The Transkeian-ization of Transkei: Nationalism and the Making of an Elite through the Transkei Development Corporation, 1959 – 1984

On the 20\textsuperscript{th} of September 1984, Transkeians woke up hear that the Transkei government had sacked the top thirteen officials of the Transkei Development Corporation (TDC). Over the next few days, the local newspaper, the Daily Dispatch, started trying to pick apart what had happened and why. At first it was unclear which thirteen had been fired, but within a day the newspaper reported that Sonny Tarr, the Managing Director (MD), along with twelve other senior white officials had been removed. The reasons given for the sacking were complex and confusing. On the one hand, Transkeians were told by the Minister of Commerce, that the white officials had been removed to affect a policy of the Africanisation of posts. He urged them to note that “…there is nothing new in this.” \footnote{“Top TDC Posts Go to Transkeians,” \textit{Daily Dispatch}, September 26, 1984.} Others however speculated that Tarr had been fired under the guise of ‘Transkeian-ization’ for refusing to hand out loans and business licences to George and Kaizer Matanzima, the Prime Minister and President of the Transkei. Within a year, all the white officials in the TDC had left and fewer and fewer white South Africans populated the local administration.

This dramatic action speaks volumes about the link between race and control over the economic institutions of the Transkei state.\footnote{I have chosen not to use scare quotes around any words or concepts relating to the Transkei’s independence, national coherence, or the legitimacy of the Bantustans. This, of course, is not an endorsement of the Bantustan project and is simply for convenience.} In this working paper I suggest that this link was a distinct feature of a Transkeian nationalism that the political elite forged in the face of criticism of apartheid’s Bantustan policy. Through an analysis of shifts in the TDC and its predecessors I show that attempts to make Transkei politically coherent relied on a dual, intertwined mechanism. The first part of the process was tied into attempts to create the Bantustans as economically viable territories. A range of economic policies were implemented by the TDC.
to “give sufficient economic content to the policy of Homeland Development so that the
governments which are created in these states are not simply fictitious governments but that
have an economic base … to enable them at least in some respect to act independently from
the South African government.” The TDC was at the forefront of these attempts, claiming to
be a technical and apolitical institution. However, it held significant economic power in the
Bantustan, channelling vast amounts of money into and across the Transkei and thus making it
very desirable to control.

Second, gaining control of the newly established country’s economy was closely tied to
attempts at undoing white economic – and related political - power. Across the self-governing
territories, reserves and independent Bantustans, white power was ubiquitous, but it was only
in Transkei – through the collision between the Matanzimas’ and the white ‘expatriates’’ self-
interest - that local political elites linked the control of economic development quite so
dramatically to internal race relations. I am thus suggesting that Transkeian national coherence
and nationalism was, at least for a section of the local elite, partially based on distinctively
racialised attempts to prove legitimacy.

It is important to indicate that this nationalism was forged discursively and relied on local
perceptions, particularly of the TDC. Roger Southall has meticulously documented the
economic dependence of Transkei on South Africa and the strategic significance of creating a
‘Transkeian’ Transkei for the Bantustan project of separate development. At no point in this

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5 Even political institutions which had little influence on economic policy should be thought of as important sites of class formation as the expansion of local governments and bureaucracies was a major driver of the making of a local economic elite.
paper do I doubt this argument. Instead, I am trying to show that despite Transkei’s economic and political dependence on South Africa, Transkeian leaders claimed independence and autonomy were possible by framing the obstacles to political legitimacy in racial terms. They produced and tapped into a sense of discontent that ran parallel to the material aspects of the TDC, which justified the removal of white leadership in 1984 and provided the *raison d’être* for a new elite bureaucratic cadre.

This holds long-term significance for our understandings of the changing nature of the Transkei bureaucracy. By removing white officials from senior positions of control, the Transkei was able to give its institutions a particularly ‘Transkeian’ feel, unlike independent Bophuthatswana\(^8\) or even the Ciskei.\(^9\) While I am still researching the long-term implications of the 1984 drama, I have some indication already that this racialised and defensive Transkeian nationalism was significant in the unfolding of the bureaucracy in the final years of apartheid and its ability to integrate into the new Eastern Cape Province in 1994.\(^10\)

