East African Railways and Harbours 1945-60: from 'crisis of accumulation' to labour resistance[1]

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Abstract

Weak infrastructure, a low level of development and 'underdevelopment' generally can and does inhibit the metamorphosis of the commodity form within peripheral sites of production. Anti-commodity tendencies can also be manifest as 'the commons' refusing commodification, or as goods and resources destined for commodification but which resist the full evolution into the commodity form. This is deeply symptomatic of crisis and breakdown.

What follows is an examination of a pivotal local crisis which erupted within the spine of East Africa's transport system during late colonialism, that has received little acknowledgement. The essence of the severe financial crisis which beset East African Railways and Harbours [E.A.R.H.] lay in its prescribed role as the provider of cheap transportation to underwrite the profitability of Kenya's settler economy, a function which it had long struggled to sustain. The function of E.A.R.H. as a state monopoly was to facilitate commodification, fulfilling the transition from goods to commodities. How could E.A.R.H., after years of overwork and neglect, renew its infrastructure to continue in this role of enabling local production? The work draws upon Marx's work in Capital in an attempt to address these questions.

The recurrent crises which beset capital dominate the wage bargaining process where the terms and conditions of commodification are periodically contested. The work brings into view labour power as the anti-commodity *par excellence*, a living substance whose bearers simultaneously embrace and defy commodification.

Background and Introduction

The post-war primary commodities boom and its accompanying production drive to generate dollars to fund Britain's post war reconstruction and repay debts to the United States, combined with the financial and infrastructural demands of the Mau Mau Emergency[2] to place E.A.R.H. under great strain. As the boom petered out after 1954, E.A.R.H. was caught in a vice, between intense pressure to hold fast its already low freight charges to subsidise Kenya's troubled plantation economy[3], and its own requirements to address severe capital depreciation brought on by the post war export drive and the demands of the colonial war against Mau Mau. Whilst a programme of major reinvestment was required, the company's Renewals Fund[4] was virtually depleted forcing the colonial government towards the restructuring of the state monopoly. In a desperate bid to initiate this process, E.A.R.H. was faced with relinquishing its perennially low tariffs, though this threatened to reduce the competitiveness of the colony's agricultural exports still further. The company's preferred route was to go to war with its African workforce in an attempt to pass on the costs of resolving these problems through a programme of rationalisation which was to involve wage cuts and large scale redundancies throughout the region.

The ensuing crisis provoked fierce resistance from African railwaymen in all three colonies. The majority of Kenya's rail men stopped work in response to the Railway African Union's call for a colony wide strike which began on November 14th, 1959. Rail men in Tanganyika and Uganda followed them into action to mark the region's only inter-territorial strike which continued intermittently until August 1960[5]. This had an immense impact and triggered the era of strike waves which accompanied the transition to independence. While treated by union leaders as a wages struggle, the rail strike was a deeply political conflict which questioned the terms and

conditions of the transition to the post colony. The deep and protracted financial crisis within E.A.R.H., the region's largest employer, is examined here to appreciate the source of this conflict. Why did the region's most privileged African workers, hitherto the most conservative and quietist, move into confrontation with their state employer?

A Restoration Crisis Emerges

E.A.R.H. was created in 1949 as a supra-national public utility when its predecessors, the Kenya and Uganda Railways and Harbours, and the Tanganyika Railways and Ports Services, were amalgamated under the auspices of the East African High Commission. By this time, the railway network was well over fifty years old. Railway construction had begun at Mombasa in 1896 and by the turn of the century stretched far into the interior, reaching Kisumu by 1901. The original plan to take the line onto Kampala was not completed until 1931. By 1946 settler demand for transport services to serve plantation and farm production had led to the construction of branch lines to Kitale, Thomson's Falls, and Rongai. These were sited to ensure that European farms and plantations were mostly located not more than 25 miles away from the main line[2]. Historically, the railway's role as the principal artery of the colonial economy, was to shift vast quantities of primary products, including cotton, sisal, copper, coffee and tea from upcountry to the coast. By the 1950s it's continuing ability to fulfil this function was being undermined by serious capital depreciation and road haulage competition.

Reinvestment had been neglected for years as E.A.R.H. had kept its margins narrow to subsidise the profitability of settler agriculture. The state monopoly served as a handmaiden of private capital, a point spelt out in Section 21 of the East African Railways and Harbours Administration Act [1950], that the 'Administration shall be administered on business principles and, so far as is not inconsistent therewith of the principles of prudent finance, cheap transport will be provided by the Administration to assist agricultural, mining and industrial development in the Territories'[6]. The company invariably broke even on paper, with its published accounts figures showing regular, though modest, surpluses. Ritual savings were set aside to the 'Renewals Fund', though by the turn of the fifties an approaching restoration crisis placed unbearable demands on this reserve. Another contributory factor to the unsustainable burden on the railway system was the Government's post-war industrialisation strategy to attract international firms into the colony with the lure of low wages and cheap transport. These companies came in search of a field of investment where the organic composition of capital[7] was lower, thus offering the potential for higher rates of profit than could be yielded in their home bases, though this was at the expense of a creeping restoration crisis within E.A.R.H.'s capital formation.

Whilst the railway had shouldered the expansion of the colonial economy, it had been short-changed through continuous net deductions from its side of the account. Though it had functioned to promote and subsidise the capital accumulation[8] of the settlers and overseas investors, little attention was paid to the problems of E.A.R.H.'s expanded reproduction. The war period in particular had taken its toll. While settler capital enjoyed unprecedented prosperity producing for the war effort, the railways were run into the ground. By the end of the fifties, with the additional strains imposed on the system by the demands of overseas investors impatient for a return, the years of neglect were catching up with the company. Much of its rolling stock had depreciated

beyond the costs of servicing. After wages, by far the company's largest expenditures were on loan repayments, fuel and stores, which reflected the rising costs of maintaining an antiquated rail network. In allowing repeated deductions from its own capital, E.A.R.H. showed a declining rate of profit which claimed its surpluses and rendered the company unable to sustain its accrued indebtedness.

As the semblances of this crisis penetrated the thinking of the Administration, a partial though belated grasp of its contradictions became evident as the company acknowledged that railways, 'like everything else, wear out in time. Although this does not amount to very much each year, after about fifty years the track will be completely worn out and will need replacing. Hence the Renewals Fund, a sum of finance capital will be put aside each year approximate to the costs of wear and tear and the projected costs of replacement at the end of a fifty year period'[9]. As the climax of this period approached, the reserves to finance capital renewal on the scale required were found wanting in face of the accelerated rate of depreciation brought on by the post war production drive. This crisis had spontaneously ripened. Nothing had been forseen, few people had wanted to forsee. Severely lacking in foresight, the management of E.A.R.H. had plodded on for years empirically adapting themselves to the accomplished fact of a colonial economy being run into the ground, sacrificed at the altar of Britain's post-war reconstruction.

