



RED



INK

Ed 29: May 2017

**Reflections on the decision of
GMSA to disinvest in SA
By Msingathi Sipuka**



**Standing our ground to fight against
corruption, the parasitic bourgeoisie...
By Benson Ngqentsu**



"The red ink that never dries"

Background:

The Red Ink is the SACP Eastern Cape monthly journal. The Red Ink is a medium of the SACP for propagating its views with the working class in an unmediated fashion. While it is important to constantly engage and contest ideas within the bourgeoisie commercial media but SACP is alive to the reality that any commercial media is first and foremost inclined to reflect views of its masters (monopoly capital).

Guidelines for Submission of Articles

Style and Length:

The length for feature articles is 1200-1800 words. Letters to the editor must not exceed 300 words and opinion pieces must not exceed 800 words. Articles must be written in plain and simple English. Articles may contain words in other South African languages, with the English meaning bracketed.

Articles must be relevant to membership of our party and the working class in general, exciting and solicit debate and discussions.

Articles about recent events or contemporary issues in South Africa and the world will be given preference for publication in the Red Ink. All SACP District Spokespersons, YCLSA Spokesperson and other Spokespersons of the MDM fraternal organisations are encouraged to submit articles about the recent activities; as they might not be covered in the mainstream media.

Due Date:

The Red Ink is published monthly (12 issues per annum). The due date for the submission of articles is the 20th of each month.

Late submissions will not be considered for an edition of such month but for future editions.

Originality:

The Red Ink publishes original articles. We also publish articles which have appeared elsewhere in whole or in part. Should you feel that republishing an article would be beneficial to Red Ink readership and that the article will reach a broader readership through our medium than the medium that first published it, then you need to bring this to the attention of the Editor.

All sources cited in the articles must be referenced.

Themes:

Different editions/issues of the Red Ink will have specific themes (Joe Slovo Month, Chris Hani Month, Youth Month, Red October, SACP anniversaries, COSATU Anniversaries, ANC anniversary, etc.) therefore some articles must be tailored to suit the specific theme.

Each issue/edition of the Red Ink will indicate the theme of the next edition, so articles should be submitted as such.

Processing of Articles:

All articles shall be subjected to scrutiny by the Red Ink editorial team.

The Red Ink is particularly interested in fostering a culture of reading and writing amongst the leadership and membership of our party.

We will therefore give special consideration to the articles written by the general members of our party.

Articles will go through a review process, after which we will inform the contributor whether the article will be published or not.

The review process largely depends on the adherence to deadlines provided by the Editor and the content of the article as submitted.

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Next Edition: Kindly forward your contributions to simdodi@gmail.com on Tuesday, 20 June 2017.

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Editorial Notes

As we close the workers' month, we wish to salute the workers of South Africa under the leadership of our trusted ally, the Congress of the South African Trade Unions (COSATU) for successful May Day Celebration rallies across the country. The success of COSATU rallies proves to the doomsayers and those who thought COSATU is still alive, it is facing challenges like any other living organism.

One may say all the rallies were successful, with exception of three rallies where some leaders of the African National Congress (ANC) were heckled and could not speak, one of those being the main rally held in the Free State, where President Jacob Zuma was scheduled to speak but was rejected by workers. The second and the third was where Comrade Baleka Mbete and Comrade Jessie Duarte were both scheduled to speak on behalf of the ANC but couldn't due to heckling. Well, that may be debatable as workers did not reject the ANC but certain leaders of the ANC. Importantly is what lessons should be drawn out of the occurrences.

One of the many lessons we should learn is not to impose our decisions as leadership on the workers and the people, we are leading. We should learn that they are not robots but people with thinking capacity, capable of determining their future. They chose us to lead them not because they are robots who cannot think but they saw some qualities and capabilities in us which they believe they can help in delivering in their aspirations. These leadership positions are borrowed, they do not belong to anyone but the organisations.

It is in this context that we should dismiss the notion that seeks to suggest that those who heckled President Jacob Zuma, Baleka Mbete and Jessie Duarte were a rented and programmed crowd. That suggestion borders on serious undermining of workers and unprecedented arrogance.

The emergence of a parallel state:

The Provincial Executive Committee of the South African Communist Party (SACP) in the Eastern Cape noted the growing evidence of reckless, parasitic networks within government and within the ANC that operates outside of any collective discipline of either cabinet, or the ANC's National Executive Committee and other constitutional structures. What is more, this network appears to

enjoy the support, tacit or otherwise, of President Jacob Zuma himself. This forthright observation of our party has been proven correct by the re-instatement of Brian Molefe as the CEO of Eskom.

The ANC is left lamenting on the strategic appointment of the CEO of the parastatal by the Gupta family that has been given the leadership of our country by President Jacob Zuma. They smuggled Brian Molefe in parliament with a dirty plan of him becoming a Finance Minister to drive a nuclear deal that our country neither needs nor can afford. He is now smuggled back to the power utility as the 'stuurboy' of the Guptas to continue stealing on their behalf.