Finally, I also want to use this paper to offer a tentative reconceptualization of the functioning of ‘race’ in the Bantustans. Conventionally – and accurately – scholars and commentators have often suggested that ‘ethnicity’ was a fundamental feature of politics *across* and *within* the Bantustans. Consider Bushbuckridge in Lebowa for example, where tensions broke out between ‘Tsongas’ and ‘Pedis’ about political representation in the Bantustan and access to resources, which were perceived to be allocated according to ethnic lines.\(^11\) The struggles over the Ndebele population in Lebowa, Bophuthatswana – and eventually, KwaNdebele - serve as


another example of the way in which ethnicity functioned horizontally in the Bantustans. Race and apartheid’s racial policies, on the other hand, have been thought to operate along vertical lines: the Bantustans were created through the white South African state’s policies of separate development, and thus the only set of ‘race relations’ was between South Africa and each individual Bantustan. In this line of argument, the Bantustans were a product of racial policies, dictated from above. However, in the case of the Transkei at the very least, I argue that we also need to consider the internal operation of race in the Bantustan - the discourse animating the nationalism of political and bureaucratic elites was both ethnically and racially driven. As I attempt to show below ‘race’ was also important in creating insiders and outsiders in Transkei and determining a political and bureaucratic identity.

**Building a Black Transkei: Bantu Investment Corporation to Xhosa Development Corporation**

By 1948, when the National Party (NP) was voted into power, the reserves were already an economic and political reality across South Africa. However, their future was uncertain. WM Eiselen, along with a range of Afrikaans intellectuals aligned to the NP, hoped the reserve would serve as, in Ivan Evans’ description, “the moral fountainhead of apartheid practices.”

By this they meant that the reserves held the potential to stem the tide of urbanising Africans by becoming economically self-sufficient territories. But NP ‘pragmatists’ had another agenda, hoping to secure the continuity of African migrant labour and prevent competition with white industry and business.” The white labour constituency was also against the development of

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14 Ibid. 283.
industry in the border areas or in the reserves, concerned about the implications for their labour power. These tensions were played out in the findings and implementation of the Tomlinson Commission, set up in 1949 to explore “…the rehabilitation of the Native areas with a view to developing within them a social structure in keeping with the culture of the Natives and based on effective socio-economic planning.”15 When the Commission published its report in late 1954, it was met with mixed responses. On the one hand, the NP government accepted its political recommendations to initiate a fully-fledged decentralised system of governance through Bantu Authorities in the reserves. The economic recommendations were met with less enthusiasm. Tomlinson and his team argued that the reserves should be made economically viable by supporting small and clearly demarcated agricultural units, inviting ‘European’ industry to initiate industrial development and building African businessmen through a ‘Bantu Development Corporation.’ Responding to pressures from the pro-migrant labour and white labour constituencies, Verwoerd rejected the programme of extensive industrialisation and the private ownership of land. While the Tomlinson Commission recommended allocating £104 486 000 to the economic project, Verwoerd authorised the use of about one third of this towards industrialisation, with £500 000 of that amount dedicated to start-up capital for new industries in the reserves.16

In 1959, the Bantu Investment Corporation (BIC) was set up to administer this money. Despite emerging from an ideologically fraught context that tied Africans to economically doomed areas, it was mandated to develop a capitalist black class and initiate investment in the reserves. While many on-lookers, even from within the NP, thought this an impossible task, the Verwoerdian led faction of the party spoke of their plan with full confidence. In doing so, they very clearly tied the reserves’ politics to its economic development: in the language of the late

15 Ibid. 284.
16 Ibid. 288.
1950s and early 1960s, political legitimacy was intricately interwoven with economic viability. Broadly, the BIC’s mandate was to develop the reserves by creating local commercial and industrial sectors and “acquaint[ing] the Black man with sound business principles.” In addition, the Transkeian office had a particular mandate to buy up white owned businesses in order to transfer them to the BIC, and in turn, to local businesspeople. The ‘Transkei Adjustment Committee was set up in 1964 for this express purpose. While Transkeian independence was far from being on the cards in the early 1960s, the Verwoerdian government was increasingly committed to a model of separate development.

