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“Red Sales In The Sunset”: The Rise And Fall of White Trader Dominance in the United States’ Navajo Reservation and South Africa’s Transkei¹

ROBERT “SKIP” VOLK

INTRODUCTION

This paper examines the role of white traders in two distinct locations: the Navajo Reservation in the United States and the Transkei, a former reserve in South Africa. Despite historical, cultural, and geographical differences, the imposition of colonial rule and the establishment of reservation structures in both regions meant that the indigenous populations endured many common experiences. In these situations, opportunities were present for a class of entrepreneurs to position themselves as intermediaries between these populations and the outside world, thereby becoming agents of change. These activities expanded and contracted in response to changing internal and external conditions. This paper’s intention is to further uncover the forces at work in the process of capitalist development in peripheral areas through a comparative analysis of these situations.

TRADERS AND INCORPORATION

World-system theorists use the term *incorporation* or *broadening* to describe the process whereby peripheral areas are absorbed into the global capitalist system controlled by the core nations.² Primarily an economic process, incorporation is shaped by many related factors, including but not limited to: the social organization and culture of the people being incorporated; the role of the region in the world economy; historical epoch; and the driving incentive—such as land, labor, or raw materials—of the incorporating society.³

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Several theorists have sought to refine Immanuel Wallerstein's rather cursory treatment of this process. Hall places incorporation on a continuum, beginning with initial contact and ending with complete absorption into the global economy.⁴ In her study of the Anishinaabe on the White Earth Reservation in Minnesota, Melissa L. Meyer outlines the role ethnicity played in the emergence of an interracial merchant class, as well as in reservation politics. Highlighting the heterogeneity on the White Earth Reservation, Meyer pays particular attention to an entrepreneurial class of mixed ancestry whose members, as cultural and economic brokers with off-reservation elements, often served as lightning rods during divisive periods of internal political turmoil.⁵

Wilma Dunaway describes incorporation as a dialectical process involving human agency and structure. More specifically, Dunaway, in her analysis of Appalachia, explores Cherokee responses to structural changes imposed by outside hegemonic forces from Britain, as seen through such areas as political organization and production activities.⁶ P. Nick Kardulias emphasizes the bilateral dimension of decision-making in his examination of the impact of the fur trade on Native American societies. Though based on debatable theoretical premises, this strategy underscores the importance of working across areas and groups in tracing the dynamics of incorporation.⁷ Many scholars, including those mentioned above, stress the importance and complexity of internal characteristics and responses of the peoples being incorporated.

This study expands these analyses in several ways. First, by focusing on the role of the traders, it recognizes that dominating forces also involve human agency. Whether building roads, hauling freight, exchanging gifts with local residents, or negotiating with national corporations, these merchants were acting with a degree of independence and initiative. Second, by comparing the actions of these agents in two distinct geographic settings, this analysis emphasizes the importance of structure in the incorporation process. This importance can be seen at multiple levels as traders worked to build an economic system of exchange within the institutional framework of a reservation. Finally, this research broadens the picture of ethnicity on reservations, as ethnic divisions remained rather sharp in both cases, in contrast to the situation found by Meyer at White Earth.

RESERVATIONS AND TRADERS

Reservations constitute areas set aside for the exclusive use of a particular ethnic or racial group. As such they represent peculiar situations where the economic forces are altered from more typical paths toward underdevelopment. These social formations are influenced by such factors as divergent land tenure systems, restricted and rigidly defined land-bases, political apparatus subservient to the national states, and tightly controlled commercial activities.⁸ To this point, most analyses have considered neither the differences between reservation and non-reservation processes of underdevelopment nor the similarities that exist across reservation situations. A crucial point in the establishment and reproduction of reservation economies is where agents connect capitalist and non-capitalist modes of production.

Traders operate at the interstices of capitalist and traditional modes of production,⁹ taking advantage of available opportunities by performing middle-merchant¹⁰ activities that connect local production systems with the national and international economies. While the military, government officials, and missionaries also serve to spread the material and ideological underpinnings of the capitalist mode, it was the traders who worked on a daily basis to undermine traditional consumption patterns by providing an outlet for locally produced goods and offering for sale items previously unneeded, unwanted, and perhaps even unknown. Moreover, traders participated in “expanded” middle-merchant activity such as labor recruitment and crafts promotion, which complemented extant activities and further impacted relations in these areas. These middle-merchant activities attest to the active role performed by many traders that had far-reaching consequences for the Navajo and Transkeian political economies. Ironically, as capitalist relations developed during the twentieth century, the importance of the white traders in both situations would subside, but to different degrees and for different reasons. To more fully understand these situations, it is necessary to show how the traders’ plights were interwoven with other historically specific factors such as population size, cultural differences, national economic forces, and state policies.

TRADERS ON THE NAVAJO RESERVATION

Officially, Navajo (Diné) territory became part of the United States with the acquisition of the Southwest from Mexico in 1848. At that time, small stock raising formed the backbone of a highly diverse Navajo economy. To fulfill subsistence needs, horticulture, gathering, hunting, weaving, raiding, and orchard husbandry supplemented herding to varying degrees depending on local conditions and preferences. Although emphasis was placed on subsistence activities, some trade occurred as intertribal routes connected the Navajo people with regions as far away as Sonora, Mexico.¹¹ Life on small homesteads spread over a vast, remote territory and a loosely organized political system left most Navajos relatively isolated. Though class divisions certainly existed, Navajo society exhibited a high level of equality. Sheep and goats represented the main form of wealth, although horses and silver-work later developed into important status symbols. Custom, family obligations, and easy access to land placed limits on inequality. Women enjoyed high status, owning much stock and occupying a key place in the division of labor. This status is reflected in marriage customs and Navajo mythology.¹²

Having settled in the Southwest centuries ago, the Navajos for the most part resisted domination until their military defeat in 1864 by the United States military. The approximately eight thousand surrendering Navajos—many impoverished and starving as the result of the scorched-earth war tactics used against them—were removed to Fort Sumner on what is called the Long Walk.¹³ Located several hundred miles away on the Bosque Redondo reservation along the Pecos River in eastern New Mexico, the difficult journey was the beginning of four years of continuous hardship that became permanently etched in the collective minds of the Navajo people.¹⁴

Although the four years of incarceration at Fort Sumner failed to establish the Navajo as sedentary farmers as intended, it did have far-reaching effects on their economy once they returned to the newly established reservation in 1868. Exposure to new products such as coffee, wheat flour, and sugar; new production techniques such as plowing and silver-working; and methods of exchange such as ration tokens were all taken back to Navajoland where they impacted economic decisions.¹⁵

The Establishment of Trading Posts

The Navajo Reservation was established on approximately 3.5 million acres centered around Fort Defiance, New Mexico. This area was eventually expanded to include some 15 million acres in New Mexico, Arizona, and Utah.¹⁶ The Navajo population grew rapidly, rising from an estimated eight to fifteen thousand upon their return to over twenty thousand at the turn of the nineteenth century to forty thousand by 1928,¹⁷ and exceeding 100,000 around 1970.¹⁸

The Navajo who survived the Long Walk faced different economic circumstances upon their return to this portion of their original homeland.¹⁹ The horticultural base decimated, herds reduced or destroyed, traditional trade links severed, raiding no longer viable, and use of much of their former land restricted, many Navajos were reduced temporarily to dependency on rations distributed at military posts. The US government distributed sheep and goats to the Navajo and these small stock quickly formed the heart of a highly specialized economy. Military posts served as market outlets for Navajo goods—chiefly wool and blankets—in the early reservation years. In addition to the trade conducted through the sutlers, some Indian Bureau agents actively promoted Navajo products in the East.²⁰ In return, Navajo could purchase the off-reservation goods to which they had grown accustomed at Fort Sumner.

Other interrelated factors directly and indirectly contributed to a situation in which business opportunities presented themselves to enterprising merchants. Seeds were in short supply, and those that were distributed by government officials were for cash crops.²¹ In addition to the government distribution of stock, commercial pastoralism was promoted in several ways over the years. Restrictions on the sale of ewes encouraged the propagation of herds.²² Efforts at breed improvement, designed to increase meat and wool production, began shortly after the turn of the century.²³ Sheep-dipping to ward off scabies began shortly afterward in 1907.²⁴ Irrigation projects that incidentally provided watering holes date back to 1880.²⁵ A tagging system to authenticate Navajo blankets was initiated in 1914.²⁶

Yet undoubtedly the most important factor contributing to this situation was the construction of the railroad in 1881. Passing just south of the reservation, the railroad greatly facilitated the movement of goods in the region. Previous to this time, goods had to be hauled by wagon from such distant places as Santa Fe and Las Vegas.²⁷ Border towns, which became centers of commercial activity, were established along the railroad lines and served as

the home bases for various wholesale houses.²⁸ The railroad provided the link between the Navajo Reservation and the national and international economies.

As market relations gained in importance, traders were licensed to fill the exchange functions once conducted at the military posts. Traders were protected by the US Army²⁹ and a monopsonistic (sole buying) position was enhanced by the restriction of outside purchasers from entering the reservation.³⁰ Combined with remote conditions and tight licensing laws that kept competition among traders to a minimum, traders were certain of a reasonable return on their investment.³¹ Due to their familiarity with the Navajo situation, many of the early traders were Mormons in the north and former army sutlers to the south. These traders were connected with wholesalers in the border towns, sometimes through ownership.³² In time these wholesale houses became controlled by larger businesses located in cities.³³

Several detailed accounts of the traders' experiences exist, both biographical and autobiographical.³⁴ These accounts tend to emphasize the rugged individualism, hard work, fairness, and contributions that traders made to life on the reservation. They also demonstrate the high level of initiative that individual traders displayed. For example, Elizabeth Compton Hegemann recounts how she and her husband, Harry Rorick, largely at their own expense, arranged to build a road to improve access to their remote post at Shonto, Arizona, providing wages to local Navajos in the process. She photographed the dashes another trader had painted across a rock bed to mark the path of a desert road leading to his post. Hegemann also recalls improving postal delivery from about once a month to once or twice a week by building a relay shed on the frequently traveled Kayenta road.³⁵

Other writers have noted how the trading posts became embedded in the cultural fabric as they became centers of social activity and as the Navajo people relied on the traders to perform extra-economic tasks.³⁶ These observations were based primarily on traders' perceptions and therefore may be exaggerated if not romanticized. Nevertheless, to the extent that this did occur, it certainly enhanced trade.