Much of E.A.R.H.'s rolling stock and fixed capital were obsolete. Profit could not crystallise from this constant capital, since this had depreciated and lost its value as this transferred to the commodities that were distributed. In essence the railways had been repeatedly raped and over a long period. Furthermore, the devaluation of the productive forces, of men and things, was severely aggravated by the diminishing technical superiority of E.A.R.H. in face of competition from other forms of transport. This put intense strain on the railway to pull greater tonnages and meet tight delivery deadlines. Running costs escalated as the trains got longer and heavier. As the company's running costs spiralled, the exploitation of its working capital was stepped up to pull itself back from the abyss. As the wear and tear on constant capital became more intense, a restoration crisis approached. This was evidenced by more breakdowns, more repairs and higher overheads to maintain ageing capital equipment, under circumstances where the rate of accumulation was too low to secure sufficient replacement capital. The only variable that could, at least potentially, be controlled was the cost of labour power. This seemed to make the prospect of taking on the railmen unpostponable.

According to its 1958 annual report, E.A.R.H. management had put all its efforts into 'operational economies', following the disastrous performance of the previous year. This involved the rationalisation and much more intense exploitation of existing capital that was already well on its way out. The result, according to the East African Standard, was that 'the operating efficiency of the railways, expressed in terms of working expenditure to revenue, improved by 6% - "a remarkable achievement" '[10]. But could the train take the strain? While E.A.R.H. revenue increased by nearly a million pounds during the year, this was achieved through 'heavier goods traffic while reducing the working expenditure' [£70,000 less than the previous year] and higher freight charges introduced on October 1st, 1957. Other factors contributed to this 'turnaround', principally redundancies, lower maintenance costs and 'lower engine mileage'[11]. This suggested a number of things.

There was no doubt that much of the company's rolling stock and fixed capital was now well into old age. This was in need of constant nursing and attention, hence the standard expenditure for fuel and stores in a typical year during this period was never less than 20 % of the company's total budget[12]. Though on its own admission the company had made arrangements to 'stable' 39 locomotives[13], lower engine mileage's suggested that fewer locomotives were already operational and that considerable maintenance efforts were devoted to keeping them in service. These engines were doing all the work while the rest of the fleet were 'laid off'. Hence their engine mileage was actually higher, but spread across the company's total rolling stock it was passed off as lower. Another consideration was spare parts and the extent of some engines being broken up to keep others in service, though the company was reluctant to part with information on this score. The workforce had also shrunk by 5,720 to 49,838 railmen during the course of 1958[14]. Buried amidst the display of the company's annual published figures was evidence that the rate of profit was in irrevocable decline. For, while the net earnings for the railways and harbours combined totalled £3,806,000 and were 50% up on 1957, they gave a return of only 3.8% on total capital expenditure[15]. There was a candid admission, and a warning, from the General Manager, J.R. Farquharson, that 'the acute net revenue position coupled with general financial stringency has had a retarding effect on the development programme of the administration'[16].

British investors were well aware of what was required in Kenya. Similar problems were being faced by the railway system in Britain. Huge job losses and the closure of many branch lines, together with increases in freight charges and fares were all on the way as the ground was prepared for the Beeching rationalisation programme of the early 1960s. Marx's analysis of capitalism's inherent crises of accumulation enables an appreciation of E.A.R.H.'s dilemmas as it faced 'the need to improve production and expand its scale merely as a means of self preservation and under penalty of ruin'[17].

Problems of Capital Renewal and Augmentation

This course was compelling but fraught with problems in a country unable to produce its own capital goods.[18] The weaknesses of the railway network were compounded by the absence of a heavy industrial base, with railway engineering industries capable of making components and the engines themselves. The costs of importing and installing these, and retraining workers to operate them dwarfed the available resources. Furthermore, their purchase would act as a drag on the rate of profit for years to come in order to pay off the requisite loans. In any case, the delays were measured in years for orders of rolling stock and equipment from the U.K. facing its own restoration and recovery after the war. The Colonial Office insisted that all Kenya's capital purchases should be made from the U.K. so it had to wait on British industries to get on their feet sufficiently for these orders to be met. These were hardly the best or cheapest locomotives available and had a reputation for high servicing costs, whereas Italian and French models were reputedly of higher quality, were cheaper and could be serviced at low cost. Here was a further instance of Britain attempting to dump the crises afflicting its decrepit industries own perennially uncompetitive and onto its colonies. These problems severely weakened E.A.R.H.'s continuing ability to fulfil its function of shouldering the Kenyan economy. As it faced this crisis one thing was unavoidable, freight

charges would have to go up and the railmen's wages would have to be driven down to secure deductions for the Renewals Fund.

This was an uncertain terrain for the management and posed a clear break with tradition. Both petty commodity producers and the plantation companies growing cotton, coffee and other export crops were competing in international markets with countries such as America, Egypt and Brazil.[19] Rising freight charges stood to take the edge off East African exports. E.A.R.H. made great play of this danger, for instance by harping on about the effects of industrial action on struggling farmers, 'It would obviously be most unfair to raise railway and port charges for these export commodities merely to pay Railway staff higher wages if this can be done only by reducing the incomes of people working in the industries that provide traffic'[20]. Of course this was a spurious argument, given the much greater threat from road hauliers which was underplayed.

The company announced in July, 1958 that it was to buy diesel electric locomotives worth £2 million and that proposals for new lines and 'other developments' worth £8 million[21] had been approved. Of the proposed locomotive purchases, eight were ordered from the English Electric Company in Bradford in a contract worth £800,000[22]. There were problems with this decision, since other more advanced countries were embarking upon electrification of their rail networks. This could reduce the competitive life cycle of those diesels on order. As much was admitted by E.A.R.H.'s Chief Operating Superintendent, G.P.G. Mackay who indicated that 'in four or five years time a major decision would have to be taken whether to continue with diesel electric traction or to turn to straight electric power'[23]. Given the large scale of the region's rail network, a half baked proposal to electrify the fifty miles of railway line between Kampala and Jinja was investigated by Associated Electrical Industries[24]. This would hardly dent the problems of electrification, and its success depended upon increased electricity generation from the Uganda Electricity Board's own power station at Owen Falls near Jinja. Here again the management was forced to take a short term decision, since it could hardly contemplate extensive electrification given the small size of the company's Renewals Fund.

