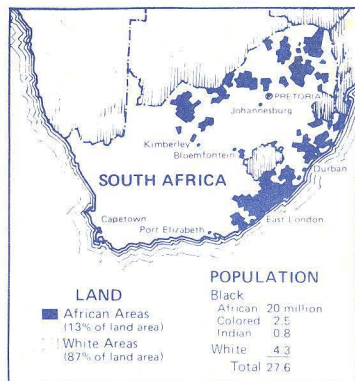


U.S. CORPORATIONS IN SOUTH AFRICA:

Partners in Progress or Partners in Apartheid?

APARTHEID — DESIGNED TO ASSURE CHEAP LABOR



It is true that there are blacks working for us. They will continue to work for us for generations, in spite of the ideal that we have to separate them completely. . . the fact of the matter is this: we need them because they work for us. . . But the fact that they work for us can never entitle them to claim political rights. Not now, nor in the future. . . under no circumstances.

Prime Minister J. B. Vorster, 1968

Apartheid is the common term describing South Africa's system of "separate development of the races." This system uses racial classifications to determine all aspects of a person's life. Yet apartheid is not merely a system of racial segregation, but is a highly intricate and sophisticated series of laws and structures created to deliver a steady supply of cheap black labor to a wealthy industrialized economy.

Blacks are forcibly channeled to the least desired, poorest paid jobs through a network of computer-run labor bureaus administered by the government. On average, they are paid 1/8 the wages of whites and 80% live below the official poverty level of \$70 per month.

Blacks cannot refuse work or change jobs to avoid dangerous conditions. Agriculture and mining, where the majority work, have the highest accident rates; gold mines average 3 deaths per 12 hour shift.

Black migrant workers (½ the 'African' labor force) are denied the right to live with their families. These families are forceably removed from the work areas and are sent to desolate Bantustans (reservations) where they face starvation and death. The government's goal is a universal black migrant labor force.

Blacks are effectively denied skilled jobs through the industrial color bar and the official 'bantú' educational system. South Africa faces a dire shortage of skilled labor, yet refuses to train more than a token number of black workers.

The government is elected by whites only; blacks have no vote. They have no legal recourse to change this system. All basic civil liberties—such as free speech, free press, and freedom of assembly—are denied to blacks and whites who oppose apartheid. Any number of laws, particularly the Suppression of Communism and Terrorism Acts, allow the government to harshly punish its opponents.

LABOR RESISTANCE TO APARTHEID



The use of labor organizing to gain political leverage has a long tradition in South Africa. Yet when black workers formed their first independent trade union in 1919, the government moved quickly to suppress them. But the black workforce kept organizing. Each time the government broke a union by imprisoning leaders and forbidding union-management negotiations, new organizations were established and other leaders rose from the ranks. Strike waves in 1973, 1976, 1980, 1981 and 1982 have defied employer and government strategies to suppress or control this union movement. Despite the imprisonment, torture, murder, "bannings," and exile of trade unionists, independent unions are stronger than ever. Strikes, secondary boycotts, city-wide general strikes and consumer boycotts have successfully welded the unions and worker communities around a variety of social and economic demands.

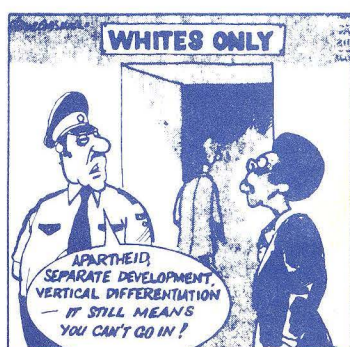
ARE U.S. INVESTMENTS A FORCE FOR PROGRESS?

The net effect of American investment has been to strengthen the economic and military self-sufficiency of South Africa's apartheid regime. . .

Senator Dick Clark (D-Iowa) for the U.S. Senate Subcommittee on African Affairs, 1978

Concentrated in the most vital and strategic sectors of the South African economy—mining, automotive, computer and energy—the significance of U.S. investments far exceeds its dollar value (a little over \$4 billion). By providing a steady supply of funds, technical expertise, and sophisticated equipment, U.S. firms assured continued, often spectacular, economic growth. Black workers benefited little from this growth. In fact, while U.S. investments increased dramatically in the 60's and 70's, their standard of living got noticeably worse! The Sullivan Principles, now 4 years old, have provided corporations with the cosmetic tools needed to change their image rather than their practice. One official said that his company actually held off signing them until it realized that "the principles were being used to pacify critics in the States." Rather than undermine apartheid, U.S. firms have made it even more viable since their investments were precisely in those sectors which enabled repression to increase and white control to be strengthened.

IS SOUTH AFRICA REALLY REFORMING?



By the late 70's, the South African government reacted to increasing pressure to reform labor conditions. Mindful of international opinion, it established two commissions—named Wiehahn and Riekert—to suggest changes.

The Wiehahn Commission recommended that black unions be allowed to register as official bargaining units. The government agreed but passed legislation with strict conditions: unions must support the state; multi-racial unions would not be allowed except under extraordinary circumstances; unions had to end all political activities and affiliations; and the Minister of Labor had the sole power to determine who could be eligible for union membership.