Mechanisms for Capturing Trade

The number of traders located on or near the Navajo Reservation grew dramatically in the early reservation period so that an estimated forty-eight posts were operating by 1890, increasing to an estimated seventy-nine by 1900, and approximately 132 by 1915.³⁷ This growth indicates the favorable circumstances for trade.³⁸ But the presence of monopolistic and monopsonistic elements does not mean that trade will automatically occur, because people may rely on former practices to some extent (production for consumption, intertribal trade), and certainly cultural resistance to change existed. Indeed, many Navajos reluctantly entered market relations, and attempted to do so on their own terms, as in the case of individuals who engaged in temporary wage-work as a means to purchase sheep, thus strengthening traditional subsistence activities.³⁹

Consequently, the traders did more than stock the shelves, hang a shingle, and open their doors to the public. They used devices tailored to local conditions to lure Navajo into their stores. These devices included barter, credit, pawn, tokens, wide product offerings, and notions of good will.

Initially, nearly all transactions occurred through barter as money was rarely seen on the reservation. In fact, it is reported that the Navajo held an aversion toward paper currency, checks, and even gold—an aversion that would last for decades. Silver was preferred when barter was not practical, because it was more highly valued and useful in crafts production.⁴⁰

The advancement of credit, especially during lean times between harvests and blankets, was an added inducement for Navajo to trade at the posts. Interest rates, however, were high. One trader reported charging 120 percent annually.⁴¹ Credit was further extended through the institution of pawn, as pawn racks became commonplace at trading posts. Navajos received credit for silver-work with the understanding that they could redeem the items within a specified period, usually not less than six months and sometimes much longer. If not redeemed, the trader was free to sell the items to other parties.⁴² In this manner, the pawn rack functioned as a bank, providing safe storage and collateral for Navajo patrons.

In situations in which Navajos brought in goods to exchange and found desired goods sold out, or when they did not wish to make purchases at that time, traders frequently issued tokens, commonly referred to as *scrip*, *seco*, *tin money*, or *trade money*. These tokens could be exchanged for goods at a later date.⁴³ Not representing legal tender, they could only be used at the post of issue, thus enhancing the monopolistic position of the trader.

Trade was also expanded by offering a greater variety of goods. Initially, Navajo patrons sought coffee, sugar, and flour for their bags of wool, blankets, and piñon nuts. Soon, processed foods, such as canned milk, fruit, and vegetables as well as cloth, metal tools, wagons, and saddles were being sold. Eventually, tobacco and soda pop became widespread addictions.⁴⁴ Considerable differences in inventory across posts on the reservation reflect the highly localized changes in Navajo material culture and demonstrate how individual merchants adapted their trading practices to surrounding conditions and clientele. For example, in 1916 one trader at Keams Canyon was discovered to have stocked a large number of baby bottles and nipples. Apparently local Navajo found them useful in feeding orphaned lambs.⁴⁵

Finally, traders used gestures of good will aligned with Navajo customs to foster good relations with regular and potential customers. For example, many traders donated food and prizes for local ceremonies and profited handsomely from the increased business. Another practice was to have available a jar of tobacco and papers so that patrons could help themselves to a smoke.⁴⁶ This custom attracted visitors and encouraged socializing, which undoubtedly led to more transactions.

Good relations spread in other more subtle ways. Some traders learned the Navajo language and attended important events. Others offered emergency first aid. A few traders married Navajo women.⁴⁷ These kinds of interaction enhanced mutual understanding and trust.

Expanded Middle-Merchant Activities

The exchange of wool for flour, coffee, and sugar constituted the bulk of transactions in the early period. Piñon nuts, hides, and blankets were also purchased by the traders. But the scope of the traders' activities did not remain limited to merely buying and selling products as they became increasingly involved in the production process itself by cultivating a craft industry. In this manner the traders and, to a lesser extent, the Navajo producers were able to capture some of the value added that accompanies processing, albeit in a limited product market that did not challenge other producers. Later, the traders served as labor recruiters for off-reservation employers.

Navajo blanket-weaving dates back to the seventeenth century. Spanish sheep and the Pueblo loom provided the basic ingredients for the weaving, while the Navajo's sheep-based economy allowed time for women to perfect the craft. Nevertheless, weaving was geared toward consumption with only a limited quantity entering the trade circuits. Traders, sensing potential profit, moved to turn this craft into a viable commercial enterprise connected to the Anglo market. This goal was accomplished in a variety of ways. First, several marketing routes were established, including direct catalog sales to customers, sales to wholesalers in reservation border towns, and agreements with large retailers, most notably the Fred Harvey Company. This network was strong enough to withstand a challenge from machine-made imitations. Second, blanket sizes and designs were altered toward Euramerican tastes. Third, tools and raw materials were changed to increase output. Traditional techniques placed severe limits on production because they were extremely labor intensive and time consuming. Consequently, a type of clippers replaced crude pieces of metal or knives for shearing sheep, cotton replaced wool in warp, synthetic dyes and the mordant to bind them replaced Native equivalents, and even commercial yarns were imported. Some traders went as far as shipping Navajo wool to off-reservation mills for carding, scouring, and dyeing before being returned for spinning and weaving by Navajo women. Many of these processes resulted in a degradation of quality, but retailers, in an effort to protect their market position, began rejecting blankets of inferior quality, forcing traders and weavers to make adjustments. Finally, traders imported lower cost Pendleton blankets for Navajo personal use, thereby freeing weavers to produce for the market.⁴⁸

Silver-work followed a similar pattern but with some noticeable differences. Silversmithing has a much shorter history among the Navajo than does weaving. Spreading during their confinement at Fort Sumner, these skills were fairly well-developed by the 1880s. Most of this production, however, was destined for Navajo use, encouraged by pawn and longstanding cultural value placed on conchas, bridles, buttons, rings, earrings, *ketohs* (bow guards), tobacco cases, bracelets, and other items made of silver. The tools used by the Navajo silversmiths were crude and were slowly replaced as traders spread across the reservation selling more efficient tools, including tin buckets to be used as forges, manufactured bellows and crucibles, borax for flux, sandpaper and emery paper for polishing, and various small tools. Eventually, ounce or sheet silver replaced US silver dollars and Mexican pesos as source silver, and

polished turquoise was provided to the smiths through a "farming out" system that would, for the most part, convert Navajo silversmiths to wage-workers. In fact, it was not long before workshops employed hundreds of Navajo and utilized mass production techniques.⁴⁹

Attempts to build an external market for Navajo silver-work were less successful than for blankets. This was offset slightly, however, by stronger internal demand as silver-work retained its cultural value among the Navajo people and continued to serve as pawn. Large retailers in the Southwest, most notably the Fred Harvey Company, that marketed Native American crafts through its railroad refreshment centers, worked closely with the traders to align silver-work qualities with the tastes of white tourists, which in general meant producing lighter pieces with more designs. External demand, then, was restricted primarily to the Southwest tourist trade. This market was effectively challenged by imitation machine-made jewelry produced in factories located in border towns and cities, sometimes employing Native American—largely Pueblo—labor in some stages of production.

The number of trading posts continued to grow, reaching 162 by 1935, until the Great Depression dealt a serious blow to the Navajo economy.⁵⁰ Wool prices plummeted and the external crafts market withered. A state-imposed stock reduction program designed to counter erosion on the reservation eliminated around 40 percent of Navajo stock⁵¹ and depressed production to sub-subsistence levels for many Navajo families, encouraging or forcing many Navajo men into New Deal work programs.⁵²

But it was the national labor shortage during World War II that provided traders with the opportunity to tap another source of income by serving as labor recruiters. In response to this shortage, the state permitted agents to recruit directly on the reservation. These agents are reported to have worked closely with the traders as trucks carried workers to various agricultural, mining, and industrial sites. Over 10,000 Navajos were reported to have been engaged in off-reservation wartime employment.⁵³

After the war the federal government worked with the states of Arizona and New Mexico to establish a permanent system of employment offices that, in conjunction with unemployment offices, placed Navajo in off-reservation work-sites. However, a major exception to this process was the railroad industry, which contracted traders as claims agents. The trader-agents were responsible for filling labor quotas based on a system of seniority and for arranging transportation to the main railroad offices in Winslow, Arizona.⁵⁴ Although seasonal, the railroads rapidly became the largest single employer of Navajo workers in the postwar period. This employment peaked in the mid-1950s when the earnings of over 6,500 Navajos exceeded \$8 million and an additional \$2 million in associated unemployment benefits each year. Subsequent changes in the railroad industry, however, most notably increased mechanization and its general decline in face of competition with highway and air transport curtailed employment opportunities. By the end of the decade the number of Navajo working on the railroad was a mere fraction of its mid-decade total, with only 1,666 employed in 1959.⁵⁵

As part of an overall process whereby the Navajo economy was being transformed to a money economy, labor recruitment offered advantages to

the traders over and above direct capitation fees. Most important of these was the increase in sales connected to income remitted from off-reservation employment and the relative decline in subsistence activities. Furthermore, since trading posts usually serve as post offices, the trader-clerks had access to information about their customers that facilitated debt collection.⁵⁶

The Demise of Trader Dominance

Perhaps paradoxically, the entry of so many Navajos into the wage-labor force did more than provide some economic benefit to the traders. Combined with other forces, wage-labor contributed to the undermining of the monopolistic and monopsonistic position enjoyed by the traders. World War II stands as the turning point in economic relations on the reservation, although many of the seeds, such as stock reduction and the New Deal work programs, had already been planted by this time.