The flimsy explanation given to the nation by the Minister of Public Enterprises together with the Eskom board was that it would have been expensive to pay Brian Molefe his pension. The explanation then changed into being that he never resigned but he was on unpaid leave.

This fundamentally means a departure from a shared perspective on the meaning of revolution which Comrade Fidel Castro summaries during his address in a May Day of 2002,

“Revolution means to have a sense of history; is changing everything that must be changed; it is full equality and freedom; it is being treated and treating others like human beings; it is achieving emancipation by ourselves and through our own efforts; it is challenging powerful dominant forces from within and without the social and national

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milieu; it is defending the values in which we believe at the cost of any sacrifice; it is modesty, selflessness, altruism, solidarity and heroism, it is fighting with courage, intelligence and realism; it is never lying or violating ethical principles; it is profound conviction that there is no power in the world that can crush the power of truth and ideas. Revolution means unity; it is independence, it is fighting for our dreams of justice for Cuba and the world, which is the foundation of our patriotism, our socialism and our internationalism."

It is our departure from this meaning of the revolution, values and principles which is the reason that our people are leaving us.

The re-appointment of Brian Molefe which took ANC leadership by surprise, the midnight cabinet reshuffle which also caught the leadership by surprise, the looting of state owned enterprises by the corrosive parasitic Gupta family in a smash and grab manner, the use of state security agencies to fight political battles, the production of intelligence reports not known to the state security; the provision of presidential protection to Dr. Nkosazana Dlamini-Zuma; the provision of the VIP protection to the children of Comrade Bathabile Dlamini by SASSA and so on and so forth are an indication of the creation of a parallel state. The question would be in whose interest?

Mao Zedong explains the true meaning of the revolution and serving the people in his article titled "Serve the people" he argues, **"If we have shortcomings, we are not afraid to have them pointed out and criticized, because we serve the people. Anyone, no matter who may point out our shortcomings. If he is right, we will correct them, if what he proposes will benefit the people, we will act upon it."**

What this means is that we can only self-correct and listen when we serve the people not when we serve ourselves. It also means that we must not enemies everything, we know the agenda of our enemy, which is always in conflict to what we represent, but what the enemy says might be correct for own reasons and agenda of serving the people, as Oliver Tambo forewarned that we must always tell the truth whether it coincides with what the enemy is saying. What is clear is that, in front of our own eyes, underway in our country is nothing else but sharpening of class struggle as the enemy of the revolution is exposed both within and outside the movement.

Our late General Secretary Comrade Joe Slovo posed a question as far back as 1988 in a pamphlet titled **South Africa No Middle Road**, "Is it possible in a post-apartheid South Africa the role of the all-white bourgeoisie will be taken by a black equivalent which will seek to block the road towards real emancipation?"

Comrade JS had assumed that a black equivalent will emerge but fast forward 1996 to today, black equivalent did not emerge but what took place was the co-option of black elite and given shares in institutions owned and controlled by established capital that remains dominantly white.

Some of our leaders and activists became directors of mines and banks and strategic state institutions like Telkom were privatised and some of our leaders became beneficiaries. It can be argued that it is under these conditions that blacks did not replace white capital but were co-opted and acted together with established capital to block the road towards real emancipation.

We also want to argue that struggles waged by the working class including the rejection of leaders by workers during some of the May Day rallies and conflicts between leaders, within the movement, divisions and unity within established capital and parasitic bourgeoisie, at the heart of these battles is about the control, ownership and benefits in the economy and the resources of government.

That is why we wish to emphasize that we are not struggling to replace white capital with black capital, but we are seeking to change the current structure in terms of ownership, control and management for the benefit of the majority.

The lack of unity in action and shared perspectives by the top leadership of our movement represent a rupture whose bases have not been resolve since mid-1990s. Some in the top leadership of the movement believe they have arrived and no longer believe in the road towards real emancipation.

We should all remain focused to our strategic objective and the true meaning of the revolution which is serving the people not ourselves and our families.

We wish you a revolutionary and enjoyable read!

The Political Economy of the Port Elizabeth-Uitenhage region: Reflections on the decision of GM to disinvest from South Africa

By Msingathi Sipuka, SACP Mbuyiselo Ngwenda District Chairperson

Those who are well acquainted with the political economy of the Port Elizabeth-Uitenhage region over the past 150 years will be familiar with the reference to the region as either the “Liverpool of the Cape” or the “Detroit of South Africa”. These terms were coined at various points in the region’s history to reflect the similarity between the political economy of the region and dominant international cities of the time.



sector in the region, with the regional economy gaining distinction in the manufacture of footwear. It was not the manufacture of footwear that was to define the region’s political economy for the next century but rather the automotive sector.

The first motor vehicle was imported into South Africa in 1897 and by the early 1920s there was a significant motor vehicle market in South Africa.