E.A.R.H. faced a restoration crisis of huge proportions with minimal savings barely adequate to finance even short term capital improvements on the scale required. Another consideration here was the value of the Kenya shilling which had fallen following a run on the pound in London. International confidence in sterling was weak throughout this period [1959-64] with Britain's worst trade deficits on record[25]. The close ties between the Kenya shilling and the pound made loans and capital purchases abroad prohibitive. During 1958, the company's shrinking expenditure on 'new equipment, works and renewals' was £5 million, £2 million[26] less than the previous year. Particularly hard hit were 'constructions', with only £2,048,000 invested, a drop of £1,673,000[27] as compared to 1957. Yet again these figures seem to indicate the overriding claims of finance capital on the company's surpluses, crippling any sustained programme of capital renewal.

Loans and Indebtedness

During the first five months of 1958 the company suffered a shortfall of £185,000 in its projected earnings[28], which further sharply deteriorated during June when earnings fell £230,000 below target[29]. The general manager, J.R.Farquharson, attempted to assuage investors 'that although present traffic trends were "rather

dismal", there was no reason to doubt that within a few years traffic would once more expand'[30]. This was far from a forgone conclusion. The workforce would have to be primed and restructured, a task that would involve imposing draconian conditions on an increasingly restive group of workers.

Also unavoidable was the further drift into the debt spiral, as surpluses melted away into servicing loans and the costs of maintaining existing capital increased. As E.A.R.H. continued to keep its prices down, it risked the depletion of its productive forces, since the rate of capital accumulation would be insufficient to keep pace with depreciation. Any recourse to the money markets to postpone the resolution of these problems would lead to inflationary investments, accruing even more debt with crippling interest payments acting as a drag on profitability. Amidst the freight war with road haulage companies, these pressures made it hard to pass on rising costs to its customers through increased freight charges. The management had worked itself into a corner, but far from retreating these contradictions made it more determined to have it out with the railmen.

By October 1958, the Guarantee High Commission and Harbours Loan Bill[31] was well on its way. Its objective was to enable East African governments to guarantee a loan of £8.5 million from the International Bank for Reconstruction and Development [I.B.R.D.] for the provision of additional locomotives, rolling stock, new berths and harbours[32]. The Chief of the I.B.R.D. Transportation Division duly flew into Nairobi 'to start a tour of the East African railways and harbours system'[33]. E.A.R.H. had received a previous credit of £8.5. million from the I.B.R.D. in 1955[34]. Such a short interval between two major loans suggested a sign of a deep and profound crisis on the way, in that the company now needed major injections of financial adrenalin to stay afloat.

Apart from the World Bank, much of this credit had been raised on the London market. While most E.A.R.H.'s loans in the past had been repayable over long periods, there was an increasing resort to short term loans, as much as £8 million during 1958 alone[35]. Crisis tendencies were affirmed when, in the following year, E.A.R.H. paid out £2,880,000 in loan charges while just £1,970,000 were set aside for renewals[36]. Interest bearing capital had exacted its moloch like demands over a long period, and reduced the surpluses available for unpostponable investment. In essence, successive loans and indebtedness had served to displace the company's contradictions into the monetary sphere, though these now stood to stifle the accumulation process entirely. Finance capital had exerted an increasing stranglehold over the railway, tying the management's hands and greatly narrowing its room for manoeuvre in face of the rising temper of the railmen.

The Freight War with the Road Hauliers

The manifest inability of the deteriorating rail network and serviceable rolling stock to cope with increasing tonnage's and tight delivery deadlines, conceded contracts on a large scale to increasing numbers of road haulage operators. Amongst the many small scale operators were former soldiers who had invested their wartime savings in vehicles. E.A.R.H.'s erstwhile unchallenged monopoly of transport came under serious threat from this quarter. With few branch lines to service them, both petty commodity producers, now producing on a large scale for overseas markets, and large scale plantation companies were looking to road transport to get their crops on the move. The plantation companies and the settlers, better served by the railway in past, also needed an extended network to meet the expanding scale of production. Whereas in the early days the roads were 'mainly the ribs'

which carried goods and people to the railway, 'the spine of Kenya's commerce'[37], they now threatened to function independently of, and as an alternative to, the railway. To win back its flagging business, E.A.R.H. faced reinvestment and capital renewal on a scale hitherto unexampled.

The company's Renewals Fund was barely sufficient to renew its capital formation at a time when not just its replacement but also its augmentation i.e. the construction of new branch lines, was urgently required in face of the intense competition from road hauliers. This was so serious that by July 1958, the railway had a surplus capacity of 15 to 20% and 'was anxious to get all the traffic it could'[38]. Its dilemmas were considerable. If it raised freight charges it risked losing further contracts to road operators, but if it relented it risked gathering sufficient capital reserves for reinvestment. Indeed, even with a competitive tariff, its estimated losses in 1958 due to competition were £800,000[39]. Both courses threatened to erode any absolute surplus.

It was in face of this competitive threat that the narrow minimalism of the management seemed most exposed. For even here they were at a loss to defend some of their more important freight charges in the escalating war with the road hauliers. After much prevarication, the general manager, J.R.Farquharson seemed to have found his resolve, "If we get no assistance from any east African government we shall fight this battle and stay alive - but on a competitive tariff "[40]. The company then raised its charges for commodities that had been protected 'by differential tariffs and carried at uneconomic rates'[41]. Nonetheless, there was a cruel penalty as the returns for February 1960 revealed upcountry railings down 10,000 tons on the previous February[42].