The most important factor was the growing importance of cash income, relative to traditional economic activities. As late as 1940, over two-thirds of Navajo income was estimated to have come from agriculture (58.4 percent) and arts and crafts (9 percent). By 1958, these activities accounted for only 9.9 percent and 1.3 percent, respectively.⁵⁷ Government employment, off-reservation work mainly on the railroad, and to a lesser extent employment in mining and construction industries all contributed significantly to this increase in cash income. Transfer payments of various kinds also became important sources of support in this period, constituting approximately 16 percent in 1958.⁵⁸ Wage-work opportunities on the reservation continued to increase as energy projects, state-sponsored development programs, most notably the projects funded by the Navajo-Hopi Long Range Rehabilitation Act, the growth of tribal government, and the Bureau of Indian Affairs' policy of shifting administrative services to reservations employed larger numbers of people.⁵⁹ These trends continued so that in 1974, 65 percent of Navajo income came from wages and 24 percent came from transfer payments. Agricultural pursuits and crafts contributed only 2 and 6 percent, respectively.⁶⁰

Other factors working against the traders' position were the improvements in transportation and communication systems serving the reservation and the rise of alternative sales outlets for Navajo products. Increased contact with other areas and peoples and the spread of cars and trucks on the reservation simultaneously provided the knowledge and the means for conducting business elsewhere.⁶¹ The tribal council became more active in marketing Navajo goods, especially wool, in an effort to secure higher prices that further eroded the traders' monopsony. Efforts to establish cooperatives on the reservation as an alternative to the trading posts date back to the 1930s, despite trader resistance. However, none of the consumer goods cooperatives have lasted long.⁶²

In sum, the traders, once the predominant broker in the Navajo economy, now function differently, shunning barter, refusing extended credit between harvests or blankets, and not acting as the sole buyer of Navajo goods. Except in remote regions, trading posts operate more like local general stores where people buy gas and food. Data from 1973 indicate that the

Navajo spent well over half their income off the reservation, while many other purchases were made at discount stores in larger towns, particularly those with government centers.⁶³ Still, these trading posts continue to perform a function and remain part of the reservation setting. Based on Navajo Nation data, of the sixty-five trading posts currently operating on the reservation in the 1990s,⁶⁴ fifty are owned by non-Navajo who also hold half-interest in another three.⁶⁵ So in spite of efforts to promote Navajo business development and employment by the tribal government, whites remain in firm control of the trading post business in rural areas of the Navajo Reservation.

Historically, changes in the role of the traders on the Navajo Reservation correspond with the changes in the material conditions as capitalist relations become more developed and as the Navajo economy becomes increasingly connected to the world economy. Initially, state policy was guided by concern for social control and economic expediency. Allowing the Navajo to live in relative isolation with traders acting as the primary intermediaries fulfilled these goals for over a half-century. This also established what was basically a Navajo peasantry that produced primarily for subsistence and marketed a surplus to acquire additional items and meet other economic obligations.⁶⁶ Stock reduction, implemented in response to reports linking erosion on the reservation to the silting of the Hoover Dam,⁶⁷ undermined subsistence activities signaling a more active role by the state in Navajo affairs as economic activities based on traditional agricultural pursuits could no longer support a growing reservation population in face of fewer livestock and deteriorating ecological conditions. Contact with the outside world increased and the functions performed by the traders were diffused to government agencies at various levels, including employment offices, development projects, and welfare offices and seventy private employers and other businesses in the process. Thus, greater Navajo involvement in the national and world economy restricted the sphere of activities and influence of the white traders.

TRADERS IN THE TRANSKEI

Most residents of the Transkei are considered to be of Xhosa descent, a genealogical group that, along with the Zulu and Swazi, historically make up the larger ethnolinguistic group, Nguni. At the time of sustained European contact, beginning after the establishment of Cape Town in 1652, the Xhosas lived in scattered settlements enjoying the fruits of shifting horticulture and cattle-raising, supplemented by hunting and gathering. Traditional crops included sorghum, pumpkin, calabash, melon, beans, and some root crops. Wheat, sweet potatoes, potatoes, peas, and most importantly maize were among crops added later.⁶⁸ Although relying more on cultivation than neighboring groups,⁶⁹ cattle were given economic and cultural priority. Cattle were the most important form of wealth, carefully tended by men and required for the payment of *lobola*, the bride-price. A system of transhumance, or seasonal migration, was practiced to take advantage of different types of pasture.⁷⁰ Like most pastoralists, meat was rarely eaten; soured milk, however, was an important food source.

A diversified economy offered many advantages including stability. Cultivation, hunting, and collecting were intensified when herds suffered and restricted when herds prospered.⁷¹ Trade with outsiders was irregular and usually involved cattle and metal articles. Later, ivory became an important trade item but was limited by its exhaustible supply.

Britain regained control of the Cape Colony from the Netherlands in 1807. The expansion of trade and the military subjugation went hand-in-hand during the nineteenth century as Xhosa territory became part of the empire and then incorporated into the Cape Colony. Semi-annual trade fairs were established in Grahamstown in 1817 and later twice weekly at Fort Wiltshire on the Keishama River.⁷² In 1830 licenses were issued to traders of "good repute," permitting them to enter Xhosa territory to trade.⁷³ As trade expanded, it shifted from the hands of non-specialized Boers, or Dutch colonists, to full-time British merchants connected to wholesale houses in Cape Town and Port Elizabeth.⁷⁴

Trade relations connected to Britain were transforming the frontier region. Wool became the major export product of white farmers and the basis of trade for manufactured goods. The demands of sheep farming in terms of land and labor and the incessant need of British capital to increase the sale of manufactured goods pushed the frontier further into Xhosa territory. Traders were on the forefront of this expansion in the eastern Cape, as Denoon and Nyeko explain:

While the transformation of colonial and extra-colonial societies was proceeding, localised conflicts persisted. As the power which claimed responsibility for the whole region, Britain could decide which conflicts to ignore, which constituted a threat to colonial order, which local authorities to patronise and support, and which to suppress.... But with the expansion of the pastoral frontier in the interior, and the frontier of peasantisation along the coast, British direct responsibility tended steadily to expand. To the north, the British flag followed the trekboer; to the east, *it followed the trader*.⁷⁵

European encroachment upon African lands continued. A series of frontier wars were fought during the nineteenth century, each ending in the loss of more Xhosa land and the expansion of British authority. Effective military resistance was no longer feasible after 1857 when Paramount Chief Sirili, responding to the vision of his brother's daughter, Nongqause, and reportedly encouraged by missionaries, ordered followers to destroy their herds and crops in anticipation of the return of dead ancestors who would lead them into a new millennium. The destruction that ensued, combined with food losses associated with British scorched-earth war tactics, devastated most Xhosa communities as thousands of starving refugees either entered the Cape Colony in search of food and work or sought relief with neighboring groups.⁷⁶ The final military defeat of the Xhosa occurred in 1878. Most of the Transkei was formally annexed to the Cape Colony by 1886, with the exception of Pondoland, which was incorporated in 1894 and became part of the same administrative unit, the United Transkeian

Territories, in 1903. Constituting over 16,000 square miles along the southeastern coast, it represented the largest homeland in South Africa and maintained relatively stable boundaries.

Establishment of Trading Stations

The first trading stations were established in what became the Transkei soon after licenses began to be issued in 1830. These traders exchanged beads, metal, blankets, guns and ammunition, horses, and liquor, among other items, for ivory, cattle, and grain.⁷⁷ The number of trading stations grew dramatically as Africans were drawn deeper into market relations. William Beinart reports that in 1876 there were over fifty stations operating in Pondoland alone, and this number increased to ninety-nine by 1903, and 119 in 1905.⁷⁸ By 1932, there were 650 white traders conducting business in rural areas of the Transkei⁷⁹ and 705 in 1945.⁸⁰

Bundy has documented how some Africans, most notably the Mfengu, prospered by taking advantage of opportunities that market relations and outside circumstances, such as the South African War fought from 1899 to 1902, offered.⁸¹ Nevertheless, historical forces, of which the traders were a part, were in place, working against the interests of the African population in the Transkei. The military defeats of the frontier wars noted earlier; the encroachment of the Trekboers to the North; the population shifts and disruptions associated with Shaka's rise to power among the Zulu;⁸² and the discovery of diamonds in Kimberley in 1867 and to a lesser extent gold on the more distant Witwatersrand in 1886 all resulted directly and indirectly in the loss of land and contributed to increased congestion in the territory. In addition to the cattle-killing mentioned above, traditional economic activities were further disrupted by a series of droughts,⁸³ as well as rinderpest and East Coast fever epidemics that devastated cattle herds in the region from about 1896 to 1913.⁸⁴

In face of severe labor shortages that mining development fueled in the national economy of South Africa, state policy was designed to induce Africans to leave their lands and seek wage-work, eventually turning the homelands into labor reserves. This policy and its consequences have been well-documented and discussed.⁸⁵ These measures included poll and hut taxes, which could only be paid in cash and thereby forced residents to sell their surplus or seek wage-work. Land laws, especially the 1913 Native Land Act, prevented Africans from acquiring more land and eliminated sharecropping ("farming on the half"), driving many African families and their livestock to the reserves.⁸⁶ Restrictions on the movement of cattle as part of the effort to control East Coast fever, in effect until 1930, disrupted transhumance patterns and devalued African cattle.⁸⁷ Pass laws were instituted to direct the flow of labor to specific job sites on a temporary basis in a manner that protected the labor supply of white farmers.⁸⁸ Later, in the face of serious erosion problems, so-called "betterment schemes" limited and controlled the production of livestock in the Transkei. Attempts to lower the absolute number of livestock, however, were largely unsuccessful.⁸⁹

Mechanisms for Capturing Trade

Traders, representing the driving wedge of colonial expansion into the Transkei, frequently worked closely with chiefs and in time became part of the social structure and cultural fabric. Their position was strengthened by the custom and statute, Proclamation 11 of 1922, prohibiting licenses from being issued to white traders within five miles of an already established station.⁹⁰ A two-mile rule applying to Africans was of little consequence because of the lack of capital and contacts to external wholesale firms. A similar rule codified in Proclamation 164 of 1934 and Proclamation 11 of 1952 prevented the same party from owning more than one store within a twenty-mile radius.⁹¹ Thus, a monopolistic position was enhanced as local traders were protected from competition from nearby stations and from the formation of multi-store chains that could undercut prices and attract customers over greater distances. Moreover, African necessity to obtain cash to pay taxes forced residents to market part of their produce or seek wage-work. Hence, the traders were in an advantageous position to benefit from the situation shaped by historical circumstances, state policies, and the changing national economy.

