

GENERAL MOTORS AND SOUTH AFRICA

WHAT'S GOOD FOR GM IS GOOD FOR SOUTH AFRICA - WHITE SOUTH AFRICA THAT IS.

GM - a long time South African Partner

General Motors entered South Africa in the days before the Great Depression in 1926. Almost fifty years

later GM South Africa, a wholly owned subsidiary, announced that it had "made a major contribution to the growth and development of the Republic [of South Africa]." The "growth and development" to which GM referred has been the construction of the most industrialized country on the African continent, a country whose growth has been based on the victimization of a cheap, African labor force. Parallel with this economic "progress" has been the acceleration and codification of a universally condemned system of racism and minority white rule called apartheid. GM's contribution to the economy of the Republic is equally a contribution to white minority rule and control.

The South African Auto Industry

There are approximately 400 U.S. companies with investments in South Africa, and GM is one of the largest participants. The automobile industry, to which American firms have been the single most important contributors, has been a key to diversifying and expanding the economy. The auto industry is vital for the health of the entire South African economic structure. The Standard Bank has described it as "one of the most dynamic forces in the expanding economy, with an influence extending to most manufacturing industries, to the distributive trades and to service industries. Their future pattern of growth will affect the whole economy." Thus GM has invested at least \$125 million in South Africa, has two assembly plants and one engine plant located near the Eastern Cape Province cities of Port Elizabeth and Uitenhage. GM produces 84 models, engines, component parts and Frigidaire products in South Africa. In 1970 it sold 33,000 vehicles (cars and trucks) thus capturing approximately 15 per cent of the South African market.

Benefits to South Africa

The presence of GM in South Africa has provided innumerable benefits to the white minority government. Thus after the Sharpeville Massacre in 1960 when 69 Africans were killed by police fire and dramatic political changes were expected, South Africa responded by instituting programs aimed at making the country immune to outside pressures and creating a self-sufficient economy. One such program was to increase the "local [South African made] content" of cars formerly just assembled in South Africa. By 1976 South Africa expects 65 per cent of each automobile to be of local origin, and GM has spent more on this pro-South African scheme than any of its competitors with an expected additional \$22 million investment by 1976.

Benefits to South Africa include more investment and through import reduction a better balance of payments. GM is the only American company to have produced a South African model which it calls the RANGER. Although GM claims to aid U.S. balance of payments by being in South Africa, the firm has helped South Africa's balance through the sale of its South African made products throughout the rest of Southern Africa. More recently GM has squeezed into the European market where the Ranger is being sold. Some of GM's domestic problems (i.e. strikes, inflation) may be relieved by increased sale abroad of cheaper products produced in places like South Africa.

GM has other links with the South African Government which include the sale of 50 diesel locomotives to the government Railways system, a deal worth \$16.5 million. The company is also a heavy subscriber to the South Africa Foundation, a non-profit organization that is a major international propaganda and lobbying arm for the pro-apartheid forces of South Africa.



GM and the Military

For decades the African people of South Africa and its neighbors still held under colonial rule in Angola and Mozambique have organized to bring an end to their powerlessness and oppressed condition. With internal opposition such as that which resulted in the actions leading up to the Sharpeville Massacre, and the expansion of the movements against the Portuguese, South Africa has constructed a massive military machine increasing defense expenditures sixfold in the last ten years. In order to accomplish this feat South Africa had to have outside help - like GM. Thus in 1966 a South African ruling party journal said about GM: "in times of emergency or war, each plant could be turned over rapidly to the production of weapons and other strategic requirements for the defense of Southern Africa." This understanding was confirmed recently when South African General Heimstra proclaimed that his country is now capable of exporting armaments, and can manufacture any type of armored car!

Employment Practices

GM admits that it follows the law of the land in South Africa which means that it cooperates totally with the apartheid system of racial separation and discrimination. This alliance with South African racism means that GM encourages whites from Europe to emigrate to South Africa in order to fill top echelon jobs. It is exhibited in the fact that GM pays lower wages to its non-white employees (Africans, Coloureds, Asians) and only gives more skilled jobs to them when it cannot find whites to fill the jobs. It means that GM recognizes white and Coloured unions as bargaining agents in its plants (and these unions were only recently instituted at GM), while Africans who are by law excluded from registered unions have no voice in their own working conditions. GM's compliance means that no non-white supervises a white worker, that all the better jobs are set aside for whites, and of course that all plant facilities are segregated for the different races.