The government writhed with the crisis and contradictions within its own infrastructure, the base upon which it was dependent. Hitherto the railway had enjoyed 'a virtual monopoly of the transportation of imports and exports' through its differential tariffs. This was reinforced by Kenya's system of road transport licensing and E.A.R.H.'s effective resistance [until after 1960] to the building of a tarmac road linking Nairobi to the coast.[43] E.A.R.H. was desperate to regain the advantage in its battle with the road hauliers and its deputy general manager, W.Urquhart, looked to the government to amend the Transport Licensing Ordinance in order to protect its differential tariff against road competition. He insisted that the differential tariff 'must be protected ... as without this differential form of charging we cannot continue to assist Agriculture.' He urged,

'the fullest utilisation of the railways capacity because the greater the quantity of traffic offering, the less the average cost of movement; therefore, the greater the volume of traffic handed to the Railway for carriage, the less the unit cost becomes, and with this goes the possibility of reducing the average rate of 20 cents. Conversely, the greater the volume of traffic lost to road transport, the greater is the average unit cost of movement and, with this, the necessity of increasing the average rate...' "What is the Railway's policy about rating?" The answer, in a nutshell, is that we want to carry the country's products at the lowest rate we possibly can. In order to enable us to do this we must obtain as great a volume of traffic as possible, and so long as we have a differential tariff with high rates susceptible to road competition we must have some sort of protection. I feel it is up to those bodies in East Africa which are interested in agriculture to give us their support in this battle, which, I am afraid, is now developing between the differential tariff and road transport interests.' [44]

In October 1958 there were clear signs that the government was preparing to push E.A.R.H. into abdicating its differential principle as the Legislative Council gave its support to a £4 million programme to bitumise the main roads[45] with plans to extend this after 1962 by a further £3 million[46]. Overall, approximately 300 miles of roads were to be built with loans at 6% interest[47]. Such a move would undoubtedly strengthen the position of the road hauliers whilst absolving them from any substantial contributions to the heavy capital investment that would fall

to the state. The Railways Chief Commercial Superintendent, C.T. Hutson, complained that 'road transport might not be paying its fair share towards the cost of roads, which fell largely on the shoulder of private motorists'[48].

Evidence that the government was looking both ways came with the recommendations of the interim committee appointed to examine the Transport Licensing Ordinance, which proposed that E.A.R.H. 'should be protected against road transport competition over long hauls parallel with the railways'[49]**.** The stresses of competition were finding expression within the departments of state itself, with some officials bending towards the road lobby[50] and others maintaining entrenched loyalties to E.A.R.H. The basis of railway rates had been founded on the 'differential principle' whereby agricultural and primary products were carried 'at less than average cost' and the budget balanced 'by charging a relatively high rate for those commodities which are judged capable of bearing the additional charges.' The railway tariff was divided into 8 class rates and 4 special rates. The top rate was set at 60 cents a mile for those goods in the higher brackets such as textiles, cigarettes, wines and spirits, whilst the lowest rate of 6 cents a ton mile was applied to items such as imported fertilisers and selected exports. Rates were also tapered so that the rate per ton mile decreased as the distance increased. The average export rate was 12½ cents a ton mile, while the overall rate for imports and exports averaged 20 cents per ton mile[51].

Addressing the Board of Agriculture, the company's deputy general manager W.Urquhart defended its differential principle since, 'in this way the Railway complies with its obligations to assist agriculture and primary industries.'[52] He urged that the costs of rail traffic be kept 'static' by 'keeping up to date with modern equipment and by increasing efficiency' and exercising 'the strictest economy'. He made clear that the company did not wish to raise its gross revenue by increasing 'the average level of rates', but planned to generate financial surpluses 'by moving more and more traffic as the trade of this country grows.'[53]

Generally the lowest freight rates applied to basic agricultural products. All grain was charged at 'Special Rate B' at an average cost of 10 cents a ton mile. Processed produce for export such as canned fruit and vegetables were charged an average of 15 cents a ton mile. Coffee, by far the colony's most important earner of export revenue, was charged at 22 cents per ton mile. Unlike other commodities, the transit of coffee from its forwarding points to the coast was broken in Nairobi where all the colony's coffee milling and marketing occurred.[54] In the lowest rates, that of Special Classes A, B, C and D - which varied from 6 to 10 cents a ton mile, such commodities as fertilisers, cattle cake, wattle bark, cotton seed, grains, sisal, sugar and timber were carried. The bias towards agriculture was also evident in the preferential treatment given to items such as fencing posts which was charged at a lower rate than, for example, timber for telegraph poles. Baling and fencing wire, mainly used in agriculture, were also charged at rates lower than for similar products used for other purposes. Cheap rates were also afforded for the carriage of livestock, with an average of around 9 cents per beast per mile, though a pig travelled more cheaply than the rest at 1½ cents a mile[55]. E.A.R.H. had planned to increase this rate by 50% but as the industry was going through a period of crisis this was deferred 'until such time as the financial situation of the industry improves'. This was a further example of the way that the railway had carried settler agriculture, especially when its levels of profitability were at their lowest. However, E.A.R.H.'s own crisis of accumulation meant that it was now unable to shoulder such a burden.

To keep the rates charged to agricultural products below the 20 cents average, E.A.R.H. relied upon carriage charges for consumer goods on such items as petrol, hardware and paints at rates well above the average cost of movement so that it could 'apply the revenue derived from these to subsidising the lower rated traffic'. It was essential that 'a fairly high proportion' of railway traffic should consist of such commodities, 'for if the proportion of these traffics to the proportion of all traffics falls appreciably, then the Railway would be unable to continue its policy of charging exceptionally low rates for agricultural traffic.' [56]

E.A.R.H.'s relatively high freight charges to consumer goods made them vulnerable to competition from road hauliers, who 'with a good load factor and a return load' were able to carry freight at around 30 cents per ton mile. Any goods carried by the railway above this rate could be 'weaned away' by road transport. The annual losses to E.A.R.H. as a result of this competition was estimated towards the end of 1958 to be 'in the region of' £840,000 a year of which £385,000 was lost in Kenya.[57] These figures excluded the movement of petrol between Mombasa and Nairobi which, had it been allowed to continue on the old tariff, would have resulted in a revenue loss on its own of £120,000 per annum.

In an attempt to recover some of this loss, 'or at any rate to stabilise the position and stop further erosion...', E.A.R.H. lowered its higher tariffs and raised its lower ones from January 1st, 1959. The highest rates were reduced from 60 to 40 cents a ton mile, at risk of a revenue loss to the railways of £700,000 a year. The projected increases in lower rates, to help make good the difference, marked the end of an era. All traffic moving in classes 6 to 10 and all export rates were increased by 5 % on the assumption that road competition would be controlled, otherwise 'it may be necessary to go still further in this narrowing of the differential.' The top rate of forty cents was still vulnerable and 'unless this competition can be restrained' the company anticipated that 'sooner or later'[58] it would have to relent and reduce this tariff to 35 cents or even 30 cents a ton mile. Correlatively, this would mean increasing the lower rates by a further 10%.