Like the traders on the Navajo Reservation, however, these merchants used similar methods and strategies intended to increase business—barter, credit, tokens, product variety, and expressions of good will. These mechanisms worked to overcome resistance to change that entering market relations entails. Many Xhosas preferred subsistence activities, selling enough surplus to meet necessary obligations or engaging in wage-work on a temporary basis, frequently to acquire livestock.

Barter dominated early trade as Africans had little access to cash but were willing to trade ivory, cattle, hides, and grain for items they desired. The circulation of English coins increased throughout the nineteenth century, however, especially in the face of cattle epidemics and drought that limited the availability of these items. Coins even became an expected part of the *lobola* in some areas.⁹² While government authorities and some traders⁹³ discouraged barter, it continued into the twentieth century, especially in indirect form.⁹⁴ Some Xhosa complained of abuses of barter by traders.⁹⁵

Credit was extended in various ways to Transkeian residents. Purchases made on credit were common but subject to higher prices. In fact, credit prices were reported to be twice as high.⁹⁶ Traders also acted as moneylenders, making cash advances to patrons in need. Interest rates were extremely high, ranging from 150 percent to over 400 percent.⁹⁷ Debts were sometimes guaranteed through the use of cattle as collateral.⁹⁸ In fact, in what appears to have been an adaptation of the traditional custom *sisá*, cattle are in a sense pawned and continue to graze on the original owner's land until the debt is settled through redemption by the patron or confiscation by the trader.⁹⁹ The total value of debt owed to traders in the Transkei was estimated to have reached one million pounds by the early 1930s.¹⁰⁰

The use of tokens, sometimes referred to as *passbooks*, *coupons-for-credit*,¹⁰¹ or *tickets*,¹⁰² but more commonly known as *good fors*, were also issued by traders in lieu of cash for goods purchased from Transkei residents. These tokens, made of metal pieces or paper slips, served to tie patrons to the local trading

station¹⁰³ and entitled customers to make future purchases at the store.¹⁰⁴ Testimony before the Transkeian Territories General Council in 1923 reveals dissatisfaction with this arrangement:

There was a tendency when they took mealies [corn] to Traders for sale for them to give a small piece of paper, or a little tin thing, but they could not go and buy at another trader's shop with that paper. When they sold mealies at a shop they wanted money to pay their hut tax, but they could not take these notes to the office.¹⁰⁵

Traders offered an increasingly wide range of products in their stations to entice local residents into negotiation. These products included both consumption and production goods. Guns and ammunition became less important after the military subjugation and the decline in available game. Nevertheless, the stores' shelves were stocked with processed food and manufactured goods including such items as tea, coffee, sugar, pepper, canned meat, bread, and wheat flour. Blankets and cotton articles replaced hides as preferred clothing fairly early in this process. One trader in 1865 estimated that 7,500 Whitney blankets, imported from England, were sold every year in the Transkei, replacing the traditional *kaross*, a garment made of animal skins.¹⁰⁶ Traders took out licenses to sell medicines at their stations, as well.

As is the case with the Navajo's merchants, traders in the Transkei demonstrated their capacity to adjust to local conditions and people and to overcome traditional preferences. For example, Haines reports that some traders' families engaged in dressmaking, while others specialized in making wedding cakes.¹⁰⁷ Clearly, consumption patterns were being transformed as traditional goods and services were replaced with new ones and as new wants became necessities.¹⁰⁸

The importation of production goods had an important effect on the landscape of the Transkei and its inhabitants. Plows were becoming widespread by the 1870s, eventually supplanting shifting horticulture as the primary means of cultivation.¹⁰⁹ This transition affected the division of labor with males becoming more involved in farming.¹¹⁰ It also had ecological ramifications as more land could be cultivated by the same number of people, and as greater emphasis was placed on grain production. New cash crops such as wheat, barley, and oats were also introduced.¹¹¹ Similarly, sheep, imported in large numbers beginning before the turn of the century, began to compete with cattle for grazing areas as wool became an important cash crop. Indeed, there were an estimated 1,720,223 woolled sheep in the Transkei in 1918.¹¹² Other items included sledges, wagons, metal hoes, and various tools. In short, production methods were altered and traditional crafts and manufacturing activities waned.¹¹³ Even storage pits for grain fell into disuse as people would sell their grain to the traders and repurchase it at a later date at a considerably higher price. There has been speculation that this practice may have been encouraged by the possibility of avoiding family obligations because wealth could be kept from public view.¹¹⁴

Notions of good will also worked to the traders' best interests.¹¹⁵ Traders performed a variety of functions for Africans such as building coffins for the

dead, assisting in wedding ceremony preparation, and advising on official forms. Perhaps the most prevalent of these notions was the custom of *basella* or *pasela*. This custom obliged the trader to present the African customer with something extra, a gift, after a transaction, especially one of significance, was completed. While social customs, laws, and white-supremacist ideology placed limits on intimacy, these activities undoubtedly represented signs of friendship and served to bond traders and patrons, albeit within a paternalistic context.¹¹⁶

Expanded Middle-Merchant Activities

Buying and selling were the two functions performed by traders in their initial contact with Africans in the Transkei. Many Africans prospered, most temporarily, by taking advantage of the market opportunities opened to them through the traders in response to national and international forces. But as the production of cattle, milk, and grain declined below subsistence levels and as the reality of scarcity and economic hardship became pervasive, these functions were increasingly interconnected with—and subordinate to—the demands of labor migrancy.¹¹⁷

Traders benefited from migrant labor in two ways. First, they acted as labor agents and recruiters for the mines. Second, much of the income remitted by workers to the Transkei ended up in the traders' hands through purchases or the payment of debt. In time, this second benefit would supersede the first in importance as production declined in the face of deteriorating conditions, forcing people to live permanently off the reserve. Because of this, the traders' recruitment positions were undermined.

Organized efforts by the mine owners—led by the Chamber of Mines—to increase and direct the flow of African workers to the mines dates back at least as far as 1897, when they established the Rand Native Labour Association, later replaced by the Witwatersrand Native Labour Association (WNLA), and then by the Native Recruiting Corporation (NRC) in 1912.¹¹⁸ At that time labor shortages were threatening to increase wages and curtail production, a situation also threatening white farmers who were in a weaker position to compete with higher wages. Labor recruitment was highly competitive since private contractors controlled much of the labor supply. Traders and chiefs played a key role in the migrant labor system. Contracted as agents, traders were paid a fee, typically two pounds, for each recruit delivered.¹¹⁹

Encouraged by this source of revenue, traders induced Africans deeper into debt and used this as a lever to persuade them to enter labor contracts.¹²⁰ One of the most effective means was the cattle system, whereby traders sold livestock to prospective workers on credit under the condition that they would be repaid after completion of a stint at the mines.¹²¹ Traders also were permitted to extend cash advances, provided by the mining companies, of five pounds against the future salaries of contract workers.¹²² In 1914, it was estimated that capitation fees paid to trader-recruiters in the Transkei amounted to 200,000 pounds annually, and another 200,000 pounds financed advances.¹²³ Jeeves reports that this system lent itself to widespread abuses. Lies and misrepresentation, excessive salary advances and credit extensions,

liquor, and bribery of chiefs and headmen constituted some of the fraudulent devices used in labor recruitment.¹²⁴

Conditions continued to worsen in the Transkei as population density increased and range and farm lands deteriorated. The estimated de facto population grew from 892,100 in 1916 to 1,107,100 in 1936,¹²⁵ 1,180,927 in 1946,¹²⁶ and 1,372,000 by 1960,¹²⁷ with population density increasing from 65.5 per square mile to 91.8 over the same period. At the same time agricultural production stagnated with livestock figures remaining relatively unchanged since 1925.¹²⁸ While grain output fluctuates widely from year to year due primarily to erratic rainfall, a downward trend began in 1919¹²⁹ with a 25 percent decline occurring in the 1930s.¹³⁰ Whereas at the turn of the century Transkei residents were marketing a surplus of grain, about half the grain consumed during the third decade was imported.¹³¹ As landlessness and inadequate access to land increased and as recruitment efforts intensified, thousands of men left the Transkei in search of wage employment. The number heading for the mines increased from 8,500 in 1893 to over 50,000 in 1910.¹³²

While the seasonal contract, the compound system that confined workers on site, and wage agreements between mines kept the cost of labor down, the cost of recruitment remained high. This situation changed when the exodus of men from the reserves allowed the mine owners to challenge the monopsonistic position of the private recruiters and traders as the NRC became the dominant recruiter around 1920.¹³³ The mine owners' efforts to lower competition for recruits and eliminate the costs of intermediary agents were supported by the state in the form of the Assisted Voluntary Scheme. Introduced in 1928, it allowed workers to bypass the recruiters by providing them with railroad fare and a £2 advance. In return, workers would have a say in their contract length and mine location.¹³⁴ By 1931, approximately one-third of the mine recruits in South Africa entered contracts using this method, rising to one-half in 1942.¹³⁵

Traders were unable to thwart changes in the operation of the migrant labor system, including the phasing out of cash advances in favor of a system of deferred pay where part of miners' wages were sent directly home to the reserves.¹³⁶ Still, the traders benefited from this arrangement. Deferred pay served the dual purpose of encouraging miners to return home and placing part of their income within the sphere of trader influence. But it also signaled the changing role of the traders in the Transkei as they, along with their patrons, became increasingly dependent on remitted income for survival.