GM employees include 6,100 individuals of whom 4,700 are hourly workers. Of this latter group 70 per cent are non-whites. The attitude of local GM managers to the bulk of their employees is revealed in the following quotes. "I wouldn't say these people (Africans) don't have any reasoning power, but what they do have is very limited", (GM Engine Plant Manager, 1970)

... "our non-white peoples here in South Africa can work their way into the economy to come out of their rural and tribal existence where they can actually participate in a civilized industrial life. . . (GM Managing Managing Director , 1970)

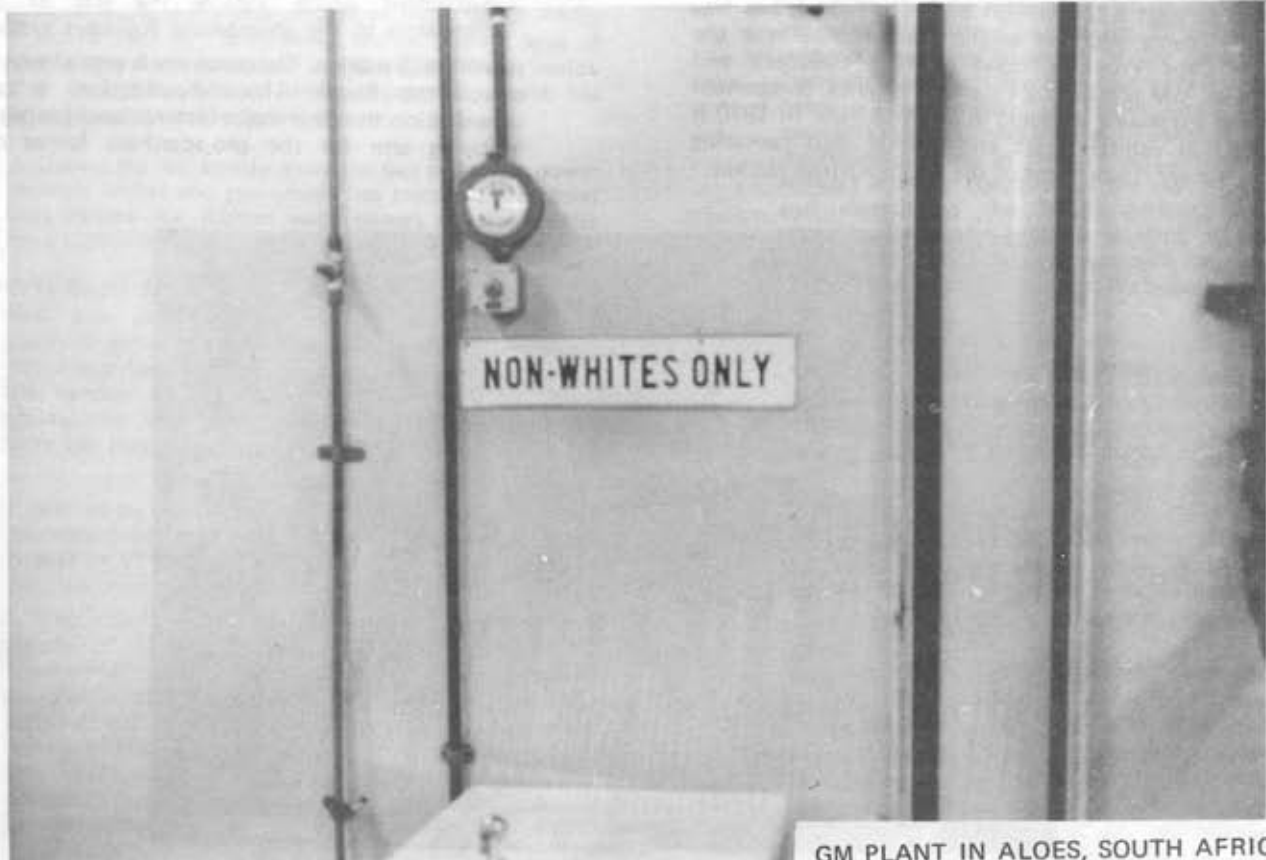
The racism inherent in these remarks is reflected also by GM Board Chairman James Roche when he calls Africans "Bantu" or "Native", terms used only by the government of South Africa or its supporters.

Jobs and Wage Structures

Chairman Roche described the South African apartheid system perfectly when he said: "GM South African does not discriminate between races as to wages except for a difference in the starting rates which are higher for Whites than for Colored and Native employees." Thus at the GM engine plant wages and categories of employment reflect the racist hierarchies to which GM subscribes.