The presence of white traders was a particular concern in the Transkeian reserve, because of their prominence and ubiquity in the local economy. While their numbers never even closely rivalled the African and Coloured residents in the Transkei, white traders had effectively ensured a monopoly over trade in the region. In the first half of the twentieth century, family businesses in rural Transkei lobbied against any attempts to allow African trading stations in any competitive proximity to white business. While the 1913 Land Act limited white ownership of land in the reserves – or ‘native areas’ – there were loopholes in the law that allowed for exceptions. In addition to this, white traders functioned as a fundamental part of the mining recruitment chain of command, identifying and enrolling labourers for the growing Witwatersrand. Their presence was thus felt in multiple spheres of Transkeian economic life and in their position privilege they were able to control credit to their African clientele in the

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18 Ibid.
19 Southall, *South Africa’s Transkei*, 148.
20 Numbers from 1936 indicate that there were 17,600 whites in the Transkei, compared to 115,460 African and 12,300 Coloureds. Ibid., 146.
21 Ibid. 82.
22 Ibid. 146.
region. While there were whites in more urban areas of Transkei, they were primarily involved in local governance and had far weaker ties to the Transkeian economy.

As the policy of separate development gathered momentum in the 1960s, this group of white traders became an increasingly frustrating thorn in the side of apartheid and Transkeian political leaders. When Transkei was granted self-governing status in 1963, there was even greater urgency in disentangling economic power from the hands of white traders. Within two years it was decided that the BIC was too broad to cater to the region’s interests. Policy-makers argued that the Transkei and Ciskei regions needed more regionally specific bodies committed to their development. Thus the Xhosa Development Corporation (XDC) was formed, for both regions in 1965, two years after Transkei received self-governing status. With the creation of the XDC and the achievement of self-governing status, the policy of ‘Africanising’ the economy, and creating a Transkeian middle class – or in the words of Roger Southall, petty bourgeois - became even clearer.  

Southall goes on to outline Matanzima’s drive to eliminate white spots from the Transkei. He argued that, “[w]hites should be extruded from the trading sector, the local administrations should be Africanised and European capital should be barred from the territory.” In official statements, whites were increasingly referred to as foreigners, or expatriates – no longer ‘settlers’ – in the Transkei.

However, even with this clearer imperative, there remained a general perception that XDC was not effectively and efficiently handing over economic power to local Transkeians. This concern was felt several levels of society. First, XDC leadership was all white, nominated by the Minister of Bantu Administration and Development and the MDs were appointed in consultation with the Minister. This was a concern for other Bantustan leaders too. Buthelezi,

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23 Ibid. 116.
24 Ibid. 117.
Chief Minister of Kwa-Zulu voiced this to MC Botha, who half-heartedly promised to “negotiate with ‘Homeland’ leaders in the reconstruction of Development Corporations, for each Homeland.” The political elite were uncomfortable about this because it seemed to keep cement white power in the territory. While the XDC was taking over large chunks of white trading business, they were not being passed on to black businessmen as quickly as one would have imagined. For example, by 1972 the XDC had purchased a total of 423 trading stores, but only 217 handed been handed over to black businesspeople. In some circles the XDC was referred to as the ‘Xhosa Destruction Corporation’ for its failure to redistribute resources to Transkeians and the seeming encouragement it gave to white traders and investors.

I have not had a chance to do any of my own research on this, but some of the documents I have seen thus far allude to the significance of Black Consciousness (BC) thought in ‘Transkeian-ising’ the Transkei. Tim Gibbs argues in Mandela’s Kinsmen that many Transkeian elites came from the same networks – particularly schools – as high-ranking members of the nationalist movements of the era, especially the ANC, PAC and BCM (Black Consciousness Movement). It is very likely that functionaries of the bureaucracy were part of discussions and teachings that emphasised Black Consciousness and liberation. While they did not take the same path as their nationalist contemporaries, they would have been influenced in some way by their upbringing. In fact, in the mid-1970s, BC ideology appealed to Kaiser Matanzima, not because of its liberatory potential but because he was able to (mis-)read it to support the ideals of separate development. Gibbs even notes that the Transkei government gave BCM R30 000 to support their renewal after the apartheid government tried to squash

26 “Conference of Eight Black Leaders with Vorster and Botha,” January 22, 1975, A2084 Cc2 003, Historical Papers, University of the Witwatersrand.
27 Southall, South Africa’s Transkei, 163.
28 Transkei Parliamentary Debates (Transkei, 1976), 321. (12/2 Umtata, 1030)
them in the early 1970s.\textsuperscript{30} However, by the late 1970s, it had become increasingly clear to the Matanzima that BCM threatened the Transkeian project of independence and there was a clampdown on all those associated with the Movement.\textsuperscript{31} Despite this, the ideals and various strains of the movement continued to shape elements of the Transkeian elite, giving a political and ideological resonance to some of the frustrations with white dominance in the territory.