The Demise of the Traders

The decline of agricultural production and the massive migration of people from the Transkei lay at the heart of the process whereby the position of the white traders was economically and politically undermined. Overall in South Africa the number of Africans living in urban areas moved from approximately 14 percent in 1921 to over 25 percent by 1950, and to 33 percent in 1970.¹³⁷ The permanence of this urban population is indicated by the growing number of women among them.¹³⁸ In the Transkei, the absentee rate for

males between the ages of eighteen and fifty-four for at least part of the year, already high at 53 percent in 1936, climbed to 83 percent in 1974.¹³⁹

This movement to urban areas exposed many Xhosa people to new experiences and consumer opportunities. Modest improvements in infrastructure also encouraged residents to shop elsewhere.¹⁴⁰ Supermarkets were opened in the Transkeian towns of Umtata and Butterworth.¹⁴¹ Also noteworthy was the attempt to market African produce directly to wholesalers to improve quality and secure higher prices, bypassing the traders. For example, wool was sold directly to the South African Wool Board through a cooperative organized by the Department of Agriculture and Forestry.¹⁴²

As the labor situation became more complicated with the demands of industrialization and concomitant urbanization, the South African state continued to develop mechanisms for controlling the African population based on the premise of racial separation, or what eventually became known as apartheid. This effort intensified with the election of the Nationalist Party in 1948. In terms of ideology and state policy, the presence of white traders on the reserves did not fit well into the plan for separate development, which called for the eventual establishment of independent nations drawn along ethnic lines. Consequently, African business ownership on the reserves was promoted. By the middle of the 1950s, for example, no new trading licenses were being issued to non-Africans.¹⁴³

Pressure in this area mounted as the time to convert the reserves to independent nations neared. In 1964 licensing practices designed to protect the traders' monopolies were abolished, opening them to increased African competition.¹⁴⁴ Despite organized resistance from the traders, a plan was implemented to compensate traders and remove them from the Transkei. On the eve of Transkei "independence" in 1975, 562 of the 653 white-owned trading stations had been purchased by the government-owned Xhosa Development Corporation (XDC), 474 of these having already been resold to Africans.¹⁴⁵ Southall notes that the XDC, while in the process of acquiring and reselling trading stations, became an effective competitor to the remaining stations because of the considerable number of stores it operated during the transition.¹⁴⁶

In the Transkei, then, the white traders established themselves during colonization and became the primary conduits connecting this area to the national and world economies. The traders worked to expand custom and benefited from state policies that initially oversaw the peasantization of the resident population, and later sought to convert these peasants to migrant wage-workers. Resistance to entering market relations on the part of many Xhosa residents who preferred subsistence activities was overcome by the realities of increased poverty on congested and deteriorating land. Increased contact with the outside world weakened the traders' position by giving residents the opportunity to shop elsewhere. Moreover, the benefits of migrant labor to the white traders proved to be short-term as the attempt to reduce the cost of labor recruitment precipitated programs designed to limit the traders' role in the migrant labor system. Finally, the demands of a policy of population and labor control based on racial separation dealt the final blow to white trader dominance in this region.

DISCUSSION

This analysis has demonstrated how for a considerable period white traders were the main articulating agents between capitalist and non-capitalist modes of production on both the Navajo Reservation and in the Transkei. As buyers and sellers, these middle-merchants presented resident populations with production and consumption options previously unknown, connecting their livelihoods with larger national and international economic forces in the process. In both cases, similar devices—barter, credit, tokens, variety in cheap manufactured and processed goods—were used to enhance custom. Also in both cases, the importation of production tools and materials changed the social and physical landscape. Indeed, while facilitating incorporation of these areas into the periphery of the world system, the traders' activities represented the linchpin of a process driving production levels below subsistence overall, setting the stage for migrant labor, from which they also profited.

At the same time, expanding trade worked at another more subtle but nevertheless important level involving social relations on the reservations. It encouraged accumulation, promoted inequality, contributed to an undermining of traditional values that emphasized kinship responsibilities, and altered the division of labor. Monica Wilson describes this process from the position of a wealthy man in a rural South African community:

In the traditional societies a man with 50 head of cattle, and wives and daughters to cultivate, and sons to herd and hunt, had more choice food than his family could consume. They built their own huts and made their own clothes and utensils, and opportunity for trading was very limited. The rich man distributed his wealth, and gained prestige by doing so, just as a millionaire distributes wealth and gains prestige in contemporary society. But once trade with the outside world developed, potential consumption, beginning with beads and blankets and expanding to include fine houses and pianos, education, and overseas travel, was enormously greater. He who had felt himself rich in possession of cattle was now poor in terms of new wants.¹⁴⁷

This description illustrates the cultural impact of penetrating capitalist relations, as resistance to change eventually gives way to new experiences and living conditions. Traders were at the center of this process, functioning as cultural brokers, promoting western ways and ideas through their continuous efforts to maximize profits.

The power of trade vis-a-vis the other mechanisms whereby capitalist relations supplant traditional ones, force and taxation, is also underscored through this analysis. This is more obvious in the Navajo case in which the reservation population enjoys partial tax-exempt status and where force played a relatively minor role after the establishment of the reservation. But it was also shown how traders were at the forefront of colonial expansion into the Transkeian territory. In reservation areas, where land alienation is technically impossible legally, capitalist relations continue to penetrate with trade providing the cutting wedge.¹⁴⁸

It was in the area of expanded middle-merchant activities that differences reveal divergent developmental trajectories. Traders on the Navajo Reservation, not part of the institutional arrangement until after military subjugation, actively participated in all aspects of building a crafts industry, whereas no parallel development took place in the Transkei. Involvement in the migrant labor system, on the other hand, was more extensive and of longer duration among Transkeian traders, and is connected to the importance of the export of primary products of the semi-peripheral South African economy. Their dependency on labor migrancy, indirectly through remitted income, continued long after their exit from the recruiting scene.

Thomas D. Hall stresses the importance of contextualization within the processes of the world-system in understanding frontier and local history.¹⁴⁹ Thus, the distinct historical-political contexts must be examined to explain these differences. Factors that stand out in this regard are population size, ideology, and resource endowment.

The treatment of the Xhosas has been influenced by their large numbers, both independently and as a part of a larger African minority, actually constituting a numerical majority in South Africa. This treatment has to be seen within the context of a racial ideology that emphasized, and was dominated by, "master-servant" relationships. Consequently, the extensive contact that whites have with Africans throughout South Africa makes the possibility of building an industry based on exotic, indigenous art and crafts remote. In contrast, the Navajo population (and Native Americans in general) constitutes a very small part of the national population and is isolated. The celebration of their talents and skills does not undermine the basic ideology upon which the political economic structure rests. Though paternalistic, white stereotypes of Native Americans have vacillated historically but cannot be described as master-servant in character given the absence of Native American slavery from the public consciousness.¹⁵⁰ Moreover, this industrial activity neither challenged existing national capital nor spread to other markets that would.

The size of the population of the Transkei also enhances their usefulness as a cheap labor pool. Policies were implemented to transform independent producers into migrant wage-workers. Traders performed a pivotal role in this process. Navajo participation in the migrant labor system was never vital to the national economy, especially in the presence of Mexican labor. Also, due to their small numbers and the resources generated by a core economy, the benefits of transfer payments through government-assistance programs were more readily extended to the Navajo population, indirectly benefiting the traders through increased sales.

Also of importance is mineral resource endowment. Rich in oil, uranium, and coal, the Navajo Reservation attracted mining capital. Infrastructure development, needed by and financed in part by energy development, contributed to the erosion of the monopolistic position of the traders, as did the rise of cash income, also provided to a limited extent by energy development. The development of the formal political system, the Navajo Tribal Council, was financed to a great extent by mineral royalties.¹⁵¹ It attempted, like its Transkeian counterpart, to promote Navajo entrepreneurial activity and

employment opportunities, but without the ideological imperative of racial separation. Thus, the removal of white interests from trading posts was not paramount. In contrast, the presence of white trading stations in the Transkei was an anathema to the principles of apartheid and precipitated their extrusion.

CONCLUSION

The specific sociohistorical contexts, however crucial, should not overshadow the pivotal role played by traders in both reservation settings. This analysis has demonstrated the important role of human agency among the dominating forces in the process of incorporation of these two areas into the world system. At the same time, reservation structures shaped these situations, presenting opportunities to these entrepreneurs.

In striking contrast to what Melissa Meyer found among the Anishinaabe at the White Earth Reservation, racial lines remained sharply drawn on the Transkei reserve and the Navajo Reservation. This is particularly the case in the Transkei, where South African custom and law strongly condemned miscegenation, as exemplified by the Mixed Marriages Act (1949) and the Immorality Act (1950) that prohibited interracial marriage and sexual relations, respectively. In the Navajo situation the remote conditions and the generally infertile lands that discouraged encroachment by white settlers served to limit contact between these groups. The number of traders was very small and isolated. Thus, the possibility of a class of mixed ancestry emerging that would be on the cutting edge of assimilation with the larger society was minimal.

Frank McNitt makes the case that reservation trading posts in the United States Southwest were different in character and function from all other commercial establishments. Other frontier general stores, for example, such as those in Ohio, Illinois, and Missouri, "were soon surrounded, swallowed up, and left drowsing in the backwash of the western movement to the Rockies."¹⁵² On the other hand, in her comparison between Navajo and Basotho women, Betty J. Harris observes that European traders never became an important or permanent fixture on the Lesotho landscape, which is made even more striking by its proximity to and historical parallels with the Transkei.¹⁵³ But Lesotho, although a British protectorate, avoided incorporation as a reservation in the political structure of South Africa and eventually gained independence. These observations point to the integral part that white traders play in reproducing reservations. Perhaps most revealing is that the removal of the white traders from the Transkei foretold the dissolution, completed in 1994, of the Transkei itself.