The comparison with Liverpool in the mid to late 1800’s was quite significant, because Liverpool had developed to become the center of the British textile industry. The textile sector was the backbone of Liverpool’s industrialisation. Port Elizabeth’s rise as an important regional economy in the mid-1800s coincided with the industrial revolution in Britain. The growth of the British textile industry could not be met only with local supply, and this created a demand for international wool. These developments were crucial in the development of the wool industry in South Africa as a British colony. The Port Elizabeth-Uitenhage regional economy was perhaps the primary beneficiary of these developments and quickly established itself as the center of the wool industry in South Africa. Like Liverpool therefore, the regional economy of Port Elizabeth-Uitenhage quickly industrialized around the wool and textile industries. By the turn of the century however, the region’s economic fortunes had seriously declined and the textile sector had become of much less relevance to the capitalist South Africa.

The decline of the textile sector meant that the regional economy had to find new sectors of growth. The First World War, was critical in developing the roots of a nascent manufacturing

Understanding the high cost of importing finished vehicles, international motor vehicle producers took a decision to establish assembly plants in South Africa. These assembly plants were primarily meant to decrease the cost of export to the South African market, and not necessarily meant to develop the South African economy. Indeed, the first assembly plant in the African continent was established in 1924 by Ford Motors in South Africa and Port Elizabeth was the host city. This was quickly followed by the opening of a General Motors plant in Port Elizabeth in 1926. The establishment of these plants had a profound impact on the manufacturing industry of the city, critically because they attracted investments in the components sectors that fed into the assembly plants. This facilitated the establishment of the tyre manufacturing factories in the region such as Firestone in the early 1930s, the establishment of glass companies and many other diverse sectors that fed into the vehicle assembly plants.

This history of a growing auto sector in the region gave rise to the reference to Port Elizabeth as the “Detroit of South Africa”. In the 1920’s when the auto sector was developing in the region, the global hub of the auto sector was Detroit in the US.

Ford's plant in Detroit was producing about 50% of the world's output of motor vehicles alone.

The auto sector was to become the anchor of the regional economy of Port Elizabeth-Uitenhage for the next 90 years, and still plays a dominant role in the economic life of the region.

Up until recently, the region was home to the production plants of VW, GM, FAW and the soon to be established BAIC plant at the Coega IDZ.

This article is not intended to be a lesson in the economic history of Port Elizabeth-Uitenhage, but rather as an attempt to reflect on the most recent development that has hit the economy of the region. Mainly the pulling out of GM from South Africa and its implications for on-going efforts to drive a programme of regional industrialisation. The preceding outline of the political economy of the region was to provide the reader with a high level overview of the history and development of past and present dominant economic sectors in the region.

To the crux of the matter. On 18 May 2017 General Motors South Africa (GM SA) informed its employees and unions that it would be totally disinvesting from the South African market and with that it would be selling its manufacturing operation in Struandale (Port Elizabeth) to Isuzu. This article is written on 23 May 2017, which is exactly three working days after the announcement was made. This is important to highlight upfront because it has a significant bearing on any analysis that is done, mainly because at this stage there is not much information that has been forthcoming from the company itself. Vague statements from GM have given us very little to work on, besides indications that this is a decision taken at the center and affects GM operations in other developing countries like India.

Below I will deal systematically with what I consider as key observations that we all have to reflect on, and what I believe are the key issues that come out of this announcement.

1. The fallacy of the 4th industrial revolution as a driver of global growth and implications for developing economies

The past two or three World Economic Forums have identified the so-called 4th industrial revolution as the key to global growth going into the future. This idea has become the new catch phrase that

dominates discussions on the future of the global economy and listening to public addresses by some of our national leaders, including the state president, one quickly realizes that there has been a broad acceptance even locally that the future will largely be driven by the 4th industrial revolution and its effects.

But what is the 4th industrial revolution?

In responding to this question, the founder, Executive Chairman and the thought leader of the 4th industrial revolution, Karl Schwab, argues as follows:

"The First Industrial Revolution used water and steam power to mechanize production. The Second used electric power to create mass production. The Third used electronics and information technology to automate production. Now a Fourth Industrial Revolution is building on the Third, the digital revolution that has been occurring since the middle of the last century. It is characterized by a fusion of technologies that is blurring the lines between the physical, digital, and biological spheres.

There are three reasons why today's transformations represent not merely a prolongation of the Third Industrial Revolution but rather the arrival of a Fourth and distinct one: velocity, scope, and systems impact. The speed of current breakthroughs has no historical precedent. When compared with previous industrial revolutions, the Fourth is evolving at an exponential rather than a linear pace. Moreover, it is disrupting almost every industry in every country. And the breadth and depth of these changes herald the transformation of entire systems of production, management, and governance".

Summarily I want to focus on two points in Schwab's definition. The first is that the 4th industrial revolution "is characterized by a fusion of technologies that is blurring the lines between the physical, digital, and biological spheres". So what we are dealing with here is the further and rapid advance of technology and the use of technology in the process of production. The second is the point that this 4th industrial revolution will disrupt almost every industry in every country.