Many Transkeians on the ground were equally unhappy.\textsuperscript{32} Gillian Hart did a survey amongst Transkeian businesspeople in the early 1970s, to gauge their opinions of the XDC’s policies. In 1966, the XDC had instituted a policy in which white businessmen would ‘mentor’ African managers of businesses taken over from whites. Once they were judged as effective and capable, they were granted loans to purchase the business, which they were to pay back by way of purchasing the business. During this period, Transkeians were not allowed to grant credit to the clients, own a car, nor were they permitted to leave the premises during business hours. The period of mentorship was usually two years long, in which the white supervisor visited the business every week, noting the general management of the business and paying close attention to stock-control. In one supervisor’s words, their role was to look “after the trading station on behalf of the Government.”\textsuperscript{33} As Gillian Hart noted, this system was far from perfect, resulting in much Transkeian resentment, as they were frustrated by the limitations placed on them by their white supervisors. Africans complained that the supervisors were patronising and that the XDC showed favouritism in granting trading licences.\textsuperscript{34}

Furthermore, white industrialists and managers seemed to be gaining from the changed situation. In cases where the white business was not being bought out by the XDC, some money

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\textsuperscript{30}Ibid. 81.
\textsuperscript{31}Ibid. 84.
\textsuperscript{32}Ka-Tshunungwa, Transkei Legislative Assembly (Transkei, 1973), 87.
\textsuperscript{34}Southall, South Africa’s Transkei, 192.
\end{flushright}
was funnelled into enticing industry in the area. Even Franko Maritz was quoted as saying that “the white businessmen especially [have] gained largely through our activities.” Furthermore, the XDC argued that development could not be affected without white expertise and thus prioritised paying for white businessmen and managerial staff to live comfortably in the Transkei. Local Transkeians were very unhappy about this policy and their responses to the situation are indicative of the general perception of the XDC on the ground. In 1969, a group of ten men wrote to the Town Clerk in protest of Transkeian land being taken over for XDC houses. They stated:

“We wish to voice our protest and objection against the proposed sale of all the erven in the Township Extension No. 3 to the Xhosa Development Corporation…. That is it the African who is landless and in dire need of accommodation and where he wishes to buy and has the means to buy, he should not be debarred…. We do not subscribe to the view that the interests of the XDC are paramount and that the African should only get the left over.”

It was clear what this meant to the majority of Transkeians, especially in the hands of political leaders. When Mr Jafta, a MP in the Transkei Parliament, suggested that white investment should be brought into the Transkei, the Minister of Agriculture said

“He [Jafta] despises his nationality and will never do anything unless he models himself on the White man.”

Whiteness in the Transkei – and white control over the economy – at least at a discursive level amongst business and political elites was a tangible demonstration of Transkei’s illegitimacy.

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37 Transkei Parliamentary Debates (Transkei, 1966), 305. (12/2, Umtata, 1042)
As could be expected, the racial tension was not one sided. Many white families living the Transkei felt insecure as the XDC’s policies to buy out white business were stated overtly, and the XDC diplomatically tried to stress that it had never “chased a trader out of the country.”

In XDC publications, they assured readers that white hotels would remain open to whites only and emphasised that race relations were ‘good.’ The evidence that Gill Hart and others have turned up suggests otherwise, however. Mark Richard Sparg, for example, felt far from welcome in the Transkei, claiming that white “traders were left in a situation where they had not security really … It was said that they could stay but nobody knew what, where the political scenario was going and where we would be left ten years down the line, so a lot of traders opted to leave the Transkei, which was a very sad thing.”

Roger Southall has documented the white traders’ attempt to turn the tide against the policy of separate development and their political lobby to protect their economic interests in the region. While Transkeians complained about the XDC’s racism, so did the white traders. With the support of the United Party, they launched various attacks on the apartheid government, claiming that they were being “sacrificed on the altar of apartheid” and that ‘a Kenya’ was being done on white settlers. Their resistance only aggravated the Transkeian leadership – particularly Matanzima - racially politicizing the legitimacy of the territory even further. When the white trader lobby accused the Transkeian elite of “bribery and corruption,” in 1963 the KD Matanzima launched an even more aggressive propaganda campaign against them, even accusing them of having links to Poqo.

At the heart of Transkeian criticism levelled against the XDC in this period, was its failure to hand over white economic power. This para-statal was seen to hold the power to transform

39 Ibid.
41 Southall, South Africa’s Transkei. See Chapter 5.
42 Ibid. 149–154.
43 Ibid. 162.
Transkei’s economy, but, it seemed to too many within Transkei, that the personnel could not be trusted to make these changes. While Roger Southall shows that many white traders were effectively pushed out of the Transkei, there was nonetheless in the late 1960s and early 1970s, an increasingly mobilisation of discourse about race, economic power and the ability of Transkei to function as a coherent ‘national unit.’

