

FAROUK STEMMET:

**The Golden Contradiction: A Marxist Theory
of Gold. With particular reference to South
Africa (Making of Modern Africa)**

Avebury: Aldershot/Brookfield
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This Book is the doctoral thesis of Farouk Stemmet. The former South African exile is now living in the United Kingdom. In 1993 he submitted a PhD thesis to the University of Glasgow under the title "Control of the Value of Black Goldminers' Labour Powers in South Africa during the Early Industrial Period".

His work on political Economy questions the traditional central thesis that gold reflects the contradiction between money and capital. Fixed gold pricing is radically re-assessed. Gold production is shown to operate according to different economic rules for labour in general. This underlies both the so-called gold rushes in North America and the origins of apartheid in South Africa.

Especially California from 1849 to approx 1865, and South Africa from 1886 to around 1907, are set against the backdrop of a world history of gold production to reveal a revolution in gold economics. Far from South Africa's first goldmining companies initiating a separation of white and black goldminers, it is argued that the mine bosses took advantage of a division already in place and sought instead to separate black goldminers from black workers in general. This, in the author's opinion, is the most elementary form of apartheid.

The book has three sections: theoretical, descriptive and polemical.

The first part comprises a general theory and modern economic history of gold, and takes up the question to the point where gold production by joint-stock companies becomes the dominant form and metallic gold ceases to circulate as currency.

The book demonstrates how gold became a vital factor in the economy since the second half of the 19th century. One of the most important objects of this thesis is the contribution towards the fulfilment of the theory of gold.

There are two deficiencies in Marx's theory of gold. The first relates to the contradictory demands of commodity and money, and of money and capital on this material. The second relates to the value-relationships within the actual production process of gold, and the changes in these value-relationships.

This revised dissertation attempts to address these deficiencies. Moreover, the dissertation considers the relation between the gold producing capital and South Africa's black goldmining workforce, in preference to the white workforce or the total workforce. The author has arrived at a further interesting conclusion. In early South African goldmining, only white workers found themselves in a relationship with capital. The value of white worker's labour-power was known to both workers and capital down to the minutest detail. This is the basis of capital's inability to reduce white worker's wages, rather than the fact that they were skilled or had trade unions. When capital did finally assault white worker's wages (1922) it was assaulting their livelihood. To talk of worker's resistance and unionisation is appropriate in this respect (p. 252).

The book has two fundamental advantages: reliable in historical background and research work and convincing theoretical conclusions. It is a very important book for South African economic history and universal political economy.