At first glance this might sound appealing and progressive. We have been told for so long that one of the most progressive elements of capitalism

has been the development of technology which has facilitated the growth and development of the global economy, in scales never imagined before.

But for the purposes of the case of the GM exit, how does this 4th industrial revolution become relevant. Well, one position that has come out explaining the exit of GM from developing country markets is that the company wants to reposition itself as the global leader in a different automotive sector. That segment of the market is the self-driving car and electric vehicle market. Therefore the pull out, the argument goes, is that it is part of the global repositioning of the company and that capital will be re-invested in this side of the business. The argument further extends that this is the future of the automotive sector. The relevance of this for the recent development, is that the type of technology required to develop this segment of the automotive sector is part of this 4th industrial revolution technology. Both the market for these vehicles and the technology available to develop these vehicles remains largely the property of developed western markets such as Germany and the US.

Therefore as the 4th industrial revolution, does what Schwab expects it to do, which is to transform the nature of global production processes the beneficiary of this transformation led by the tech revolution will be the West. Development of advanced processes of production naturally require large scale investment in Research and Development which produces the new and necessary technology, and the reality is that those who are privy to such capital to invest in this R&D is the west. The direct implication for developing economies like South Africa will be exactly what we have seen in the case of the exit of GM. As global conglomerates develop these new 21st century products, in this case the vehicle of the future, the global centre of production will shift from developing to developed economies because they offer the conglomerates access to the new and necessary technology and skill to drive production.

My immediate sense therefore is that developing economies need to be vigilant in how they respond to this new global phenomena of the 4th industrial revolution because with it is the real possibility of the transformation of the established accumulation patterns of global capital driving

production in the periphery. Over time this new pattern of accumulation, led by the rapid advances in technology and their impact on the location of production, will destroy many developing economies. My sense is that you will probably be unable to stop this revolution, looking at the present nature of the factory floor in a country like Germany. I advise the reader to quickly go to Youtube and search for the 4th industrial revolution type of factory in Germany to have a sense of the nature of the factory floor of the future. A VW factory in Germany that produces an output equal to the VW factory located in Uitenhage is operated by less than 10% of the workforce employed in Uitenhage.

Where historically we have understood industrialisation to be labour absorbing, hence our fascination with it, future industrialisation paths present a prospect of being tech led. In the African and in particular the South African context this is disastrous considering our low skills base, unemployment levels and ICT infrastructure.

Summarily the 4th industrial revolution has the real potential of leading the de-industrialisation of developing economies like South Africa. The reality is that the 4th industrial revolution presents a model of accumulation based on advanced capabilities which are largely absent in many developing nations.

2. Putting America First – The Trump Effect

A second and important reason that has been cited by commentators as a potential influence on the GM decision is the current US administration's drive to attract American companies back to the country. This is part of a supposed national strategy of driving the re-industrialisation of old manufacturing cities in the US like Detroit. The argument from the Trump administration is that the global character of US capital, in particular its location of production, has undermined US national interests. To reverse this his government is creating favourable conditions for the return of "national assets" for national interests.

If Trump and his administration are successful in doing this, then developing economies around the world will be confronted with serious challenges.

The reality is that almost all developing economies have based their industrialisation efforts on a strategy of foreign direct investment. The creation of a manufacturing base driven by international capital investment in the local economy has been the mantra, with a significant share of international capital coming from the US.

The Trump approach threatens to unravel that entire global configuration or model of industrialisation, that is if he is successful with attracting his national assets back into the country.

So a strategy of manufacturing growth based on international investment in local manufacturing under conditions of internally focused global manufacturing capital might be highly constrained.

The global economy luckily for those who are friends with China is not as unipolar as it was let's say 30 years ago. In the case of the exit of GM in Port Elizabeth the city is simultaneously welcoming a new investment into its auto sector. The Chinese are coming into town with a R11 billion investment of a new production plant for one of their companies, BAIC.

I pick up two key learnings here. The first diversify your friends, and the second and most important is the need to develop or follow an industrialisation path based on creating national assets. Who knows, tomorrow we might have a tiff with China and they decide to pull out their investments from the country. Just a random thought.

3. The unity of progressive forces

On the evening of Monday, 22 May 2017 I was invited by the regional TV station, Bay TV, to be part of a discussion on its current affairs show. The topic of discussion was the National Health Insurance (NHI). As I arrived at the studio, in the waiting room I found the Eastern Cape Regional Secretary of the National Union of Metalworkers of South Africa (NUMSA), Cde Mziyanda Twani. Cde Mzi, as he is known by many, is a former activist of the SACP in the Mbuyiselo Ngwenda District and if I am not mistaken once served as a District Executive Committee member of our district structure. I must hasten to add that he is a friend as well, albeit that I had not seen him for a while. He had been invited by the TV station to discuss the GM disinvestment

decision, as the leader of the majority trade union organising in the plant.