**From the Xhosa Development Corporation to the Transkei Development Corporation**

As independence became an increasingly likely option for the self-governing territories, the imperatives to prove legitimacy increased ten-fold. To Bantustan leaders and the international community, the territories’ inability to cut themselves loose from South Africa’s purse-strings was a definitive indication of their farcical nature. In March 1974, leaders of eight of the self-governing territories gathered with the Prime Minister Vorster and Minister of Bantu Administration and Development and of Bantu Education, MC Botha to discuss the viability of independence for the territories. Kaiser Matanzima, representing Transkei, was notably quiet during discussions, but the bar for legitimacy was set by other black leaders. The Chief Minister of Gazankulu, Professor Ntsanwisi, for example, was reported as forcefully arguing that “…he would like to have economic vitality [sic] before independence.”

When the Transkei was granted independence in 1976, the issue of economic development was foregrounded. With international criticism at its height, the Transkei – and South Africa – had to find ways to indicate the new ‘country’s’ legitimacy.

Again, the internal racial politics of the Transkei were key to this. Both South Africa and the Transkeians were aware of the complications of a South African – or white – controlled bureaucracy. In the post-self-governing period, white bureaucrats and civil servants had only

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44 “Conference of Eight Black Leaders,” March 6, 1974, 28, A2084-Cc1-001, Historical Papers, University of the Witwatersrand.
45 For example, the OAU and the UN had indicated that they would not recognise Transkei.
increased in the Transkei. In 1932, there had been 15 whites and 154 black civil servants in the Transkei, and only 117 whites and 43 Africans in 1953. However, the 1963 constitution had made provision for an expanded civil service with ‘seconded’ white officials – in theory – only to tie the Transkei over until it developed local expertise. However, by 1976, not enough local expertise had been developed to replace the seconded officials, many of whom held tightly onto their positions because of the free housing and additional benefits they received. In 1975, there were an estimated 450 South Africans on secondment to the Transkeian Public Service, including both administrative and technical personnel. As Transkei became independent they foresaw this number increasing by another 200 to serve in the expanded bureaucracy. South Africa had to work hard to justify this involvement in the Transkei and played around with parallels between the Bantustans and the process of decolonisation in French West Africa in an attempt to explain the continued South African presence.

But, as Peires has said, “…overt subordination to the white government… destroyed the ideological legitimacy which the entire homeland system was geared to create.” With a similar logic in mind, BJ Vorster stressed the importance of replacing as many white officials with black officials so “it could not be claimed that the South African government was continuing to administer the Transkei through its white officials.”

While there was an imperative to replace the white officials’ control over Transkei, the desire to appear truly independent meant Matanzima at times issued statements that were almost

46 Southall, South Africa’s Transkei, 176.
47 Ibid. 181.
50 Minutes of Meeting of Joint Cabinet Committee on the Granting of Independence to the Transkei,” August 11, 1975, BTS, 1/226/1, Vol. 1, National Archive of South Africa.
contradictory to the stated goal of a ‘black Transkei.’ While it was important for Transkeians to be seen to be the primary beneficiaries of the economy, the political elite were also trying to distinguish their racial policies from that of apartheid South Africa. KD Matanzima went on record stressing that with independence, Transkei would be ‘non-racial’ and that White residents were welcome provided they became Transkeian citizens. He delighted in explaining that, despite opposition from the South African government, the Transkei would be a “completely non-racial state.” At the same time he assured the South African government that white Transkeian residents would be well looked after, and that the newly independent Transkeian government “had no intention to interfere with the ownership of property by whites in the Transkei after independence.” Both Matanzima and his South African counterparts acknowledged that white South African citizens would be resident as industrialists and businesspeople, particularly in Umtata and Butterworth and thus committed the independent Transkei to make special provisions to ensure ‘white only’ residential areas, hospitals and school facilities to be run as private institutions.