These observations are consistent with the position taken here: that the history of the white traders and reservations were intricately interwoven. Using similar mechanisms, the traders drew local populations deeper into exchange relations. While communal land tenure prevented complete dispossession, trade and population growth pushed production below subsistence levels, contributing to serious soil erosion and spawning middle-merchant activities and labor migrancy. Indeed, while the mechanisms surrounding trade described here may constitute essential features of the incorporation process

affecting many indigenous populations in the world, this analysis suggests that reservation structures, when combined with sharp racial boundaries, may extend the functions of traders well beyond what occurs in other areas.

Certainly this analysis is far from complete. For example, the impact of the traders on inequality, especially in regard to incorporation by the Navajo and Xhosa is essential to more fully understand these situations. Historical comparisons between reservation (Transkei) and non-reservation (Lesotho, Botswana) areas may reveal more insight on the place of reservation structures in the underdevelopment process.

Advancing our understanding of the world system depends to an extent on the recognition that development is not a uniform process, varying by such factors as location, human agency, ethnic relations, intermediate structures like reservations, and historical circumstances. The challenge facing world-systems theorists is to incorporate this complexity into these historical processes. Comparative analyses offer much potential in this effort.

NOTES

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The title of this paper was suggested by Miguel Vasquez and is a play on words from the song "Red Sails in the Sunset" written and composed by Jimmy Kennedy and Hugh Williams, respectively. Used as an ethnophaulism for Native Americans, *red* also applies to the South African setting referring to more traditional Africans (versus "school Natives"). The use of this term has been strongly criticized by Bernard Magubane, "The 'Xhosa' In Town, Revisited Urban Social Anthropology: A Failure of Method and Theory," *American Anthropologist* 75 (1973): 1701-1715.

2. For a brief overview of this concept, see Thomas R. Shannon, *An Introduction to the World-System Perspective* (Boulder: Westview Press, 1996), 128-29. Shannon also provides an excellent overview of world-system theory in general.

3. Thomas D. Hall, "Native Americans and Incorporation: Patterns and Problems," *American Indian Culture and Research Journal* 11:2 (1987): 2; Melissa L. Meyer, "Signatures and Thumbprints: Ethnicity among the White Earth Anishinaabeg, 1889-1920," *Social Science Quarterly* 14:3 (1990): 306.

4. Hall, "Native Americans and Incorporation," 1-30; *Social Change in the Southwest, 1350-1880* (Lawrence: University Press of Kansas, 1989). Hall has probably done more to advance the concept of incorporation than any other theorist. Also see "Incorporation in the World-System: Toward a Critique," *American Sociological Review* 51 (1986): 390-402; "The World-System Perspective: A Small Sample from a Large Universe," *Sociological Inquiry* 66:4 (1996): 440-454.

5. Melissa L. Meyer, *The White Earth Tragedy: Ethnicity and Dispossession at a Minnesota Anishinaabe Reservation, 1889-1920* (Lincoln: University of Nebraska Press, 1994); "Signatures and Thumbprints." The Anishinaabe formerly have been called Chippewa and Ojibwa.

6. Wilma A. Dunaway, "Incorporation as an Interactive Process: Cherokee Resistance to Expansion of the Capitalist World-System, 1560–1763," *Sociological Inquiry* 66:4 (1996): 455–470. Also see Dunaway's *The First American Frontier: Transition to Capitalism in Southern Appalachia, 1700–1860* (Chapel Hill: University of North Carolina Press, 1996).

7. P. Nick Kardulias, "Fur Production as a Specialized Activity in a World System: Indians in the North American Fur Trade," *American Indian Culture and Research Journal* 14:1 (1990): 25–60. Specifically, the treatment of fur trade as craft specialization, and the (tautological) rational choice model of decision-making are theoretically problematic.

8. For a theoretical discussion of these factors, see my "An Historical Analysis of the Functions and Reproduction of the Navajo Reservation," (Ph.D. diss., University of Illinois, 1987): 1–23, 257–268.

9. The phrase *traditional modes of production* refers here to the forces and relations of production of social formations not organized according to capitalist principles. As such, the means and objects of production are not commoditized, but are geared toward use. *Noncapitalist* and *precapitalist* modes of production are parallel terms but contain obvious bias. It is suggested that the use of *precapitalist mode of production* be limited to social formations contacted with capitalist forces, with the recognition that they may never be fully capitalized. This is especially important given the limits that reservation status places on the alienation of land.

10. This term, suggested by Mark Beeman, avoids the sexist connotation and is more descriptive than the more often used *middleman*.

11. Garrick Bailey and Roberta Glenn Bailey, *A History of the Navajos: The Reservation Years* (Santa Fe: School of American Research Press, 1986), 56; Willow Roberts, *Stokes Carson: Twentieth-Century Trading on the Navajo Reservation* (Albuquerque: University of New Mexico, 1987), 14; Katina Simmons and Carol Stout, *East Meets West: Oriental and Navajo Floor Rugs* (Albuquerque: Maxwell Museum of Anthropology, 1975).

12. Mythology and marriage customs have much in common with those of neighboring Puebloan societies and probably took shape in previous times when the Navajo forebears relied more on horticulture. See Klara Kelley and Harris Francis, *Navajo Sacred Places* (Bloomington: Indiana University Press, 1994), 212–217; Clyde Kluckhohn and Dorothea Leighton, *The Navaho* (Cambridge: Harvard University Press, 1962), 34–35.

13. For an examination of the historical record of the military campaign against the Navajo, see Lawrence Kelly, *Navajo Roundup: Selected Correspondence of Kit Carson's Expedition Against the Navajo, 1863–1865* (Boulder: Pruett Publishing, 1970).

14. Kluckhohn and Leighton, *The Navaho*, 40–41.

15. Volk, "Functions and Reproduction of the Navajo Reservation," 45–47.

16. James F. Goodman, *The Navajo Atlas* (Norman: University of Oklahoma Press, 1982), 3, 56; Kluckhohn and Leighton, *The Navaho*, 43.

17. Robert W. Young, *The Navajo Yearbook: 1954–1961: A Decade of Progress* (Window Rock, NM: Bureau of Indian Affairs, Navajo Agency, 1961), 195: 104.

18. Goodman, *The Navajo Atlas*, 61.

19. Although not addressed in this analysis, the Navajo situation is complicated by a number of factors. Many Navajos, including some who avoided incarceration at Fort Sumner, settled on lands outside reservation jurisdiction and continued to engage in

traditional subsistence activities until traders encroached a few decades later. Some of this land was included in additions to the reservation, while other parts remained in the public domain or were granted by the federal government to the railroad. Many traders established posts on non-reservation lands to avoid regulation and facilitate access to markets. These traders could run livestock, for example, and compete with their Navajo customers for range land. For a description of land use, see Klara B. Kelley and Peter M. Whiteley, *Navajoland: Family and Settlement and Land Use* (Tsaile, AZ: Navajo Community College Press, 1989).

20. Raymond Friday Locke, *The Book of the Navajos* (Los Angeles: Mankind Publishing, 1976); John Upton Terrell, *The Navajos: The Past and Present of a Great People* (New York: Weybright and Talley, 1970); Ruth Underhill, *The Navajos* (Norman: University of Oklahoma Press, 1971).

21. Terrell, *The Navajos: The Past and Present of a Great People*, 209; Underhill, *The Navajos*, 154.

22. New Mexico Association on Indian Affairs, *Urgent Navajo Problems: Observations and Recommendation Based on a Recent Study* (Santa Fe: NMAIA, 1940), 6; Roberts, *Stokes Carson*, 51.

23. Charles Avery Amsden, *Navaho Weaving: Its Technic and History* (Santa Ana, CA: Fine Arts Press, 1940), 199.

24. Underhill, *The Navajos*, 222.

25. US Department of Interior, *Annual Report of the Commissioner of Indian Affairs* (1880), 131–132.

26. US Department of Interior, *Annual Report of the Commissioner of Indian Affairs* (1914), 36–37.

27. Klara B. Kelley, “Commercial Networks in the Navajo-Hopi-Zuni Region” (Ph.D. diss., University of New Mexico, 1977), 143; Frank McNitt, *The Indian Traders* (Norman: University of Oklahoma Press, 1962), 112; Underhill, *The Navajos*, 181.

28. Kelley, “Commercial Networks in the Navajo-Hopi-Zuni Region”; McNitt, *The Indian Traders*.

29. Amsden, *Navaho Weaving* (p. 176) reports a specific episode when threatened storeowners at Washington Pass were promised a troop of calvary to protect them by the agent at Fort Defiance. The fact that traders kept firearms in their stores indicates their susceptibility to hostility. This risk is also underscored by personal accounts. For example, noting that robbery and murder were “ever-present risks,” Edward T. Hall describes such an incident that occurred in 1919 in *West of the Thirties: Discoveries Among the Navajo and Hopi* (New York: Anchor Books, 1994), 154–158. Trader Elizabeth Compton Hegemann claims that about fifteen traders were killed and their posts burned between 1905 and 1930; *Navaho Trading Days* (Albuquerque: University of New Mexico Press, 1963), 316. Though unconnected to the traders, Left Handed (b. 1868), describing his childhood on the reservation, tells of a large number of Navajos fleeing in fear upon hearing the news that troops were coming in pursuit of a Native person accused of murdering a white man. Walter Dyk, *Son of Old Man Hat: A Navaho Autobiography recorded by Walter Dyk* (Lincoln: University of Nebraska Press, 1966), 183–197.

30. US Senate, *Survey of the Conditions of the Indians of the United States*, 70th Cong., 2nd sess., Hearings (Washington: Government Printing Office, 1932), 8936, 9813; Lawrence David Weiss, *The Development of Capitalism in the Navajo Nation: A Political-Economic History* (Minneapolis: MEP Publications, 1984), 74.

31. US Federal Trade Commission, *The Trading Post System on the Navajo Reservation* (Washington: Government Printing Office, 1973), 10–12.

32. Amsden, *Navaho Weaving*; James F. Downs, *The Navajo* (New York: Holt, Rhinehart, and Winston, 1972); McNitt, *The Indian Traders*; Gladwell Richardson, *Navajo Trader* (Tucson: University of Arizona Press, 1986).