WAGES-SOUTH AFRICAN ENGINE PLANT (1970)

category	race	hourly wage
unskilled	African, Coloured	\$.52
semi-skilled	mainly Coloured	\$.80-.97
machine setters	mainly white	\$1.96
and changers		
skilled artisans	white	\$2.10



GM PLANT IN ALOES, SOUTH AFRICA

	White	Africans
Population (millions)	3.8	14.9
% of population	18	69
% of land reserved	87	13
% of income received	74	18.8
average income/head/year	\$1,596	\$188
average annual wage in mining (cash)*	\$5,275	\$302
average annual wage in manufacturing	\$4032	\$828
minimum cost of living for family of 5 in city	\$1,075	\$1,075
life expectancy	64-70	35-40**
infant mortality per 1,000 births	24	200-250
no. of pass arrests/yr.	0	7-900,000

Apartheid in South Africa is a customary and legal system created by the white minority (3.5 million) to maintain permanent control of lives and labor of the non-white (African, Asian, Coloured) majority (17.5 million). The core reason for the system is to perpetuate and strengthen white supremacy. Thus politically, economically, socially, and even the realm of family and personal life, the word of the white man stands supreme. The so-called Bantustan system created by white South Africa to contain the Africans in reserve areas (only 13 per cent of the land) is an attempt to continually separate black from white while at the same time allowing the utilization of black migrant labor in white controlled mining, industry and agriculture. Legislation aimed at the removal of all civil and political rights for non-whites has accelerated under the political rule of the Nationalist Party, in power in South Africa since 1948. All protests on the part of the majority have been crushed, and now Africans and their allies are in the process of organizing themselves in the underground and in exile for the full liberation of their homeland.

Figures mainly 1968-1969, United Nations and South African Institute of Race Relations. *wages in kind (food etc.) estimated by employers would raise African returns to \$806. **medical statistics are normally not kept for Africans so estimates based on Coloured figures are necessary.

GM has proclaimed the competence and good workmanship of its South African employees, and yet Chairman Roche has the audacity to brag about paying African employees in South Africa wages which are 25 per cent above the average monthly living expense for a family of five. This living expense figure is really a minimum, i.e. in Johannesburg, the minimum was \$83.00 in 1969, in Uitenhage, \$89.50, a month. Roche's 25 per cent increase over this poverty datum figure cannot in any way be seen as generous. Health, insurance, retirement, tuition, training plans are provided by GM, but essential workers' rights in terms of unionization, the right to strike, bargaining power are non-existent.

The end of strict "job reservation" (a system of classifying by law certain jobs for certain races) has meant a jump in non-white employment at GM, but only when the white unions have agreed and only when it has been considered beneficial to the company which can of course pay an African or Coloured worker less wages for a job formerly done by a highly paid white worker. In no way does GM's employment patterns in South Africa defy or challenge a fundamental racist system.

Conclusion

In short what's good for General Motors is good for South Africa - white South Africa. GM is a mirror of the intensely discriminatory laws and customs of South Africa. Low wages and the South African tradition of treating African workers as "labor units" assist GM in making some of the highest profits found in the world. While GM claims that it is a "progressive" company in South Africa, it has not budged one inch to protest the basic conditions under which 80 per cent of South Africa's population must survive.

Even more important is the way in which the South African Government has utilized the auto industry, including GM, Ford and Chrysler, to strengthen and diversify its economy and military potential, inevitably consolidating white control and domination as a result. GM as other U.S. companies must be considered partners responsible for the creation of a strong, white South Africa.

Questions Answered

GM states that it must conduct business in conformity with the laws of the host country but that this act in no way constitutes an endorsement of local policies, i.e. in South Africa, the philosophy and practice of apartheid.

But what if GM's investment and operations in South Africa act in a way which directly supports white minority rule or mirrors discriminatory laws, is this not a de facto endorsement of apartheid? The important point is not GM's motives but the fact that GM's massive investment assists in building the South African economy, which in fact strengthens the political control of the white government. GM cannot divorce economics and politics pretending that it is "just doing business." Such a large investment has political consequences. In fact, GM itself admits its political nature when it claims that it is a leader in "progressive change" in South Africa.

In this case, despite GM's plea that they do not necessarily approve of the policy of apartheid, its investment acts as a support for the very policies they claim to oppose. Just as we would not have tolerated a corporation helping build the military might of Nazi Germany, even if that company claimed it had to follow German law, neither can we tolerate GM's support for apartheid any longer.



