it was the end of a way of life.

But this end was neither abrupt nor absolute. The Africans who had fled the mines and the sprawling industrial city of Johannesburg at the outset of the war did not immediately offer themselves up for hire at the war's conclusion. Nor did the Africans who lived in the vicinity of the mines. More than a year after the war less than half of the prewar complement of African workers had returned. African workers were in fact engaged in what amounted to a de facto general strike. On the other hand, profits from the gold mines were not reinvested in the industry to any great degree. Consequently, the financial structure of the mining industry retained a speculative character; and, despite the dramatic consolidation of ownership of the gold mines after the war, deep level mining still did not dominate mining operations. Yet even with the reduced operations of the immediate postwar period, the South African Rand was producing well over a third of the world's gold supply--at the very moment that gold was becoming the chief money commodity of world trade. Moreover, gold mining in South Africa came to be dominated by four major entrepreneurs and

their respective companies--Barney Barnato and the Kimberley Company; Alfred Beit and his associates at Werhner-Beit Company; Cecil Rhodes and Consolidated Goldfields Company; and Anton Dunkelsbuhler and the Consolidated Mines Selection Company. In fact the latter company became the parent company of arguably the most powerful mining syndicate in the world after 1926 --the Oppenheimer and Morgan Guaranty Trust creation, the Anglo-American Mining Corporation.

Changes on the Land

The peasantry reaped the whirlwind in the wake of these events. After the war the new colonial state(the provisional military government and later the Reconstruction Government of Alfred Lord Milner) had to legitimate its infringement upon the peasantry's "subsistence threshold"--that portion of the annual harvest that kept the peasant and his immediate family from plunging into starvation and total destitution--while simultaneously transforming that infringement into a regular lien on peasant production. For a brief, incandescent moment at the outset of the war, when the armed intervention of African irregulars and African cooperation in transporting equipment and troops had been crucial to salvaging the British offensive, the African peasantry of the Transvaal and the border regions of Natal and the Orange Free State appeared on the verge of taking back some of what they had lost to the Boer republics and British colonial rule at the Cape and in Natal. However, a peace that initially appeared to underwrite a more politically enfranchised and economically competitive African peasantry frightened the provisional British military government and the defeated Afrikaner leadership into complicity less than a year after the close of the war. By 1904 their anxieties had coalesced into a shrill demand for a harsher and more punitive version of the 1895 Plakkers Wet or Squatters' Law of the Transvaal Republic. Also, the marked increase of the Transvaal's rural African population, particularly in the Waterberg and Zoutspansberg districts, further exacerbated white anxiety. Consider the summary testimony of W. Windham, Secretary of the Native Affairs Department(NAD) for the Transvaal at the 1904 Lagden Commission hearings:

Is it not, in short, Mr. Windham, as a matter of expediency that you will not let the Native have land and you will not let him have a vote; is it not really a matter of expediency, because he will eventually outnumber the whites?--[Windham] That is a fact, undoubtedly.-- It is a matter of expediency; you do not think that he should have a vote, and you do not think that he should have land, because he would outnumber the white race?--[Windham] I am opposed to it as a matter of expediency

and as a matter of State policy.--It does seem a little inconsistent. To use your own expression, you would create individual responsibility; he pays his rates and his taxes, and yet you would not allow him to voice his interest in the manner which I have clearly stated, that is by means of his nominated or elected representatives. You mean that he would have to take anyone that was chosen to be given to him?-- [Windham] Yes, so long as he is in his present savage state.

The expropriation of the war years had rested on direct military force. That of the postwar years had to rest more on a form of compulsion created by market forces, the advance of the railroads, and an uneven dispensation of justice.

Prior to the war, even with the assistance of the governments of the Transvaal Republic and the Orange Free State, Boer farmers just barely maintained their edge over money-minded African peasant farmers. In fact, African tenancy on white farms was pervasive--so much so that it became the principal obstacle to increasing the pool of indigenous African wage labor--hence the acute dependence of the mine and sugar plantation owners on migrant African labor from Mozambique--and to raising the output on white farms. According to our friend William Hall, the dense presence of African tenants in rural Transvaal amounted to an instance of "declining marginal utility". In other words, as long as Africans had access to productive land as tenants or smallholders, they would constitute a major obstacle to the transformation of the legal and political context of property ownership. On the other hand the two Afrikaner republics were content to redirect the revenue derived from the taxation of gold production in the direction of white farmers in the form of state subsidies. However, most of the capital invested in agriculture by the state was siphoned off into activities such as the distillation of cheap grain spirits, which, in turn, was consumed by African and white mineworkers. The grisly fact of the matter was that white farmers could not feed the burgeoning industrial workforce of the Rand on their own, or with the explicit assistance of the two republics.