The ambivalence – at least at a discursive level – of the role of whites in the Transkei and attempts to show legitimacy translated into economic policy and queries about the XDC too. Transkeian leaders knew the importance of successful economic development, controlled by Transkeians for the outward display of legitimacy of the Bantustan and the XDC was based in East London. Thus, in 1976, the XDC was split into the TDC and the Ciskei National Development Corporation (CNDC), because, it was argued, it made no sense to run a development organisation that had dual allegiances and was based elsewhere. Some assets from the XDC would be transferred to the new Corporation to contribute towards initial capital

52 “Minutes of Meeting of Joint Cabinet Committee on the Granting of Independence to the Transkei.”
53 Ibid.
54 Ibid.
and "future additions to the capital of the new corporation should form an integral part of the global transfer of funds from South African government to the Transkei government." At the turn of independence, there was a lot of political excitement about the potential of the TDC. While the TDC was legislated through South Africa, there was a drive to push through laws that would place the TDC firmly within the control of the Transkei government.

However, the desire to look legitimate did not yet outweigh economic interests or racism. Hugh White explained to Gwendolyn M Carter,

"Each government department has been carefully organised so that none of the whites come under the direct authority of an African... Although some Africans fill very senior posts, none is closer than about three steps from the top post."

The Nkhulu Commission, set up to investigate the 1980s drama in the TDC, reported that

"Management remained firmly in the hands of the former XDC employees... They had to carry out the policy of the Transkei government, not that of the RSA... The management had to accept the objectives of the Transkei government as their objectives. We are not sure this did happen."

Former members of the XDC were accused of failing to put Transkei's needs first when they moved to the TDC in 1976. While employed and paid by the TDC, these officials were actually seconded and took their mandate from the Corporation for Economic Development (CED), a South African body. In theory, salaries were supposed to be paid by the CED, however this never happened, with the TDC funds contributed by the Transkei government paying these senior white officials. Despite the local payment of salaries, the salary records of the seconded

55 Ibid.
56 Carter-Karis Collection, Reel 17: 26 July 1963 (University of Cape Town, Manuscripts and Archives Centre).
58 Ibid. 38.
officials were kept in East London – outside of Transkei – making Transkeian TDC employees very suspicious. The seconded officials acted and were treated as though they were an entity unto themselves, which was clearly perceived by the Transkeian elite. Tim Gibbs explained that the

“desire for African advancements in the face of racist intransigence, quickly led to the balkanisation of the bureaucracy, torn by cliques, mistrust and suspicion.”

While this animated Transkeians’ discourse about the nature of the obstacles to legitimacy, it did not force Matanzima’s hands, who still benefited from the deals made by the TDC. Franko Maritz, manager of the XDC, for example, stayed on as the TDC Chairman in 1976. Maritz played a particularly interesting and significant role in the TDC. Appointed to the XDC in 1969, he claimed that his background had prepared him for the job. Having married Hetta Tomlinson, daughter of F.R Tomlinson, of the Tomlinson Commission, he said that, “The reports were often discussed while I was courting and I read them so often so I lived with homeland development since those days.” However Maritz was quite clearly a strong-arm of the South African government, acting to control the recently independent Transkei. He was accused several times of being a member of the Broederbond and later in his career was infamously known as ordering the removal of squatters in Cape Town in the middle of a cold and rainy Cape Town winter. Maritz also had a dramatic fall out with James Skinner, the MD of the TDC from 1978. Skinner, along with Humphrey Berkeley, both British nationals, were pushing an anti-South African line in the hiring and appointment within the TDC. On the 17th of February 1979, the Umtata police issued a warrant for Skinner’s deportation. When he

59 Ibid. 39.
60 Gibbs, Mandela’s Kinsmen, 63.
63 “‘Compassion for KTC Squatters,’” The Citizen, May 16, 1983.
refused to leave, they arrived at his office and escorted him to the airport and out of the country. That same evening, Humphrey Berkeley was picked up from dinner in an Umtata hotel and beaten almost to death outside East London. Threatening South Africa’s hold on Transkei, and as it emerged, the Matanzima’s access to resources, almost cost these two British men their lives. While Roger Southall notes that Matanzima was no fan of Maritz, this was not the first time that his political will favoured TDC Chairman and the white leadership. Professor Ben-Dak, an Israeli appointed as Matanzima’s personal advisor in 1977 was also pushed out of the Transkei – albeit in a less dramatic fashion – when he pressurised Matanzima to employ locals and international foreigners instead of South Africans.\textsuperscript{64}

These incidents are an indication that behind the public façade, there was an informal policy of collusion and self-enrichment between the Matanzimas and the ‘South African expatriates.’ Despite the seeming differences between the political elite and the white leadership of the TDC, the TDC Board was in bed with government. The Nkulule Commission claiming that the relationship between Board and Government undermined the independence of the TDC Management team, allowing them to be pawns of both the Matanzimas’ and the South African government.\textsuperscript{65} While Transkei’s legitimacy remained discursively racialised, Matanzima and his cronies played an ambivalent role in reproducing this behind the scenes. To the public eye however, the TDC was an extreme case of a supposedly Transkeian institution overtly controlled by expatriates.