What was of interest is that as we discussed this issue before he went on set, we had a common agenda and our perspectives on the issue were largely informed by the need to protect the interest of the workers affected. Organisationally however we had a bit of a discomfort, with one being a leader of the SACP and the other a leader of NUMSA. The reason I raise this point and I believe it is important for discussion and reflection is that our strategic political interests were and are common, but we found each other somewhat constrained in discussing a common approach to taking the issue forward by party "politics".

This immediately brought to the fore at least in my own mind the need for a united front (not United Front as in the political party that recently contested elections in 2016) of progressive forces in the coming onslaught based on the issues cited in the preceding sections. From my own side I committed myself to Cde Mzi that as the SACP in the district we will be with them at the picket lines in whatever action they take.

Conclusion

As indicated this article is a documentation of the initial thoughts and analysis following the announcement by GM of its disinvestment from the country. I feel that it is relevant that party activists in the region be the first to understand these developments, its implications for the workers and for the regional economy at large. By no means is this to be read as a conclusive and comprehensive analysis of the situation, as indicated it is written merely 3 working days post the event. However, I think it is important in providing an initial perspective on the macro issues that confront efforts of industrialising the regional economy and is equally applicable to both the national context and to other developing economies.

Msingathi Sipuka is the SACP Mbuyiselo Ngwenda District Chairperson

SACP supports workers at General Motors SA and its supply chain, denounces the disinvesting company for unilateral and bad faith conduct towards the labour movement in SA

The SACP expresses its message of solidarity with the workers employed at General Motors South Africa (GMSA) and its supply chain who are facing an uncertain future as a result of the GM's global headquarters decision to close production operations in South Africa. The SACP denounces with contempt GM's unilateral and bad faith conduct towards workers and the labour movement in South Africa. More than ever, unions at GMSA and its supply chain need to set all their differences aside and unite for the greater good of the workers. Maximum unity in the ranks of organised labour and organising the unorganised will be essential in the imminent battle against retrenchments and adverse restructuring.

This struggle must, in the first instance, be waged at the premises of GMSA and its supply chain. Wider community and national support is also critical. The SACP pledges its unqualified support to all the workers potentially affected, regardless of which union they belong to. The SACP will support progressive interventions by the unions involved, as well as by their respective federations. This is a moment to come together, combine strengths and focus on advancing the common interests of the workers.

In order to safeguard workers jobs and prioritise employment growth, it is also important for organised labour to prepare thoroughly for engagements with Isuzu Motors. The company is set to acquire GMSA's production facility in South Africa. Furthermore, intervention by the government is going to be of crucial importance.

The decision by GM has everything to do with profit maximisation and the aftermath of the international capitalist crisis that first erupted in 2007/8 in the United States, rather than the so-called loss of confidence in South Africa's investment environment. Due to a combination of factors including plummeting sales as a result of the

crisis, GM has faced impending bankruptcy. Among others the United States government has pumped \$50 billion in a bailout intervention to GM, on the condition of an intensified, aggressive restructuring on a global scale.

Clearly GM's restructuring agenda has not ended. As the Department of Trade and Industry indicated

on 18 May, GM exited Australia in 2013 where it had a joint venture with Holden and closed its plant in Indonesia in 2015. In 2017 GM was, at the outset, engaged in pulling out of Europe with the Opel/Vauxhall brand sold to Peugeot and closing its plant in Halol, India.

In February, Isuzu Motors announced that it will acquire GM East Africa stocks effectively making it a subsidiary. In South Africa, GM has been repositioning itself more as a warehousing operation rather than a manufacturing operation.

As Trade and Industry Minister Rob Davies noted in his budget speech yesterday, notwithstanding the impending GM manufacturing pull-out from South Africa, our active, state-led industrial policy programme has seen increasing investment in the automotive industry, including in public transport vehicles over the last several years.

In response to the profit-maximising fluctuations of private monopoly capital two lessons stand out – the imperative of working class unity in action, and an effective, public sector-led, industrial policy programme that focuses on localisation, job preservation and creation, and sustained investment

Issued by the SACP

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Standing Our Ground to Fight against Corruption, the Parasitic Bourgeoisie and Monopoly Capital

By Benson Ngqentsu, SACP Western Cape Provincial Secretary

One of the greatest threats to our revolution since the 1994 democratic breakthrough is the triple scourge of greed, corruption and parasitism, which is advanced by greedy politicians who are captive to individual and family interests. This tendency seeks to manhandle the state and transform it into a corporatocracy that will serve their "ruling class capitalism". This accumulation path of monopoly capital, whether "black or white", "Ruperts or Guptas", is detrimental to the interests of the working class, the primary motive forces of our revolution. The leadership of our revolution must never be at a service of the captains of industry and allow themselves to be used as instruments to divide our movement and the society at large.