A Regime of Economy

Whilst the management had been compelled to increase its freight charges on primary exports this still fell far short of enabling the company to take on the road operators. Expanding the network and building new branch lines in order to sideline the road hauliers brought the company face to face with resourcing considerable capital investment. Apart from loans, this could only be resourced at the expense of financing allocated for wages. Staff costs were the company's most expensive budget item running at £8,990,000 of a total yearly expenditure of £19,500,000 for 1958[59]. Furthermore, the cost of the necessary technical changes required to prime the company spelt a rising organic composition of capital i.e. the relationship and ratio between constant capital [dead or abstract labour] and variable capital [living labour power][60]. New investment in rolling stock and fixed capital generally courted the displacement of labour power, redundancies and restructuring for the railmen, as actually took place during 1959-65.

Another side to the company's 'operational economies' was the rationalisation and more intense exploitation of labour power[61]. Against a background of redundancies, was the increasing length and intensity of the working day for a contracting workforce which aimed to ensure the maximum physiological loading of each individual

worker. The lower grade rail men endured the most intolerable conditions and their grievances on this score were submitted by one of their representatives to the general secretary of the Railway African Union [Kenya] in August, 1957,

"...many, especially those in the Operating Department, have to work 84 hours a week of which 12 hours are 'compulsory overtime'. Others in the same Department have to work 56 hours a week of which eight hours are compulsory overtime. In both these cases no time is permitted for meals in the course of duty. Imagine a points man running up and down the Yard marshalling trains for 12 hours without any meals and that for weeks on end, or a signal man working for eight hours without meals, or a Station Master attending to the public and passing trains from 8.00 hours to 20.00 hours without any meals. I challenge any one of you to try that and then perhaps you will be able to taste what the hell we are going through" [62].

It was not just the racist attitudes of European supervisors which sparked the inter-territorial rail strike in November 1959. This racism was embedded in an occupational structure which gave prominence to Europeans and Asians whilst holding Africans in a subordinate status. This aside, supervision was 'the byword of the era'[63] in E.A.R.H. and became a burning issue for employers all over Kenya engaged in the struggle to remake the workplace.[64] The management attributed falling rates of profitability to the alleged slackness and low output of African workers which was blamed on their alleged inherent laziness. Just prior to the strike, the Chief Mechanical Engineer 'felt that apart from Time and Motion Study, increased productivity could be achieved only by increased supervision, generally European supervision.'[65] It should come as no surprise to us then that the Kenyan railmen should be provoked into struggle over this issue, for behind it lay concerted attempts to step up the rate of exploitation with the aim of arresting the railway's flagging accumulation.

A regime of economy, in the form of a massive rationalisation of production stared the management in the face. This meant taking on the railmen by cutting wages, raising productivity, lowering costs and shedding jobs. For a leaner EARH, a redesigned workplace, facilitated by large scale job losses[66] and the installation of new and more advanced equipment, seemed to offer a way forward since the exploitation of the remaining workforce could be intensified through changes in working practices. This course involved considerable initial outlays, hence the management's insistence 'that there were no economic grounds whatever for the granting of an increase'[67]. According to the chairman of the East African High Commission 'no case had been, or could be, established for any increase for any grade of staff on economic grounds'[68]. However, in the wake of the recommendations of the Carpenter Committee on African wages [1954][69], and in face of a determined strike, the management attempted to split the railmen by offering to increase minimum wages of the lowest grade Group C workers by 10 shs. from 80/- to 90/- in separate deals within each colony on the basis of its 'social aim to increase the income of the lowest paid staff...'[70]. However, such an offer was not be across the board, but at the expense of lesser increases for its higher grade workers.

E.A.R.H. belated course towards modernisation stood to downgrade all but its lowest grade workers and to attach the unskilled and semiskilled workers at the bottom of its Group C African staff still more firmly to the needs of the company. A complicated gradings structure had evolved over many years on the railways with workers divided on racial lines and according to their level of skill. Even within the various skill categories there were complex gradations. The overwhelming majority of African workers were contained within Group C which was structured into six categories. These were unskilled and semi-skilled workers such as labourers, porters, pointsmen, gangers, etc., on wages ranging from 70 shs. to 218 shs. a month. The Group B workers consisted of

clerks, stationmasters, artisans and locomotive drivers on wages ranging from £118 to £1410 a year'[71]. This structure was used to mould deference to the company, to fragment the workforce and to disable the prospect of strike action. Following the Carpenter Report, the Lidbury Report of the Commission on the Civil Services of the East African Territories and the East African High Commission came up with the principle of non-racial salary scales to be applied amongst state employees. The old grading system, which specifically categorised workers by race, was to be replaced by a complex structure based on occupational categories. These overlapped to a very high degree with the old racial divisions and effectively reinstated them under a new guise.

The management drew back in horror at their own estimate of £6,000,000 to pay the railmen in the three territories. 'It is clear that there is no possibility of meeting these claims'[72]. Having for years, ignored the creeping necessities of capital restoration, the employers had convinced themselves that the gap between the finance capital available and that required for large scale renewal was to be made up by the railmen themselves. This course collided with a determination from the railmen across the region to defend their differentials and to fight for a long overdue substantial across the board wage increases.

Labour resistance in the transition to independence

The inter-territorial character of the railways administration was its greatest strength in dealing with the railmen. All trade unions were required to comply with territorial ordinances regarding registration in a way which virtually outlawed inter-territorial organisation amongst themselves. Various labour ordinances, within the three colonies of the region prohibited strike action those areas designated as essential services, pending the exhaustive procedures of 'compulsory arbitration'. Thus railmen in Kenya, Uganda and Tanganyika though facing the same employer, could neither legally amalgamate, nor act in any singular way. Hence, the declaration of the 'National Congress of Railwaymen' by all three unions at their Mwanza summit in Tanganyika in September, 1959, which established the principle of inter-territorialism amongst the men themselves, was of profound significance. As the meeting broke up, union leaders were undoubtedly afraid that they had gone beyond themselves. Nevertheless, the principles of inter-territorialism had been established.[73]

This significant move forward reflected strong undercurrents amongst East African railway men that erupted to the surface in what became an inter territorial strike, which began on November 14th, 1959 in response to the bullying supervision of a European supervisor in Nairobi's' rail yards. The dispute spread rapidly compelling the the Railway African Union [Kenya] to put out a call for a colony wide strike. Within days, the majority of Kenya's rail men had stopped work. Rail men in Tanganyika and Uganda soon followed them into action to mark the region's first inter-territorial strike[74] which continued intermittently until April 1960. The strike seems to have given coherence, form and universality to working class struggles at a crucial moment coincident with the end of Kenya's Mau Mau Emergency and the announcement of transition to African majority government in January 1960. This marked a significant watershed throughout the East African territories.