Notwithstanding all this, I must report that the idea of doing business in South Africa is *totally unacceptable*; we could not be true to the basic principles on which we run our business and we should lose our integrity in the process. We should have to operate within a social climate where the colour of a man's skin is his most important attribute and where there is virtually no communication between the races; we should be locked into this system. We should have to operate within an economic climate which is designed deliberately to demoralize and to maintain an industrial helotry; we should, in turn, profit from such exploitation and ultimately end up with a vested interest in its maintenance.

NEIL WATES- A PROMINENT BRITISH BUSINESSMAN WHO RECENTLY DECIDED NOT TO INVEST IN SOUTH AFRICA.

We should have to operate within a legal climate where the rule of law has been abolished in favour of rule by decree, which bids fair to become a reign of terror.

The cumulative effect of all these factors in the long term must be self-defeating; within the short term it must make it impossible for ourselves individually, or as a company, to connive at anything which would serve to perpetuate a system which in the last analysis has no other justification than the preservation of white supremacy as an end in itself.

GM has stated that since 1926 its number of non-white employees has increased to more than 50 per cent, and that this is "an indication of the progressive change which has occurred over the years."

The fact is that South African industry across the board has been forced to employ more and more "non-whites" in their operations since there has been a drastic shortage of white workers. This change in the labor pattern has occurred over the violent objections of sections of white workers. It can scarcely be portrayed as a hiring program aimed at black training and advancement.

G. M. tries to paint South Africa as a land undergoing "progressive change". This is hardly the case. In fact since G. M. has invested in South Africa non-whites have lost all representation in Parliament, had all political parties banned and many political leaders jailed, had multi-racial parties declared illegal, had African unions virtually destroyed, had laws enacted allowing arrest and punishment without charges, trial or appeal, had 500,000 Africans jailed every year on pass offences. South Africa is not a land of "progressive change" but a land of increasingly harsh laws against people for the sole reason that their skins are not white. Economic growth has brought more apartheid, not less.

During the last twenty years the gap in earning power between whites and non-whites has increased. The total cash income for African wage earners remained static from 1960-1970. Is this the progress G. M. talks of?

In South Africa non-whites must still take the lowest level jobs despite personal qualifications; may not supervise whites; have no real trade union power; receive wages near the breadline. In short the system of industrial serfdom in South Africa continues with only minor adjustments. Meanwhile GM tries to build the myth that there has been "progressive change."

GM states that its operations in South Africa is "consistent with the best interests of the people of all races in South Africa."

Who is GM to define the "best interests" of 80% of the people of South Africa who are not white? The "non-white" peoples of South Africa have made it abundantly clear that they desire a fair share of the political and economic pie. How is GM's investment helping to bring about civil rights and the political power they desire to that 80%? A few jobs for non-whites compared to the massive support given the white power structure is hardly in the "best interests" of all races.

In addition, under the Terrorism Act any person advocating economic boycott in South Africa can be tried for treason. The wishes of the non-white majority therefore cannot be voiced in this police state stronghold. How can GM even begin to understand the goals and aspirations of "non-white" South Africa when its top management has no friends or acquaintances outside of the white population? How can GM pretend to understand non-white hopes while it simultaneously, supports the all white pro-apartheid South African Foundation?

Perhaps the sentiment of black South Africa was more accurately portrayed by Chief Albert Lithuli, Nobel Prize Winner and president of the banned African National Congress when he said: "The economic boycott of South Africa will entail undoubted hardship for Africans. We do not doubt that. But if it is a method which shortens the day of blood, the suffering to us will be a price we are willing to pay. In any case, we suffer already, our children are often undernourished, and on a small scale (so far) we die at the whim of a policeman."

GM states that if it withdrew from South Africa other companies would be quick to take their place.

This reply misses the point. Is it right to act in a morally repugnant manner simply because someone else would do it if we did not? GM is responsible for its own actions and cannot hide behind possible reactions by its competitor.

Withdrawal by GM would have a tremendous political and economic impact on South Africa and its relations with the rest of the world. It could even start a trend of withdrawal and no more investment by numerous international firms.

GM argues that its operation in South Africa has been successful and profitable for a great many years and has been "a well-established source of earnings."

This is true. The South African government proudly advertises that an average rate of return of 15% can be expected (Wall Street Journal Jan. 22, 1971). But at what cost do these profits come? At the cost of exploiting "non-white" workers for breadline wages, at the price of being a "good citizen" in South Africa which means comfortably complying with all of South Africa's racially discriminatory laws, at the cost of building white South Africa's military potential, at the cost of strengthening and diversifying the South African economy and strengthening white political control, at the cost of supporting an international apologist for white control, the South African Foundation. We believe the price is too great.

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