Some among us in the movement continue to deny that we have reached a most vicious trajectory of greed, corruption and parasitism. Anyone who dares to confront this trajectory is accused of being an agent of white monopoly capital, the new political rhetoric now introduced to blackmail and silence dissenting voices. But what do they mean by "white monopoly capital"? Does the envisaged "black capital" have different features from "white capital"? These questions remain unanswered by the apologists of the envisaged black capital.

They are unable to appreciate the interrelatedness of national, gender and class struggles in the National Democratic Revolution (NDR). They vulgarise the class context of the NDR by seeking to mislead society into believing that class antagonism will be the thing of the past under black monopoly capital. They use black monopoly



as an antithesis of white monopoly to justify the massive looting of State resources by the Guptas and similar parasites. Our revolution is reduced to an instrument to advance and protect family interests. To the working class, whether monopoly is black or white, it remains the class enemy of the working class and our revolution.

The SACP was a lone voice in pointing out at the structural problems of

our economy, and white monopoly capital's role in this, long before apologists of state looting began using the term unscientifically to excuse **"the emerging black monopoly capital"** employing the same accumulation methods. The SACP has argued for years that in order to decisively transform the economy, the defining features of the apartheid era economy [colonialism of a special type] must be dismantled.

These features include an over-reliance on primary product exports, monopolistic ownership and expatriation of profit, untransformed and undiversified financial sector (long before a particular parasitic family faced private problems with the banks) as well its being highly racialized and male-dominated. The SACP has pointed out that economic ownership and management is still dominated by white males while very few of the previously disadvantages members of society have benefited from the redress policies.

This elitism in economic participation was painfully exposed during the 2005/6 economic boom. While the economy grew by approximately 5%, poverty, unemployment and inequality continued to increase. Sampie Terreblanche also correctly pointed out that exacerbating this problem is the resistance by white-dominated corporate South Africa to post-apartheid policies that are meant to broaden economic participation and total

emancipation will only be realised when the economy serves the people as a whole, not a small fraction of society made up of very few white and parasitic and rent seeking parasitic bourgeoisie.

Resistance by the dominant white corporate sector of capital must not, however, give a license for the vulgarization of the economic transformation agenda; nor does it give a license for the subordination of societal interests, of the majority, to the interests of a few well-connected families, in number a tiny fraction of our population.

The Guptarites must be reminded that white monopoly capital continues to be a principal beneficiary of the post-1994 economic policies, mainly because of one-sided concessions on the economy granted during the negotiated transition to secure in return a non-racial electoral dispensation.

It is also important to recognize as to how did we get to this situation at a political level. In this instance, the ANC's reformed and flawed characterization of the motive forces of our revolution, the NDR has to be blamed. The ANC today characterizes the motive forces of our revolution as all those who stand to benefit in the transformation currently under-way. Does the ANC really see the Guptas and the Ruperts, who benefit immensely from the current "transformation" as motive forces of our revolution? If we look it is easy to find the real agents of white monopoly capital within the ranks of our movement.

If indeed the ANC Woman's League President was genuine in the fight against white monopoly capital, how would she explain her relationship with the foreign-owned CPS/NET1 with Grindrod a subsidiary banking company of the Ruperts, a world-wide organization without even the window dressing of black-owned South African business partners? Why is she defending, nay, even contriving, the continued distribution of social grants by CPS? Why is she using every trick in the book not to give distribution rights to the South African Post Office?

Equally, it can be argued that the ANC Youth League President is a puppet of a particular faction of capital, namely the Guptas. It is alleged that the Guptas bought him a house, a report that has never been disputed with any vigour, suggesting that where there is smoke there may

indeed be fire. We know that there is no such thing as a free lunch in a capitalist society, and this prompts us to ask, "**Who is the real agent of capital Black or White?**" The African revolutionary leader and writer Thomas Sankara once remarked, "**he who feeds you controls you**" – something the ANCYL President knows only too well everyday of his captive life. It is so because after this rent seeking smash and grab parasitic family, the friends of President Zuma's bank accounts were closed by major banks the ANC YL President marched to ABSA bank, the Mosebenzi Zwane and other puppets of the regime threatened the banks with everything they have. Where were they have been when the Party was launching the financial sector campaign calling for it to transform and diversify in the interests of the working class? At a time the Guptas had no problems with the banks and everything was just fine.

Not only is the state an object of attempts at capture by the parasitic bourgeoisie, but every leader is a potential target of their corrupting practices, and the unprincipled succumb. Let us stand our ground and fight greed, corruption and parasitism everywhere they rear their ugly head, even if they plot to assassinate our leadership. We must be able to connect the dots beyond the vulgarized slogan for "Radical Economic Transformation (RET)" to expose any looting of State resources and that what is supposed to be Radical Economic Transformation is indeed, Radical Economic Looting of public funds.

