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Business leaders testify to the Truth Commission on their role during the years of National Party rule. Robert Brand reports

1913 Land Act laid base for exploitation even before apartheid

"I feel rather glad that the labour question here is connected with the native question," Cecil John Rhodes said during a debate on the Glen Grey Act, the precursor of the infamous Land Act, in the Cape Colony Parliament more than 100 years ago.

"If the whites maintain their position as the supreme race, the day will come when we shall be thankful that we have the natives in their proper position."

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1. *Smellanch S.J.*
2. *A.A. Sakhane*
3. *Sakhane*
4. *G. Kucnis*
5. *Kommunis in*
6. *W. Kuchel*
6. *Shindling*
7. *mensigte*
8. *Uitdrukkings*
9. *Contraakt*
9. *Wetgewing*
10. *Lyond- en Tredakt*

INSTITUUT VIR EIETDSE GESKIEDENIS

Die Universiteit van die Oranje-Vrystaat

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The Glen Grey Act sought to drive squatter-peasants and share-croppers off the land, to turn them into wage labourers for the burgeoning mining industry on the Witwatersrand; in 1913, the Land Act would extend this process throughout the Union of South Africa.

"The Land Act," said Professor Sample Terreblanche in a submission that set the tone for the Truth and Reconciliation Commission's business hearing this week, "was more successful than any other measure in proletarianising a very large percentage of the African population and in creating the very exploitative and unjust system of labour repression."

The "proper position" of the "native" was to be a cheap source of labour for the mining industry and agriculture; a situation which continued well into the last quarter of this century.

The TRC's business hearing attempted to provide answers to two questions: did business profit from apartheid, and what should be done to redress the economic wrongs of the past. The weakness of the hearing was that the period under review by the TRC starts in 1960, a watershed year in politics in South Africa, but not necessarily in business.

To understand the true role of business in the establishment and consolidation of the apartheid system, Terreblanche argued, one had to go back to the last century, long before the institutionalisation of apartheid by the National Party government.

The starting point of 1960 provided an easy way out to business institutions which testified before the commission: by then, the NP had become an easy scapegoat for all that went wrong. But the patterns of economic exploitation which endure, in some instances to this day, were already well established by then.

The submissions tended to focus on business's response to the political system of apartheid, without tackling the economic issues which underpinned it.

With few exceptions, white business institutions which testified at the hearings argued that they had opposed apartheid because it was inimical to their best interests.

"Assocom (the Associated Chambers of Commerce, predecessor of the SA Chamber of Business - Sacob) held the view that apartheid was a violation of human rights and was economically unsustainable. They believed it would eventually collapse under the weight of the demands made on it by rapid economic growth," said Sacob director-general Raymond Parsons.

This view was echoed by other corporate submissions: Mike Rosholt, former Barlow Rand chairman, said the long-term difficulties of apartheid far outweighed the short-term gains it brought business; the response of many businesses was to "act against the injustices of apartheid ... through efforts such as public statements and calls on government".

Business sponsored many initiatives, especially during the 1960s when it had become clear that apartheid had driven the country to the brink of disaster, which undoubtedly helped bring about change. The business-sponsored Urban Foundation, which protested vigorously and with some success against influx control, is one example.

But as could be expected, black business institutions in their submissions proposed an entirely different view.

"Business had no choice but to oppress and exploit blacks," said Lot Ndlovu of the Black Management Forum. "The claims and protests by business or business leaders that they resisted apartheid must be rejected ... apartheid became an effective tool of capitalism."

Terreblanche pointed out that high economic growth did not cause the downfall of apartheid; in fact, the NP government was brought to its knees by a combination of political ferment and economic stagnation.

The period of high economic growth in the 1950s and 1960s, Terreblanche said, coincided with a strengthening of the apartheid government and the structures of exploitation. Instead of a trickle-down effect strengthening the economic position of blacks, high growth in this period had a "trickle-up" result: in 1947, the per capita income of whites was 10 times higher than that of blacks; by 1975, this had increased to a multiple of 15. Throughout

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this period, the NP government grew stronger, to a point where it had not only majority support from Afrikaners but also from English-speaking white South Africans.

In a thoughtful written submission, former First National Bank chief executive Chris Ball said business leaders during apartheid simply did not understand the social and political dynamics of the country.

"In particular, there was not an understanding of the techniques of power and their management and manipulation by the apartheid regime."

As a result, Ball said, business allowed itself to become co-opted or at least compliant with the apartheid regime, even while expressing opposition to its policies. Far from isolating the regime, business contributed to the veneer of respectability which it maintained, especially in the eyes of Thatcherite Britain and Reaganite

America, until its very last days.

The Afrikaanse Handelsinstituut (AHI) came closest to displaying an understanding of the present-day political and social dynamics in its submission, which apologised for the hurt caused by apartheid and made constructive suggestions to redress past wrongs.

Far from being "servile", as the AHI submission was described in an editorial in a leading business daily, the organisation provided an analysis that came closer to the truth than many. Although apartheid in the long run was bad for business, the AHI

said, business did not recognise this until fairly late. White business undoubtedly benefited from the system at the expense of black business in the short-term, and during the 1960s many businesses supported separate development from an ideological point of view and were prepared to pay an economic price for it.

The AHI's proposal that part of the R9,8-billion SASRIA fund should be used to finance the TRC's proposed reparations policy was the only practical suggestion made in this regard by any business institution.

This proposal, however, was overshadowed by the controversy of Terreblanche's suggestion that a wealth tax should be levied to bankroll the upliftment of the poorest sections of society.

Terreblanche's idea is not as far-fetched as has been suggested: a similar tax was levied in post-war Germany to pay for reconstruction. But nobody likes taxes and, in the controversy surrounding the wealth tax concept the central point was lost - that social justice has not yet been done and that it should be achieved if we want to ensure long-term stability and peace.

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