The rail strike triggered an avalanche of strikes throughout Kenya's plantation economy and set in train recurrent strike waves in all three colonies. In Kenya, the transition to independence [1963] was bedevilled by successive waves in all sectors of the economy. Thus the railway struggles gave the trade unions the shove that

they needed, as labour conflicts enveloped central Kenya and the Kericho valley throughout the immediate pre independence period with tens of thousands out on prolonged strike. Almost a million working days were lost during 1961 alone[75]. The lifting of the Emergency, during which thousands of union members were arrested, incarcerated, or 'disappeared' was marked by a new confidence. The strike especially reawakened and lifted Kenya's labour movement, aiding its recovery from years of harsh repression and semi-legality. According to Kenya's Labour Department the 'major feature' of 1959 'was the spread of the trade union movement amongst African workers'.[76] After years of fierce state repression and draconian workplace discipline, new layers of African workers embraced trade unionism and moved into their first organised struggles over wages and conditions. They were joined by unrestricted former Mau Mau detainees and the victims of land consolidation who entered the work force. The arousal of high expectation fuelled the successive and widespread strike waves that engulfed the Kenyan economy during the approach to independence which presented the outlines of a developing working class movement. The conflagrations came at a time when constitutional conferences least anticipated, or needed such external pressures.[77]

The period between 1959-65 was fraught with risks as the colonial governments transferred theirs authority. Throughout this process in Kenya, and exacerbating its tensions and contradictions, the state's own servants, the 'non-productive' workers, participated in successive strike waves whose embers glowed well beyond independence. These strike prone years were an unprecedented period, far surpassing all previous levels of militancy, which reached its zenith in the 1962 General Strike. Few urban and rural sectors were left untouched by industrial action: coffee, tea, sisal and general agriculture, the railways, docks, electricity supply, post and telecommunications, banks and airlines, construction, engineering, the oil and petroleum industry, chemicals, glass, distribution, tobacco, brewing and bottling, food processing, hotels and restaurants, timber and furniture trades, textiles, shoe and leather industries, education, civil and public services. These struggles were only eventually tamed as union leaders struggled to arrest the movement and surrender organisational autonomy to the post-colonial corporate state which proceeded to straitjacket the movement by a panoply of repressive labour laws, a process supervised by Kenya's foremost labour leader, Tom Mboya.

Conclusion

This article has examined and analysed the eruption of crisis tendencies within the infrastructure of the East African state monopoly of transport at the end of the colonial era. Without EARH, little could move or circulate within the colonial economies of the region. It had served to facilitate the 'first condition of capitalist production, namely, that the product must be a commodity and therefore express itself as money and undergo the process of metamorphosis.'[78] The company became crisis ridden as this facilitating role broke down.

The work here has drawn upon Marx's theory of capitalist crisis in order to examine the rupture of opposites between use value and exchange value, purchase and sale, the commodity and money which then released powerful anti-commodity crisis tendencies. This theory was integral to Marx's work on the commodity though it remains incomplete within his work and thus needs has to be interpreted in light of historical circumstances, as attempted here. The work contends that the anti-commodity can only take on meaning as an opposite which is

essentially unified with its 'other', the commodity which fulfils itself only at the point of sale in the act of exchange. Should this essential unity be unfulfilled, crisis tendencies are stirred into motion by ever present anti-commodity tendencies inherent within the process of capital accumulation. This crisis within EARH threatened the rupture of purchase and sale in the wider regional economy[79] by the breakdown in the system of commodity circulation that threatened the velocity of goods in motion and their becoming commoditised at the point of exchange. The contention here is that the anti-commodity is an innate tendency not an untoward occurrence disturbing an otherwise harmonious progress towards equilibrium. It has been treated here as a determining force that EARH could neither manage nor channel without an exceptional collision with its workforce.

In this regard, the work latterly brings labour power into view as the anti-commodity *par excellence*. This is a living substance whose bearers simultaneously embrace and defy commodification. The recurrent crises which beset capital dominate the wage bargaining process where the terms and conditions of commodification are periodically contested but can never be absolutely settled. The railmens strike against wage cuts and redundancies was brought on by the rationalisation required to facilitate commodification under a stringent set of conditions within global markets following the collapse of the post war primary commodities boom in the mid fifties. African railwaymen collided with the evolving political configuration of these external pressures which enveloped the decolonisation of the region. The inter-territorial strike was a major setback to the company's rationalisation programme which could only be completed after independence under the auspices of 'Africanisation'. Whilst this ended racial pay scales and the colour bar generally, African railwaymen became strapped into the newly erected corporatist structures of bargaining and conflict resolution that precluded the right to strike.

Endnotes

[1] David Hyde, Senior Lecturer in International Development, School of Law and Social Sciences, University of East London. This paper was presented at the Commodities of Empire 'anti-commodities' conference in September 2012 at Waginingen University [NL]: 'Local forms of production as resistance against market domination'. I gratefully acknowledge and greatly value the consistent support I have received over several years from my collaboration with scholars involved in the British Academy sponsored Commodities of Empire project, which has been jointly sustained by Waginingen University's Agricultural Technology and Development Programme and the Open University's Ferguson Centre for African and Asian Studies.

[2] There is a wide literature on the colonial war in Kenya. Wunyabari O.Maloba's Mau Mau and Kenya [Oxford 1993] is still the best introduction.

[3] David Hyde, 'Paying for the Emergency by displacing the settlers': global coffee and rural restructuring in late colonial Kenya, *Journal of Global History* Volume 4 Number 1, Commodities of Empire special issue, 2009, pp.81-103.

[4] See Marx's discussion in Capital Volume 1, pp.543-73, chapter XXIV 'Conversion of Surplus Value into Capital'.

[5] David Hyde, The East African Railway Strike 1959-60 : labour's challenge of inter-territorialism. Unpublished paper.

[6] Kenya National Archives [K.N.A.] AF 3/2/Thika Agriculture and Manpower Committee; Minutes of a Meeting of the Board of Agriculture, November 27th, 1958. Cited in an address to the board by W.Urquhart, E.A.R.H. Deputy General Manager.

[7] Marx. K, Capital Volume 1, Progress Publishers, Moscow, 1959, chapter VIII 'Constant and Variable Capital', pp.193-203.