It is no secret that the rent-seeking, smash-and-grab parasitic bourgeois tendency will use the RET as impetus for looting by the Guptas and other close associates of President Zuma. Thus, the call by the SACP and COSATU for Zuma to step down is not about personalities but is essentially about the defence of our democratic gains.

In essence, this is a call to resist and end greed, corruption, parasitism, and most importantly the practices that are recognizable as the "Guptarisation" of the State. The working class must therefore rally behind its leadership in defence of the revolution and roll-out mass action till greedy leadership surrender power.

Benson Ngqentsu is SACP Western Cape Provincial Secretary

South African Communist Party
Eastern Cape, 15 May 2017

Press Statement:

Outcomes of the Provincial Executive Committee meeting

The South African Communist Party (SACP) in the Eastern Cape convened its ordinary Provincial Executive Committee (PEC) plenary session from 13 – 14 May 2017 at the Calgary Conference Centre. The PEC plenary session was held for the leadership of the party to assess the strengths, weaknesses and the advances of the working class here at home and abroad, and to critically assess socio-economic conditions of the working class here at home and abroad.

The meeting received, considered and adopted both political and organisational reports which served as a critical guide to engagements in the meeting. The meeting congratulated the SACP in the Western Cape for convening a successful Provincial Congress which took place simultaneously with our PEC plenary session. We congratulate the party in the Western Cape for electing the leadership uncontested which is an instructing example that it is possible to elect leadership outside of slates. The PEC also expressed its deepest sense of condolences after the party in the Western Cape lost its former 1st Deputy Provincial Secretary, Comrade Tumisang Bojabotsheha.

Presentation of the South African Post Office:

The PEC plenary session received and discussed a presentation from the management of the South African Post Office. The presentation served to give the leadership of our party a clear picture of the state of the South African Post Office as the State-Owned Enterprise. After an elaborate discussion on the matter guided by the presentation and our understanding of the issues in the institution, we are of the firm view that the government of the people led by the African National Congress (ANC) should move with speed in establishment of the Post Bank as the state bank.

The government should instruct the Post Office to establish a database of social grant beneficiaries for readiness towards distribution of social grants through the South African Post Office. It is disheartening that a government institution should

approach the court of law to convince the very same government that it is capable of distributing social grants. Our government should also increase the budgetary support to the South African Post Office for it to increase its capacity. The financial and human resource support to postal service will help in the struggle to transform and diversify the financial sector as dominated by the four big banks in our country. The PEC called for the re-nationalisation of Telkom as important instrument to support the roll-out of telecommunications network and broadband to ensure internet access in deep rural areas of our province.

On international:

As the SACP, we pledge our solidarity with the oppressed people of Palestine, as they continue to be butchered by the apartheid Israeli. Israel continues with its aggressive anti-Palestinian policies and has now ordered the construction of new settlements in Palestinian territories. The victory of Donald Trump has emboldened the Zionist Israeli government and further cemented the US –Israel axis. The Palestinian oppression is forever intensifying and we urge the people to join the hunger strike on Monday in solidarity with Palestinians currently on hunger strike against the inhumane conditions they are subjected to in Israel prisons.

On national:

The PEC plenary session has noted with great concern the growing power of factions over the ANC. We are concerned of the evidence of a reckless, parasitic networks within government and within the ANC that operates outside of any collective discipline of either cabinet, or the ANC's National Executive Committee and other constitutional structures. What is more, this network appears to enjoy the support, tacit or otherwise, of President Jacob Zuma himself.

We reaffirm the position of the SACP that President Jacob Zuma should step down as the President of the Republic of South Africa. This he should do for both his sake and that of the people of South Africa. We will be having actions to mobilise the people in realising the resignation of President Jacob Zuma and to defend the sovereignty of our country.

Re-appointment of Brian Molefe

The PEC meeting condemned the reappointment of Brian Molefe to the power utility, ESKOM. We view the reappointment of the tainted Brian Molefe as tantamount to spitting in the face of the people who voted for this government. It is our firm view that this re-appointment of Brian Molefe to ESKOM by the board of directors of the power utility proves that the ANC is no longer the centre, but the centre has moved to the Saxonworld. The ANC is left lamenting on the strategic appointment of the CEO of the parastatal by the Gupta family that has been given the leadership of our country by President Jacob Zuma. They smuggled Brian Molefe in parliament with a dirty plan of him becoming a Finance Minister to drive a nuclear deal that our country neither needs nor can afford. He is now smuggled back to the power utility as the 'stuurboy' of the Guptas to continue stealing on their behalf.

The ANC cannot lead the condemnation of the re-appointment of the Gupta 'stuurboy', Brian Molefe to Eskom. It is the ANC that controversially deployed Brian Molefe in parliament under a cloud following the release of the Public Protector's report into State Capture late last year. The ANC did so even though *"None of the observations against Mr. Molefe, so significant at the time, have been conclusively set aside and Mr. Molefe's own commitment to fully clear his name is still pending."* as the ANC statement correctly points out.