Without African tenants, output on white farms in the Orange Free State and the Transvaal Republic would have been even more abysmal than its depressing levels of the 1880s and 1890s. Consequently, the rinderpest or Hoof and Mouth epidemic of 1895-6 was a windfall for white farmers; for with the destruction or despoilation of herds of African cattle, which were crucial sources of invested wealth for the peasant farmer, particularly when they were combined with plows, white farmers were assured of more

African tenants. But even with the prospect of more tenants, output levels on white farms moved only slightly on the eve of the war-- in inverse proportion to white anxiety. Observe the ominous tone of the 1904 testimony of G.G. Munnik, a farmer and former Landroost and Mining Commissioner for the Transvaal Republic:

In the last two or three years, first of all there was the war, when they [Africans] did not cultivate much, the followed two years of drought; what became of them then? I will tell you. During the war the the Native earned very high wages. Not only did he earn high wages, but he looted and stole everything he could lay his hands on; whether it was a bedstead, or whether it was a coffee pot, he stole and took it home...; and that is really why there has been a scarcity of labour, because he has been looking after all this stolen stuff...

I may tell you that in Zoutspansberg there is great dissatisfaction at this moment amongst the white population because lands which were surveyed for whites are now being leased to Kafirs. I am alluding to the agricultural lots at Haenertsberg, upon the gold-fields... These lots which are called 'agricultural lots' were distinctly surveyed for white people of limited means to supply the gold-fields with farm and garden produce.

African peasant farmers had their own designs on the incipient commercial market of Johannesburg, with its more than one hundred thousand souls jammed into boardinghouses, brothels and company compounds. The war, at least initially, did little to change their expectations.

Conclusion

What gave rise to a more constrained interpretation of tenancy and the elimination of a large number of African squatters and smallholders immediately after the South African war? In a nutshell, it was market opportunities minus large amounts of investment capital. Before the war the terms of the economic formula had been just the reverse, since neither the prewar republics nor white landowners were in a hurry to transform African squatters into formal tenants; for such a transformation would have also contained certain explicit contractual obligations for white landowners as well. After the war there was a dramatic increase in African tenancy and an equally dramatic transformation of the way the land was worked over large portions of South Africa. But until

the repression of the 1906 Poll Tax or Bambatha Rebellion, and the consequent advent of the Het Volk Government in 1907, the transformation of South Africa's countryside was not inscribed within a legal framework or an explicit political arrangement between the state and white landowners. Doubtless the control of more than a third of the Transvaal's land by a single mining syndicate, the Central Mining Trust, had something to do with this.

To be sure, there was no shortage of violent expropriation. And in instances where African tenant farmers and small landowners expressed their collective grievances in a direct manner, as they did during the Bambatha Rebellion in Natal, the subsequent white repression assumed the inchoate characteristics of a pogrom. The African peasantry was indeed plundered, but not through a combination of selective reinterpretations of prewar labor regulations and statutes backed up by the judicious display of the state's police power. Rather, the state, for lack of a coherent policy of its own, rushed in to legitimate the excesses of white vigilantes. Then and only then were African peasants more systematically divested of land and rights in land. Subsequent expropriation was especially bitter because between 1902 and 1907 African peasants in a number of districts and territories had in fact gained and consolidated some access to a commercial market and embellished the agricultural means of production of white landowners with their cattle and plows, and with the labor of their families.

Moreover, the sighting and construction of railroads served to eliminate communities of African smallholders that were responding to the burgeoning urban market for food. Railroad construction often compelled relatively prosperous peasants to get their customary tenure of land recognized by registry offices and magistrates--a next to impossible task after the Het Volk government assumed office. Within less than the span one business cycle large numbers of African peasants went from a status of tenant farmer or small landowner who possessed plows, cattle, and some moveable property to squatters and completely dispossessed agricultural laborers.

There had been a certain degree of maneuverability within tenancy for the peasant farmer. The tenant could always turn his possession of moveable property such as wagons, plows, and cattle, and his control over potential labor within his family to his advantage. It was not for nothing therefore that the Milner and Het Volk Governments pushed for legislation that would have forced tenants to register immediately marriages, particularly if they were of a polygynous nature. Infant mortality among tenant households was not the object of such meticulous scrutiny, however, once tenancy became a disguised form of wage labor in the closing years of the Milner Government. To be sure, some African communities on the highveld of the Transvaal, Natal, and in the Orange Free State were not so readily humbled; but instead of

making African tenants and smallholders citizens of a more rational form of bourgeois state by generalizing the Cape Franchise, the postwar governments further exposed rural Africans to the greed of resident and absentee landlords. In so doing, they compelled the law to contravene the logic of the existing capitalist market.