**TDC: Ongoing calls for Transkeian-ization**

Attached more firmly to the South African state, public resentment within the political and economic elites built up even further. Hopes of economic success, and particularly of the rapid

\textsuperscript{64} Southall, *South Africa’s Transkei*, 182.

\textsuperscript{65} Transkei (South Africa), *Report of the Commission of Inquiry of the Functioning of the Transkei Development Corporation*. 
development of a black middle class, were not being realised as quickly as many had hoped. By the 1980s, many of the older problems persisted. The Transkei government started issuing ‘directives’ – instructions about who and when businesses needed to be handed over to – in an attempt to address the problems, but little changed. The ‘white supervisors’ of the XDC days were formalised into ‘aftercare’ management teams by the TDC, but Transkeians remained suspicious of them. They were accused of, at best, being negligent, and at worse, deliberately sabotaging the business in their role as after-care providers. Reported by the Nkulu Commission, the positioning of white officials as after-care providers was because “the TDC did not have confidence in the ability of those to whom they handed over business and could only resort to such inexcusably unfair arrangements to secure their position.”

By the early 1980s, public perception held that the TDC was a closed body, only accessible to white South Africans. The Nkulu Commission reported that “it became fashionable to hate the TDC. In certain circles the amount of mistrust was such that the TDC was referred to as a ‘government within a government’.” Based on interviews with witnesses, they Commission found that “in spite of the very successful transfer of white owned trading stores to black ownership the ugly image of the corporation has persisted to this day and even the loanees of the corporation whom the TDC regards as their most striking examples of success are themselves highly critical of the TDC.” Informally, the TDC became known as The European Benevolent Society.

In addition, whites still continued to hold a privileged position in the Transkei, but now primarily as civil servants and industrialists in the urban areas, especially after 1968 when policy allowed white private capital in to the territory. Housing was a particular bone of

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66 Ibid. 31.
67 Ibid. 67.
68 Ibid. 68.
69 Ibid. 76.
70 Ibid. 166.
contention. In the immediate post-independence period, black TDC employees did not get the same housing privileges and salaries as their white colleagues and it was very apparent that white industrialists lived very well off. Henrietta moved with her husband to Butterworth when he took a job as a manager in an international car company. She soon found work as a receptionist and became part of the small white community which gathered regularly at the Butterworth country club. She said,

“We had a Roundtable, we had a Lions Club and of course the country club which offered squash, golf, angling, tennis and everybody went there on a Friday night for snooker or for darts or for pool... Every now and then we would have a ladies night and we would get strippers. The ladies one night of the year to bring out the diamonds and the pearls and the evening gowns and everybody dressed up.”

The Firing of the White Management

In 1984, the resentment and frustration with the senior white officials gathered momentum at a greater pace. In March 1984, the CED, the employment body for the white seconded officials, was disbanded. The white officials were given the option of officially being employed by the Corporation, but they refused this, rather seeking employment by a new South African corporation, Trustcor. To many Transkeians, this looked like a lack of loyalty to the Transkei and the project of Transkei’s economic development. It was later discovered that in April 1984, the seconded officials awarded themselves an increase of between 40% and 60% in their salaries and took out insurance in case of loss of income. To the Nkhulu Commission witnesses, this was proof the political protection they had lost with the disbanding of the CED. In May of the same year, Kaiser Matanzima was quoted in the Daily Dispatch saying that he “wanted

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71 Henriette, February 2014, PARI Interview Archive.
72 Transkei (South Africa), Report of the Commission of Inquiry of the Functioning of the Transkei Development Corporation.
the white intrusion out!"\textsuperscript{73} and four months later, the top thirteen white managers in the TDC were dismissed and replaced by Transkeians.