We are calling for a decisive action from the ANC to reverse the unexplainable re-appointment of Brian Molefe. It is in this context that we once more re-assert the call, originally made by the SACP, for a Judicial Commission of Inquiry into the corporate state capture.

On the coming conferences:

The SACP as the vanguard party of the South African working class, we are deeply interested in the outcomes of the content and form of all these conferences including those of the ANC. Whilst we respect each other's independence and right to discuss its programs and decide on its leadership, it is our deepest interest as the SACP that such outcomes are in favour of the working class. We are of the firm view that the coming congresses of the party and those of the ANC should be used as platform to advance, deepen and defend the National Democratic Revolution. It is important for

our ally, the African National Congress to use the coming Provincial and ultimately National conference as a critical platform for the genuine thorough going self-correction.

As the SACP, we refuse to be compelled to make choices of individuals or factions. It is our view that those who want to lead the movement and the people must demonstrate both in content and form that they are committed to serve the people and the ANC that is bias towards the working class and act as a disciplined force of the left, as the working class is the core constituency of the ANC. We would like to see the ANC leadership post the conference that is more focused on uniting the ANC, the movement and the people and to serving the people than self-enrichment.

We are of the firm view that the ANC that is at the hands of factions cannot serve the interests of the people or those of the ANC led movement. We see now, not in the future how the so called Premier League faction has racked havoc in our movement and key state institutions with utter disdain for the people and our movement.

The PEC mandated the Provincial Officials to engage our allies and the veterans of the movement in the province with the aim of building the unity of the African National Congress prior and post its provincial conference. A unified ANC is better placed to deliver on the needs and aspirations of the people, a divided ANC can only serve to reverse the gains of the movement and derail the National Democratic Revolution.

SACP 14th National Congress:

The SACP in the province will go to the SACP 14th National Congress as more united and coherent in what must be the form and the content. We will go to the national congress to advance some of the policy propositions of the party with the deep interest of the working class.

The SACP is not a Marxist-Leninist NGO but a party of power and influence. It is in this context that the SACP in the province is of the firm view that the SACP must contest state power through a ballot in 2019 as part of building the capacity, elements and the momentum of socialism. The decision to contest the state power should not be taken for the SACP or its leadership but for the working class. It is in this context, the SACP in the province will convene imbizo to have a discussion on our policy proposals with all the progressive social forces. The

PEC agreed that in order to prepare for power, the party must strengthen its organisational capacity and a manifesto that contain socio-economic policy positions that outline what the party represent and the kind of a socialist South Africa we seeking to build should be developed.

Joint programme with COSATU:

The PEC plenary session noted with regret the establishment of the South African Federation of Trade Unions (SAFTU) as it does not help in unifying the workers but further divides them. We will work with the Congress of South African Trade Unions (COSATU) in reaching out to all the workers as part of realising the founding principle of COSATU of One Country, One Federation.

The SACP in the province will roll out a mass action working with COSATU as the left axis in the alliance and working class formations. Our programme will amongst other issues be anchored on campaigning for:

- Comprehensive social security
- For the meaningful implementation of the national health insurance for the benefit of the working class in the province and the country.
- For the meaningful support of the Magwa and Majola tea estates.
- Against privatisation and outsourcing in the municipalities and the government departments.
- To fight against casualisation, labour brokering and the ongoing stratification of the working class.
- To lead a campaign against corruption and crime.
- To convene a joint jobs summit.
- Land and agrarian reform for food security amongst other things.
- Pickets every last Friday of the month in support of the Post Office as the preferred service provider for social grants at the end of the current contract with CPS.

On Matatiele:

The Provincial Executive Committee rejects the political bargaining by the ANC national leadership using the people of Matatiele to sustain power on Ekurhuleni Metropolitan Municipality. The decision by the ANC National Leadership to donate Matatiele to Kwazulu Natal so as to keep Ekurhuleni Metropolitan Municipality is part of the

ongoing arrogance and recklessness by the ANC, as the decision is taken without engaging the people, without considering the impact of the decision to the people of Matatiele and without considering the impact of that decision in the province as a whole.

This arrogantly taken decision will have an impact on the budget allocation to the province which will further impact on the development of the Eastern Cape. The Eastern Cape has been less developed owing to the colonial spatial planning, which sought to keep the province as the reservoir of cheap labour. As we speak, between 2012 and 2016, the province has lost R10 Billion in its budget allocation due to the migration of people to other provinces.

As the SACP, we will convene imbizos with the people of Matatiele to engage them on the matter. We will be in the forefront of mobilising the people of Matatiele to reject this controversially taken decision as there should be nothing about them without them. They must not to be used to maintain the power for the elite.

Conclusion:

The meeting was closed on high note with the leadership committing to increase our work in building a more vibrant and strong SACP in leading the working-class struggles. The PEC plenary session ended on the firm view that we exist to serve our people not the positions we hold at various stations of life.

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