[8] Ibid. p.564. 'The conversion of money into means of production and labour power, is the first step taken by the quantum of value that is going to function as capital. This conversion takes place in the market, within the sphere of circulation. The second step, the process of production, is complete so soon as the means of production have been converted into commodities, whose value exceeds that of their component parts, and, therefore, contains the capital originally advanced, plus a surplus-value. These commodities must be thrown into circulation. They must be sold, their value realised in money, this money afresh converted into capital, and so over and over again. The circular movement, in which the same phases are continually gone through in succession, forms the circulation of capital.'

[9] P.R.O. /CO 822/2461 [Enclosure 42]; 'Railway Finances and Wages Policy ', Railways and Harbours Special Notice No.65, February 1960.

[10] East African Standard, 10/4/59.

[11] P.R.O./CO 822/2461 [Enclosure 42]; 'Railway Finances and Wages Policy', Railways and Harbours Special Notice No.65, February 1960.

[12] P.R.O./CO 822/2461 [Enclosure 42]; 'Railway Finances and Wages Policy', Railways and Harbours Special Notice No.65, February 1960.

[13] East African Standard, 10/4/59.

[14] East African Standard, 10/4/59.
[15] East African Standard, 10/4/59.
[16] East African Standard, 10/4/59.
[17] Marx. K., Capital Volume 3, Progress Publishers, Moscow, 1959, Chapter XIV 'Counteracting Influences', pp.239-40.
[18] Marx. K., Capital Volume 2, Progress Publishers, Moscow, 1956, Chapter XX 'Simple Reproduction', p.399-406. Marx made a major breakthrough in political economy with the division of total social reproduction into two major departments: Department I producing means of production and Department II producing articles of individual consumption. For expanded reproduction and capital accumulation, part of the surplus value is used to increase production. This means first of all the expansion of Department I producing means of production. Rosa Luxemburg developed this further with her point that the conditions for continued reproduction cannot be maintained within colonies because Department I is almost always deliberately absent, hence their dependency on the advanced economies.
[19] David Hyde, 'Paying for the Emergency by displacing the settlers': global coffee and rural restructuring in late colonial Kenya, *Journal of Global History* Volume 4 Number 1, Commodities of Empire special issue, 2009, pp.81-103.
[20] P.R.O./CO 822/2461[Enclosure 42]; 'Railway Finances and Wages Policy', Railways and Harbours Special Notice No.65, February 1960.
[21] East African Standard, 4/7/58.
[22] East African Standard, 29/8/58.
[23] East African Standard, 29/8/58.
[24] East African Standard, 30/10/59.
[25] Sked, A. and Cook, C., Post-War Britain, A Political History, Pelican Books, 1979, pp.181-4.
[26] East African Standard, 10/4/59.
[27] East African Standard, 10/4/59.
[28] East African Standard, 29/8/58.
[29] East African Standard, 29/8/58.
[30] East African Standard, 29/8/58.
[31] Rhodes House Library. MSS.Brit.Emp. S365/FCB 113/2: E.A.R.H.Public Relations Office : approximately £2 3/4 million was required for harbour works and £5 ¾ million for railway works. It was not envisaged that any of the funds required as a result of the bill would be needed until 1959. The passing of the bill was to enable essential orders and contracts to be placed. The principal harbour works planned under the programme were designed to increase port capacity to match anticipated traffic demands. They included the work required to enable two Kipevu berths to be brought into service, following the completion of the four quay walls which were already under construction, and for the reconstruction of transit sheds at berths 7 and 8. The principal railway works included £1.65 million for locomotives and rolling stock, mainly for the first stage of converting the Nairobi-Nakuru section from steam to an alternative form of motive power to increase capacity and overcome water supply difficulties. Approximately £1 ¼ million was needed for relaying heavier rail and for ballasting on the Central and Tanga lines, for relaying between Jinja and Kampala, and for improvements to signalling and water supplies. Just over £1¼ million was earmarked for the development of marshalling yards and terminal facilities to increase their capacity, including £750,000 for the further development of Changamwe marshalling yard to serve Mombasa, and a similar amount for development of workshops and inland water services.
[32] East African Standard, 17/10/58.
[33] East African Standard, 27/3/59.
[34] East African Standard, 27/3/59
[35] P.R.O./CO 822/2461[Enclosure 42]; 'Railway Finances and Wages Policy', Railways and Harbours Special Notice No.65, February 1960.
[36] P.R.O./CO 822/2461[Enclosure 42]; 'Railway Finances and Wages Policy', Railways and Harbours Special Notice No.65, February 1960.
[37] Leys, C. *Underdevelopment in Kenya: The Political Economy of Neo-Colonialism*. University of California Press, Berkeley and Los Angeles, California 1975.
[38] East African Standard, 4/7/58.
[39] East African Standard, 10/4/59.
[40] East African Standard, 10/4/59.
[41] East African Standard, 4/7/58.
[42] Uganda Argus, 29/3/60.
[43] Leys, C. Underdevelopment in Kenya: The Political Economy of Neo-Colonialism. University of California Press, Berkeley and Los Angeles, California 1975.
[44] Kenya National Archives [K.N.A.] AF 3/2/Thika Agriculture and Manpower Committee; Minutes of a Meeting of the Board of Agriculture, November 27th, 1958. Cited in an address to the board by W.Urquhart, deputy general manager, East African Railways and Harbours.
[45] East African Standard, 12/6/59.
[46] East African Standard, 12/6/59.
[47] East African Standard, 12/6/59.
[48] East African Standard, 4/7/58.
Established by the colonial government in 1951, the Road Authority was charged with policy making, planning and financing of Kenya's roads. The authority received revenue derived from fuel taxes, vehicle and drivers licences and capital grants from the government.
[49] East African Standard, 18/12/59.
[50] In the period 1950-63, £18 million was spent on road development in Kenya with assistance from the Colonial Development Corporation, the World Bank and the West German government. This included £4,800,000 for a contractor finance scheme whereby 260 miles of trunk roads were bitumenised. In addition the Road Authority, working through the Ministry of Works and 38 local authorities, was spending approximately £1 million a year on road maintenance.
[51] Kenya National Archives [K.N.A.] AF 3/2/Thika Agriculture and Manpower Committee; Minutes of a Meeting of the Board of Agriculture, November 27th, 1958. Cited in an address to the board by W.Urquhart, deputy general manager, East African Railways and Harbours.
[52] Kenya National Archives [K.N.A.] AF 3/2/Thika Agriculture and Manpower Committee; Minutes of a Meeting of the Board of Agriculture, November 27th, 1958. Cited in an address to the board by W.Urquhart, deputy general manager, East African Railways and Harbours.