In 1912 and 1913 the Union Government, which had come to power in 1910, deprived African peasant farmers of even this helot-like status by passing the Masters and Servants Act and the Native Land Act. Together the two laws attached more than eighty seven percent of African land. Africans who held land on the basis of written contractual tenure were dispossessed as swiftly as those with customary claims in many instances. The legal and social basis of African tenant farming were destroyed in the process, even though tenancy persisted in the abovementioned areas, particularly in those districts that contained large numbers of white absentee landlords.

The permanence of industrial capitalism was pretty much assured once the Boer republics were defeated, but the bizarre makeup of the agrarian world caused industry to be plagued by a twofold problem: the rural areas either could not or would not supply labor according to the specifications of the mining industry's desires; and the physical and administrative infrastructure of the industrial towns could not have adequately accommodated it anyway, for the war had seriously interrupted the mining industry's efforts at capital accumulation. The road was ostensibly paved for the ostensibly cheap labor produced by the migrant labor system.

Large scale capitalist agriculture meant dispossessing hundreds of thousands of African peasants and moving a potentially enormous landless workforce to settler farms as well as mines and factories. There was no guarantee--or even real likelihood--that a large addition could be made to the African workforce without further reducing productivity--at least initially. Maintaining an urban population would have been much more expensive than maintaining a more self-sufficient rural one, especially in the absence of a strong network of internal transportation--which would have also been expensive. Most of the governments that came to power in South Africa, and in southern Africa generally, chose neither option. Instead they chose aspects of both, whenever it seemed expedient. The transformation of who worked the land--and under what circumstances--was in fact the obverse side of southern Africa's industrialization. The trouble is determining where the "political" shades into the "economic" and vice versa.

Every instance of industrialization is discontinuous inasmuch as its particular pattern derives from one of several historical alternatives. These alternatives are formed on the basis of how the distribution of power and wealth in a given society elaborates the manipulation of nature and the availability of technological

applications. Once an alternative is chosen, however, substantial investments in human effort, information, and equipment constrain subsequent choices. For not only the rate but also the direction of industrial growth and agricultural depend on the distribution of entitlements. Hence the difficulty of uncovering what the other alternatives were lies in the facility and speed with which the triumphant one marginalizes the accomplishments of its former competitors.

This kind of marginalization is ultimately a political exercise. Its authors depend greatly on the state's ability to privilege and penalize discrete groups and activities. State intervention in this process is therefore manifold and dynamic--even instances where its objectives are of a conservative nature. It is by no means limited to the passive function of limiting or enhancing access to national and international markets. For example, while magistrates and NAD officers in the Transvaal and Natal were violently opposed to "lobolo" or cattle dowry, they were equally insistent that Africans not be in a position to resort to common law in civil and legal matters.

Nevertheless, the absence of a theory of distribution within marginal utilitarian economics gives the market an apparently inordinate amount of influence in ordering civil society. The absence of theory of distribution within capitalist economic theory was also why engineers became so readily the new intelligentsia of the bourgeoisie after the generation of slump and depression. Hence it was not so much that big entrepreneurs in South Africa and the United States believed in scientific management per se, but in lieu of a more proactive method of cost accounting, it seemed the most reasonable approach on the horizon during the period in question.

However, as recent historians of South Africa such as Tim Keegan, Jeremy Krikler, Bill Nasson, and Charles van Onselen have demonstrated, there were occasional dissonant and cacophonous voices that contested the "progressive" nature of this particular pattern of industrialization and state intervention. Such voices were often compelled by the legal constraints that industrialization imposes on the ownership of all forms of private property. The problem for historians is that there is no way of accounting for these dissonant voices--or the lost alternatives--by simply reconstructing the secular trend of industry's achievements.

Corporate organization in South Africa and the rest of the subcontinent moved rapidly away from its more charitable model and its democratic trappings as early as the first years of the Milner Government, even though the full implications of its departure would not be made clear until the Union Government promulgated the Masters and Servants Act and the Land Act of 1912 and 1913. The passage of the latter acts was analogous to the hoisting of the Jolly Roger; for the latter symbol's universally recognized

insignia--the skull and crossbones--captured the essence of the dispensation that the majority of the population received from the new social order.

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