33. Kelley, "Commercial Networks," 36.

34. See, for example, Hegemann, *Navaho Trading Days*; McNitt, *The Indian Traders*; Richardson, *Navajo Trader*; Roberts, *Stokes Carson*.

35. Hegemann, *Navaho Trading Days*, 189, 274–277, 311–312.

36. See, for example, Robert S. McPherson, "'Naalyéhé Bá Hooghan—House of Merchandise': The Navajo Trading Post as an Institution of Cultural Change, 1900 to 1930," *American Indian Culture and Research Journal* 16:1 (1992): 23–43; US Federal Trade Commission, *The Trading Post System on the Navajo Reservation*, 11–12.

37. Kelley, "Commercial Networks in the Navajo-Hopi-Zuni Region," 188.

38. Even as late as 1973 a study by the Federal Trade Commission attributed the higher prices (estimated to be 27 percent higher than the national average) on reservation trading posts to "geographical monopoly." US Federal Trade Commission, *The Trading Post System on the Navajo Reservation*, 16–17.

39. Bailey and Bailey, *A History of the Navajos*, 157–158.

40. Amsden, *Navaho Weaving*; Downs, *The Navajo*; Elizabeth Compton Hegemann, "Navajo Silver," *Southwest Museum Leaflets* No. 29 (Los Angeles: Southwest Museum, 1962); McNitt, *The Indian Traders*; Underhill, *The Navajos*.

41. Roberts, *Stokes Carson*, 48.

42. Amsden, *Navaho Weaving*, 178; McNitt, *The Indian Traders*, 55–57.

43. US Senate, *Survey of the Conditions of the Indians of the United States* (1931), 8983–8984.

44. Henry F. Dobyns and Robert C. Euler, *The Navajo Indians*, Indian Tribal Series (Phoenix: Piñon Press, 1972); Downs, *The Navajo*; Judy Kopp, "Crosscultural Contacts: Changes in the Diet and Nutrition of the Navajo Indian," *American Indian Culture and Research Journal* 10 (1986):1–30; Underhill, *The Navajos*.

45. Bailey and Bailey, *A History of the Navajos*, 178.

46. Hegemann, *Navaho Trading Days*, 338–342.

47. Examples include Ed Thacker at Keams Canyon and Buck Rodgers near Cameron. Hall, *West of the Thirties*, 35; Hegemann, *Navaho Trading Days*, 227.

48. For a detailed discussion and documentation of the blanket and silver-work industries see my, "Barter, Blankets, and Bracelets: The Role of the Trader in the Navajo Textile and Silverwork Industries, 1868–1930," *American Indian Culture and Research Journal*, 12:4 (1988): 45–56. Also see Lawrence David Weiss, *The Development of Capitalism*, 60, 109–115, 144–147.

49. See John Adair, *The Navajo and Pueblo Silversmiths* (Norman: University of Oklahoma Press, 1946); Kelley, "Commercial Networks"; Richardson, *Navajo Trader*.

50. Kelley, "Commercial Networks," 188.

51. For a detailed discussion of the implementation and effects of the stock reduction program, see Schuyler Fonaroff, "Conservation and Stock Reduction on the Navajo Tribal Range," *Geographical Review* 53 (1963): 200–223; and my "An Historical Analysis," 139–154.

52. See Donald L. Parman, *The Navajos and the New Deal* (New Haven: Yale University Press, 1976).

53. William Y. Adams, "Shonto: A Study of the Role of the Trader in a Modern Navaho Community," *Bureau of American Ethnology Bulletin 188* (Washington, DC: Government Printing Office, 1963), 50; George A. Boyce, *When the Navajo Had Too Many Sheep: The 1940s* (San Francisco: The Indian Historian Press, 1974), 130; Peter Iverson, *The Navajo Nation* (Westport, CT: Greenwood Press, 1981), 49; Underhill, *The Navajos*, 242; Young, *The Navajo Yearbook*, 1958: 98.
54. Adams, "Shonto," 129–131.
55. Young, *The Navajo Yearbook*, 1961: 224–225.
56. Bailey and Bailey, *A History of the Navajos*, 270; US Federal Trade Commission, *The Trading Post System on the Navajo Reservation*, 19–21.
57. Young, *The Navajo Yearbook*, 1958, 108.
58. Ibid.
59. Alison R. Bernstein, *American Indians and World War II: Toward a New Era in Indian Affairs* (Norman: University of Oklahoma Press, 1991).
60. Kelley and Whiteley, *Navajoland*, 223.
61. Bailey and Bailey report that between 1950 and 1975 cars and trucks replaced most wagons on the reservation; *A History of the Navajos*, 266.
62. Betty J. Harris, "Ethnicity and Gender in the Global Periphery: A Comparison of Basotho and Navajo Women," *American Indian Culture and Research Journal* 14:4 (1990): 15–38, 30–31; Kelley, "Commercial Networks," 37.
63. See Bailey and Bailey, *A History of the Navajos*, 271; Kelley and Whiteley, *Navajoland*, 152.
64. These numbers are not comparable to previous information presented because of the large number of trading posts located near but off the reservation. Off-reservation sites allow traders to avoid governmental restraints on their operations such as the prohibition on the sale of alcohol and agricultural pursuits (since they can acquire land).
65. Navajo Nation, "Navajo Nation Employers Directory: Trading Post Listing" (Division of Economic Development, Window Rock, 1992), personal copy.
66. Though not usually used to refer to Native peoples of North America, this term is intentionally used to draw parallels between indigenous North Americans and those in South Africa. Colin Bundy, tracing the theoretical development of this concept (and consistent with its use here), defines peasants as rural cultivators who have access to land, rely on family labor to produce for subsistence needs, market a surplus to meet external demands, participate in a larger political-economic structure and culture, and retain cultural and kinship elements deeply rooted in heritage. Colin Bundy, *The Rise and Fall of the South African Peasantry* (Los Angeles: University of California Press, 1979), 9–11. Readers may also wish to refer to issues raised in the *Journal of Peasant Studies*. See especially Henry Bernstein, "African Peasantries: A Theoretical Framework," *Journal of Peasant Studies* 6:4 (1979): 421–443.
67. Fonaroff, "Conservation and Stock Reduction," 201.
68. Monica Wilson, "The Nguni People," in *Oxford History of South Africa, I: South Africa to 1870*, eds. Monica Wilson and Leonard Thompson (London: Oxford University Press, 1969), 75–130, 109–110.
69. Donald Denoon and Balam Nyeko, *Southern Africa Since 1900* (London: Longman, 1984), 9.
70. Monica Wilson, "The Effects of the Xhosa and Nyakyuse of Scarcity of Land," in *African Agrarian Systems*, ed. Daniel Biebuyck (New York: Oxford University Press, 1963), 374–391, 381.

71. Bundy, *Rise and Fall*, 25.
72. William Miller MacMillan, *Bantu, Boer, and Briton: The Making of the South African Native Problem* (London: Faber and Gwyer, 1929), 64; Union of South Africa, Tomlinson Commission, *Summary of the Report of the Commission for the Socio-Economic Development of the Bantu Areas within the Union of South Africa* (Pretoria: Government Printer, 1955), 8; Union of South Africa, Social and Economic Planning Council, *The Native Reserves and Their Place in the Economy of the Union of South Africa* (Pretoria: Government Printer, 1946), Report No. 9.
73. MacMillan, *Bantu, Boer, and Briton*, 64; Tomlinson Commission, *Summary of the Report of the Commission*, 8.
74. William Beinart, *The Political Economy of Pondoland, 1860–1930* (Cambridge: Cambridge University Press, 1982), 76; Bundy, *Rise and Fall*, 32, 59; Roger Southall, *South Africa's Transkei: The Political Economy of an "Independent" Bantustan* (New York: Monthly Review Press, 1983), 61.
75. Denoon and Nyeko, *Southern Africa Since 1800*, 76 (emphasis added).
76. Denoon and Nyeko, *Southern Africa Since 1800*, 81; Bernard Makhosezwe Magubane, *The Political Economy of Race and Class in South Africa* (New York: Monthly Review Press, 1979), 39.
77. Leonard Thompson, "Co-operation and Conflict: The Zulu Kingdom and Natal," in *The Oxford History of South Africa, I*, 334–390, 335; Monica Wilson, "Co-operation and Conflict: The Eastern Cape Frontier," in *The Oxford History of South Africa, I*, 233–271, 238.
78. Southall, *South Africa's Transkei*, 70–71.
79. E. S. Haines, "The Transkei Trader," *South African Journal of Economics* 1:2 (1933): 201–216.
80. Union of South Africa, Social and Economic Planning Council, *The Native Reserves and Their Place in the Economy of the Union of South Africa*, 10.
81. Bundy, *Rise and Fall*.
82. Known as the Mfecane ("the crushing") among the Zulu and Difaqane ("forced migration") among the Sotho, this refers to the tremendous disruptions that occurred with the rise of the Zulu state organized along military lines by King Shaka from 1816 to 1828. Refugees from Shaka's military campaigns poured into the already densely populated Transkei area. Some were absorbed into communities, some formed separate groups, and still others joined forces with white settlers against southern Nguni. For a detailed discussion, see Denoon and Nyeko, *Southern Africa Since 1800*, 25–36.
83. William Beinart and Colin Bundy report that drought occurred in roughly seven-year cycles (1895–1896, 1903–1904, 1911–1912, 1919–1920, 1926–1927); see Beinart and Bundy, *Hidden Struggles in Rural South Africa: Politics and Popular Movements in the Transkei and Eastern Cape 1890–1930* (Berkeley: University of California Press, 1987), 21.
84. An estimated 80 percent of all cattle in the Transkei were destroyed by a rinderpest outbreak in 1896 and 1897. East Coast Fever, a tick-borne disease that moved across the region from 1904 through 1913, had similar results. William Beinart, *Twentieth-Century South Africa* (New York: Oxford University Press, 1994), 32–33; Beinart and Bundy, *Hidden Struggles in Rural South Africa*, 21, 194.
85. See, for example, Michael Buroway, "The Functions and Reproduction of Migrant Labor: Comparative Material from Southern Africa and the United States,"

American Journal of Sociology 81:5 (1976): 1057–1087; Magubane, *The Political Economy of Race and Class in South Africa*, Harold Wolpe, “Capitalism and Cheap Labour—Power in South Africa: From Segregation to Apartheid,” in *The Articulation of Modes of Production*, ed. Harold Wolpe (London: Routledge and Kegan Paul, 1980), 289–319.