[53] Kenya National Archives [K.N.A.] AF 3/2/Thika Agriculture and Manpower Committee; Minutes of a Meeting of the Board of Agriculture, November 27th, 1958. Cited in an address to the board by W.Urquhart, deputy general manager, East African Railways and Harbours. On differential rates and charges, Urquhart made plain, 'We do not want to increase this. We do not wish to obtain additional revenue by raising this average rate. Our policy is to do everything we possibly can to hold the average transport costs at this, or less than this, figure. We think we can do this, and our intention is - if costs outside our control continue to rise - to try and keep the net cost of transport static by keeping up to date with modern equipment and by increasing efficiency. We, on the Railway, think that if we continue to exercise the strictest economy and hold the average transport cost to the public at or near this figure, then we are doing a great deal to stabilise the economy of East Africa... we don not wish to increase our gross revenue by increasing the average level of rates but we do hope to be able to increase our revenue by moving more and more traffic as the trade of this country grows.'

[54] For an account of the protracted crisis on world coffee markets during this period and its impact on the Kenyan economy, see David Hyde, *Plantation Struggles in Kenya*, *1947-63,* Ph.D thesis, School of Oriental and African Studies [2000].

[55] As to human passengers, those travelling first class paid an average of 24 cents a mile and those in third class 6 cents a mile.

[56] Kenya National Archives [K.N.A.] AF 3/2/Thika Agriculture and Manpower Committee; Minutes of a Meeting of the Board of Agriculture, November 27th, 1958.

[57] Kenya National Archives [K.N.A.] AF 3/2/Thika Agriculture and Manpower Committee; Minutes of a Meeting of the Board of Agriculture, November 27th, 1958.

[58] Kenya National Archives [K.N.A.] AF 3/2/Thika Agriculture and Manpower Committee; Minutes of a Meeting of the Board of Agriculture, November 27th, 1958.

[59] P.R.O./CO 822/2461 [Enclosure 42]; 'Railway Finances and Wages Policy', Railways and Harbours Special Notice No.65, February 1960.

[60] Marx. K., Capital Volume 1, Progress Publishers, Moscow, 1959, chapter VIII 'Constant and Variable Capital', pp.193-202.

[61] Marx. K., Capital Volume 1, Chapter XXV 'The General Law of Capitalist Accumulation', pp.603-4. 'Another important factor in the accumulation of capital is the degree of productivity of social labour... But hand-in-hand with the increasing productivity of labour, goes, as we have seen, the cheapening of the labourer, therefore a higher rate of surplus value, even when real wages are rising. The latter never rise proportionally to the productive power of labour. The same value in variable capital therefore sets in movement more labour power, and, therefore, more labour. The same value in constant capital is embodied in more means of production, i.e., in more instruments of labour, materials of labour and auxiliary materials; it therefore also supplies more elements for the production both of use-value and value, and with these more absorbers of labour. The value of additional capital, therefore, remaining the same or even diminishing, accelerated accumulation still takes place. Not only does the scale of reproduction materially extend, but the production of surplus value increases more rapidly than the value of additional capital.'

[62] Sandbrook. R., Proletarians and African Capitalism: the Kenyan Case 1960-72. Cambridge University Press, 1975 pp.102-3.

[63] Cooper. F., On the African Waterfront: Urban Disorder and the Transformation of Work in Colonial Mombasa, p.168.

[64] Ibid.

[65] Kenya Railways Archive, EST 13/11: Extract from Minutes of Chief Officers' Meeting , April 16th, 1959.

[66] During the period 1955-65, the total workforce was reduced by over a third from 63,518 to 41,902. East African Railways and Harbours Annual Reports 1949-64 [1965 figures provided by the company], Grillo, R., African Railwaymen, Cambridge 1973, p.20.

[67] P.R.O./CO 822/2461 [Enclosure 42]; Savingram from the Chairmen, East African High Commission to the Secretary of State for the Colonies, April 6th, 1960.

[68] P.R.O./CO 822/2461 [Enclosure 42]; Savingram from the Chairman, East African High Commission to the Secretary of State for the Colonies, April 6th, 1960.

[69] Singh, Makhan. The Crucial Years of Kenya's Trade Unions, 1952-56. Uzima Press, Nairobi [1980], pp.56-72..

[70] P.R.O./CO 822/2461 [Enclosure 42]; Savingram from the Chairman, East African High Commission to the Secretary of State for the Colonies, April 6th, 1960.

[71] CO 822/1492, Enclosure 12: Savingram from the Commissioner for Transport, East African High Commission to the Secretary of State, May 5th, 1958.

[72] CO 822/2461 [Enclosure 42]; 'Railway Finances and Wages Policy', Railways and Harbours Special Notice No.65, February 1960.

[73] David Hyde, The East African Railway Strike 1959-60 : labour's challenge of inter-territorialism, Trade Unions in the Global South Labour History Review special issue Trade Unions in the Global South [forthcoming 2015].

[74] Ibid.

[75] CO 544/100: Labour Department Annual Report, Kenya Administration Reports, 1961.

[76] CO 544/100: Labour Department Annual Report, Kenya Administration Reports, 1960.

[77] David Hyde, Undercurrents to Independence: Plantation Struggles in Kenya's Central Province 1959-60, *Journal of Eastern African Studies* Volume 4 issue 3, 2010.

[78] Marx, K. Theories of Surplus Value, Part II, pp. 492-535 contains Marx's most sustained discussion of crises.

[79] Marx, K. Capital, Volume 1, pp. 87-88. 'To say that these two independent and antithetical acts have an intrinsic unity and are essentially one, is the same as to say that this intrinsic oneness expresses itself in an external antithesis. If the interval of time between the two complementary phases of the complete metamorphosis of a commodity becomes too great, if the split between sale and purchase becomes too pronounced, the intimate connexion between them, their oneness asserts itself by producing - a crisis. The antithesis, use-value and value; the contradictions that private labour is bound to manifest itself as social labour, that a particularised concrete kind of labour has to pass for abstract human labour; the contradiction between the personification of objects and representations of persons by things; all these antitheses and contradictions, which are immanent in commodities, asset themselves, and develop their modes of motion, in the antithetical phases of the metamorphosis of a commodity. These modes therefore imply the possibility, and no more than the possibility of crises. The conversion of this mere possibility into a reality is the result of a long series of relations that, from our present standpoint of simple circulation, have as yet no existence.'