However, the call for the Transkeian-ization of the TDC in the face of venal white power had another side to it. At the Harms Commission of Inquiry, Sonny Tarr, the fired MD, testified that “The central government’s Department of Foreign Affairs had ignored desperate calls for help by the TDC’s senior management to bring an end to pressure on them to become party to corrupt deals in the Transkei. He believed that he had been fired for refusing to accede to these demands.”\textsuperscript{74} He detailed the corrupt practices of the Matanzimas’ including their payment of compensation to white business and the selling of properties at very low prices to connected Transkeians;\textsuperscript{75} The Alexander Commission was bolder in its conclusions, attributing Tarr’s firing to his refusal to hand over the Bulk Fuel Depot at the insistence of Chief George.\textsuperscript{76}

It is not the work of this paper to weigh up or adjudicate the respective sins of the white TDC leadership and the Matanzima brothers. I am far more interested in analysing the how the 1984 drama was made possible by an earlier set of debates about race – resonating at various levels of local society - and the long term implication for the nature of the bureaucracy. However, it is worth emphasising here that there had been racially-driven tension in economic discussions in the Transkei since the 1960s, but on its own, this was insufficient to bring about significant demographic changes to the bureaucracy. It was only when the Matanzimas’ material interests were threatened that action was taken. At the same time I have no doubt that some applauded the removal of white officials for less self-interested economic reasons too. Replacing Sonny Tarr was Monty Ndlko, a Fort Hare alumni with ties to the PAC. \textsuperscript{77} Mr Jozana, was also

\textsuperscript{74} \textit{Annual Survey} (South African Institute of Race Relations, 1988 - 1989), 204.
\textsuperscript{76} Transkei (South Africa), \textit{Reports}, ed. Gerald A. Alexander (Umtata, 1988), 160.
positioned into one of the vacated posts. While he was married to Xoliswa Jozana, daughter of Kaiser Matanzima, he nonetheless had ANC links from his days at Fore Hare and had a reputation for ‘militancy.’ Jozana also managed to arrange the hiring of Eugene ‘Chain’ Vilikazi, who Pretoria reported as having been “heavily involved with Prince Madikizela and his ANC sympathies are well recorded” and being “extremely anti-white.” As Tim Gibbs might argue, the ties between elements of the new Transkeian bureaucracy and the early roots of nationalist and BC movements were deeply intertwined.

The firing of the white management signalled a shift in the character of the Transkeian bureaucracy. It pioneered a set of removals of white officials, in a way that was unthinkable just five years earlier. A year after the firing, a writer for Transkei Today, a TDC publication, explained the meaning of the removal: how can a nation claim to be independent if it continues to be held hostage by a group of selfish individuals whose interest is to milk whatever profits – to enrich South African government?” Jeff Peires has suggested that Matanzima’s removal of white expatriates from leadership positions in the Transkei gave the Transkeian bureaucrats and officials in the 1980s a sense of intellectual coherence and credibility, and the Transkei a unique Bantustan identity. The next phase of my research aims to explore these claims in more depth.

Conclusion

This paper stops in 1984, having detailed a series of events that saw the removal of white control over one of the most significant institutions in the Transkei. I want to emphasise again that the calls for Transkein-ization of the TDC were not genuine attempts by the Matanzimas and their allies to redistribute resources fairly among the citizens of the newly independent

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78 Ibid.
79 Ibid.
80 Gibbs, Mandela’s Kinsmen.
state. Taking this project into the next phase of research will allow me to make this point more clearly, but in the interim I rely on Peires, Gibbs and others to show the dire state of affairs in the Transkei in the late 1980s and 1990s.\textsuperscript{82} While there is no doubt that the white TDC officials were treating the Corporation as their own fiefdom, at the same time the Matanzima’s had their eye on it as a site to develop their networks of patronage. September 1984 thus marks a clear break in the shift of white economic power in the Transkei into elite Transkeian hands.

In this paper I have tried to show that the pivotal moment of 1984 was made possible through decades of racially-framed debate about the legitimacy of the Transkei. The bureaucratic elites of the 1980s were infused with – and projected - a defensive language of the legitimacy of their position in office. Their claims to insider status were made against pushing out white leadership in the TDC. This was an important stage in the development of the Transkeian bureaucracy. In particular, it signalled the creation of a ‘Transkeian’ bureaucratic identity and gave the Bantustan, at least amongst the elite, the appearance of a truly independent state. As Jeff Peires has argued, many Transkeian bureaucrats held attachment to the Transkei, “emotionally, as well as materially,”\textsuperscript{83} making the incorporation into an ANC government a complicated process. By examining the racial politics within the TDC, this paper offers insight into one of the roots of this problem.


\textsuperscript{83} Peires, “Transkei on the Verge of Emancipation.”