86. Anthony Lemon, *Apartheid: A Geography of Separation* (Westmead, Great Britain: Saxon House, 1976); Sol T. Plaatje, *Native Life in South Africa, Before and Since the European War and the Boer Rebellion* (New York: Negro Universities Press, 1916).

87. Beinart and Bundy, *Hidden Struggles in South Africa*, 195–196, 218.

88. Alex Hepple, *South Africa: A Political and Economic History* (New York: Frederick A. Praeger, 1967); Merle Lipton, *Capitalism and Apartheid: South Africa, 1910–84* (Totowa, NJ: Rowman and Allanheld, 1985), 25; W. M. Tsotsi, *From Chattel to Wage Slavery: A New Approach to South African History* (Maseru: Lesotho Printing and Publishing Company, 1981), 67; Union of South Africa, Department of Native Affairs, *Report of the Native Laws Commission, 1946–48* (Pretoria: Government Printer, 1948), 73 [Cited here as *Fagan Report*].

89. Fred T. Hendricks, “Loose Planning and Rapid Resettlement: The Politics of Conservation and Control in Transkei, South Africa, 1950–1970,” *Journal of Southern African Studies*, 15:2 (1989): 306–325. For a discussion of land conditions in the Transkei, including the betterment schemes, also see Terence C. Moll, *No Blade of Grass: Rural Production and State Intervention in Transkei, 1925–1960*, Cambridge African Occasional Papers 6 (Cambridge: African Studies Center, 1988). For a general discussion of environmental problems and their causes on the reserves, see Denoon and Nyeko, *Southern Africa Since 1800*, 141–148.

90. Haines, “The Transkei Trader,” 203.

91. Union of South Africa, Tomlinson Commission, *Report of the Commission for the Socio-Economic Development of the Bantu Areas within the Union of South Africa*, chap. 22 (Pretoria: Government Printer, 1955), 7; Union of South Africa, *The Native Reserves and Their Place in the Economy of the Union of South Africa*, 11.

92. Food and Agriculture Organization of the United Nations (FAO), *Apartheid, Poverty and Malnutrition*, Economic and Social Development Paper 24 (Rome: FAO of the United Nations, 1982), 6.

93. Luli Callinicos, *A People’s History of South Africa*, vol. 1 (Johannesburg: Raven Press, 1985), 7.

94. Union of South Africa, Tomlinson Commission, *Summary of the Report of the Commission*, 91.

95. Transkeian Territories General Council (TTGC), *Proceedings and Reports of Select Committees* (Umtata: Territorial News, 1926), 66–71.

96. Haines, “The Transkei Trader,” 208.

97. Union of South Africa, *Report of the Native Economic Commission* (Pretoria: Government Printer, 1932), 138.

98. Union of South Africa, Tomlinson Commission, *Report of the Commission*, 41–42.

99. Union of South Africa, Tomlinson Commission, *Report of the Commission*, 44–45; Union of South Africa, *Report of the Native Economic Commission*, 6.

100. Monica Hunter, *Reaction to Conquest: Effects of Contact with Europeans on the Pondo of South Africa* (London: Oxford University Press, 1961), 143; Union of South Africa, *Report of the Native Economic Commission*, 137.

101. Union of South Africa, Tomlinson Commission, *Summary of the Report*, 41.

102. Haines, "The Transkei Trader," 206.
103. Beinart, *The Political Economy of Pondoland*, 52; Haines, "The Transkei Trader," 206.
104. As is the case with the Navajo, the use of tokens is reminiscent of and functionally equivalent to other situations in which the enslavement of the consumer parallels the enslavement of wage laborers. Such an example is the company stores of the coal mines in the United States. In the *History of the Labor Movement in the United States*, vol. 1 (New York: International Publishers, 1962), 67, Philip S. Foner reports that in the late 1700s workers at textile mills in the Northeast were paid in scrip (or "chits"), which could be redeemed only at stores owned or controlled by the mill owners, and for goods at substantially higher prices.
105. TTGC, *Proceedings and Reports of Select Committees* (1923), 59.
106. Bundy, *Rise and Fall*, 57.
107. Haines, "The Transkei Trader," 202–203.
108. Bundy, *Rise and Fall*, 74; W. H. Hutt, *Economics of the Colour Bar*, The Institute of Economic Affairs (London: Merritt and Hatcher, 1964), 52.
109. Beinart, *The Political Economy of Pondoland*, 49–50.
110. Beinart, *The Political Economy of Pondoland*, 30; Bundy, *Rise and Fall*, 95.
111. Bundy, *Rise and Fall*, 77.
112. Union of South Africa, *Report of the Native Economic Commission*, 270.
113. Beinart, *The Political Economy of Pondoland*, 30; Bundy, *Rise and Fall*, 74; FAO, *Apartheid, Poverty, and Malnutrition*, 6.
114. Haines, "The Transkei Trader," 214; Union of South Africa, Tomlinson Commission, *Report of the Commission*, 44–45; Union of South Africa, *Fagan Report*, 17.
115. This is not to suggest that conflict and hostility did not exist between Africans and traders. In fact, traders have been known to be the target of protests in the Transkei.
116. Union of South Africa, Tomlinson Commission, *Report of the Commission*, 43; Union of South Africa, Tomlinson Commission, *Summary of the Report of the Commission*, 91.
117. Monica Wilson, "The Growth of Peasant Communities," in *The Oxford History of South Africa, II: South Africa 1870–1966*, eds. Monica Wilson and Leonard Thompson (New York: Oxford University Press, 1971), 49–103, 58–59.
118. Alan H. Jeeves, *Migrant Labour in South Africa's Mining Economy: The Struggle for the Gold Mines' Labour Supply, 1890–1920* (Kingston: McGill-Queen's University Press, 1985), 13; Magubane, *The Political Economy of Race and Class in South Africa*, 80.
119. Union of South Africa, *Report of the Native Economic Commission*, 138.
120. Ibid.
121. Beinart, *The Political Economy of Pondoland*, 56.
122. The role of debt in labor recruitment is far from unique to this situation. Reported cases of the huge debts that Chinese immigrants to the United States have incurred to illegal traffickers is a recent, striking example.
123. Jeeves, *Migrant Labour*, 89.
124. Jeeves, *Migrant Labour*, 103.
125. Union of South Africa, Social and Economic Planning Council, *The Native Reserves*, 8.
126. Union of South Africa, Department of Native Affairs, *Fagan Report*, 15.

127. Bureau for Economic Research re Bantu Development (BENBO), *Black Development in South Africa: The Economic Development of the Black Peoples in the Homelands of the Republic of South Africa* (Pretoria: BENBO, 1976), 30.
128. Jeff Leeuwenburg, *Transkei: A Study in Economic Regression* (London: The African Bureau, 1977), 7; Terence C. Moll, *No Blade of Grass*, 10.
129. Moll, *No Blade of Grass*, 14.
130. Bundy, *Rise and Fall*, 224; Paul Maylam, *A History of the African People of South Africa: From the Early Iron Age to the 1970s* (London: Croom Helm, 1986), 144.
131. Southall, *South Africa's Transkei*, 84; Union of South Africa, Social and Economic Planning Council, *The Native Reserves and Their Place in the Economy of the Union of South Africa*, 75.
132. Bundy, *Rise and Fall*, 121.
133. Beinart, *Twentieth-Century South Africa*, 31.
134. Union of South Africa, *Report of the Native Economic Commission*, 298.
135. Bethuel Setai, *The Political Economy of South Africa: The Making of Poverty* (Washington, DC: University Press of America, 1977), 188.
136. Beinart, *Twentieth-Century South Africa*, 31.
137. David M. Smith, *Update: Apartheid in South Africa* (New York: Cambridge University Press, 1985), 56.
138. Beinart, *Twentieth-Century South Africa*, 32.
139. Paul Maylam, *A History of the African People of South Africa*, 149, 173.
140. Union of South Africa, Tomlinson Commission, *Report of the Commission*, 24.
141. Leeuwenburg, *Transkei: A Study in Economic Regression*, 30.
142. Republic of Transkei, *The Republic of Transkei* (Johannesburg: Chris van Rensburg Publications, 1976), 129–130.
143. Union of South Africa, Tomlinson Commission, *Report of the Commission*, 6.
144. Southall, *South Africa's Transkei*, 85.
145. *Ibid.*, 164.
146. *Ibid.*
147. Wilson, "The Growth of Peasant Communities," 59.
148. To be more precise, Rosa Luxemburg, *The Accumulation of Capital* (New Haven: Yale University Press, 1951), argues that it is the importation of cheap manufactured and processed goods that lure people into capitalist relations. For a discussion of this process, see Barbara Bradby, "The Destruction of the Natural Economy," in *The Articulation of Modes of Production*, ed. Harold Wolpe (London: Routledge and Kegan Paul, 1980), 93–127. In regard to the use of force on the Navajo Reservation, my "An Historical Analysis of the Functions and Reproduction of the Navajo Reservation," argues that force was used a second time (the military subjugation of the Navajo representing the first) against the Navajos during stock reduction, which dealt a serious blow to traditional pastoral activities.
149. Hall, "The World-System Perspective," 447–448.
150. See Raymond William Stedman, *Shadows of the Indian: Stereotypes in American Culture* (Norman: University of Oklahoma Press, 1982).
151. See Michael Benson, *The Navajo Nation and Taxation* (Window Rock, AZ: DNA People's Legal Services, 1976), 51–52.
152. McNitt, *The Indian Traders*, 71.
153. Harris, "Ethnicity and Gender in the Global Periphery," 24–25.