The Riekert Commission concentrated on deflating the explosive atmosphere in the black townships. It recommended legislation that tightened control over the allocation of jobs and housing. 10% of the black population was granted permanent residence in the urban townships. The remaining 90% had to live in rural 'homelands'; unless their labor was needed in the white areas. This artificial migrant workforce was tightly regulated: legal jobs could only be obtained by signing a discontinuous one-year contract; these workers would be assigned housing in single-sex barrack-like compounds; and employers received substantial fines for employing 'illegal' migrants.

These highly publicized reforms deflected international criticism of the apartheid system, while actually weakening the position of black labor.

SOUTH AFRICANS ASK FOR INTERNATIONAL SUPPORT

The ending of foreign investment in South Africa is, of course, a tactical question; it is a means of undermining the power of the apartheid regime. But it is of such importance that there can be no compromise whatsoever about it from our point of view. Foreign investment is a pillar of the whole system which maintains the virtual slavery of the black workers in South Africa.

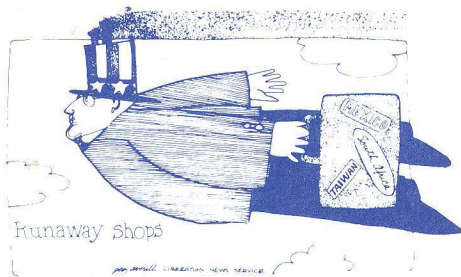
John Gaetsewe, General Secretary, South African Congress of Trade Unions, 1977

AN INJURY TO ONE IS AN INJURY TO ALL

In 1971, Firestone closed its Fall River, Massachusetts tire plant. It laid off 770 U.S. workers while employing more than three times that many South Africans. Five years later, Goodyear laid off 300 workers in New Bedford, Massachusetts and went on to employ eight times that many in South Africa.

Whatever reasons these companies may have given for their investment decisions, they clearly hinged on the availability in South Africa of an abundance of economically desperate, politically handcuffed Black and so-called 'colored' workers. This highly exploitable labor pool was, and is, the crowning achievement of apartheid.

Mark Stepp, U.A.W. Vice President, 1981



... some states back home say they intend to boycott U.S. companies which trade with South Africa. Well that doesn't worry us at all, we're going to continue to trade. I'd much rather lose business with Nebraska than with South Africa.

David Packard, Chairman of Hewlett-Packard, speaking in South Africa, 1980

It's insane for the American labor movement to allow the banks and insurance companies to invest hundreds of billions of dollars of union members' pension funds in ways that undermine and destroy organized labor in this country.

The North Will Rise Again: Pensions, Politics and Power in the 1980's, J. Rifkin & R. Barber

WHAT CAN WE DO?

For the sake of the children of all South Africans, black and white, for God's sake, for the sake of world peace, the international community must take action, it must exert pressure on South Africa—political pressure, diplomatic pressure and above all economic pressure.

Desmond Tutu, Anglican bishop and General Secretary of the South African Council of Churches, 1981



South Africans persist in their efforts to obtain equal rights in all aspects of their country's life—despite increasing suppression by the government.. Noting the key role played by foreign investments and opinion, the international community is being called upon as never before. Apartheid's proponents seek investments, cultural and sporting links, and political recognition as symbols of international support. Its opponents call for comprehensive social, political and economic pressure to help them establish a government based on the respect and equality of ALL—with participation denied to no one. The right of all workers to organize without discrimination is essential. As they pursue this right, unions are leading the struggle for a decent life free from the poverty, insecurity and racial hatred upon which apartheid is founded. There is little doubt that these changes will be achieved; however, the longer change is suppressed, the greater will be the likelihood of a violent civil war. The importance of divestment is thus heightened: it is one of the few peaceful means left of directly pressuring South Africa to dismantle apartheid.

U.S. trade and investments brace the South African government and the apartheid economy. Guidelines such as the Sullivan Principles cannot hide the fact that transnationals pursue maximum return from their investments, irrespective of the long-term social and economic costs. U.S. workers and taxpayers are bearing an increasing share of the burdens imposed by these investments.

U.S. firms can depress domestic wages and decrease their taxes by threatening to relocate in regions or countries such as South Africa which offer cheap labor, minimal health and environmental safeguards, and high profits. Firms that do relocate often undersell U.S. produced goods.

Financial institutions prefer to make a few large loans for mergers, to transnational corporations and to foreign governments, rather than many small loans for local investment. Further, these institutions, which remain 95% unorganized, willingly finance runaway shops, mergers to produce non-union companies, and governments with repressive labor controls.

The U.S. is now South Africa's primary trading partner and second largest foreign investor. These links are an ominous indicator that U.S. military support will be sought as black resistance escalates. Already the South African government requires U.S. firms to train and supply their own plant protection militias.

U.S. workers and taxpayers actually have immense leverage to challenge this South African partnership, while making the corporations more accountable to our needs at home.

In 1974 and 1977, U.S. firms attempted to break UMW strikes by importing cheap South African coal. Organizing broad community support to protest these imports, the UMW prevented wage and benefit takeaways and helped repeal South Africa's Masters and Servants Act.

Locals are using the involvement of companies in South Africa as an organizing tool. Machinists' IAM Local 284 used Caterpillar Tractors' involvement in South Africa as part of an anti-discrimination campaign within their shop.

At city, state and national levels, workers are establishing investment criteria for their pension funds, the largest single source of investment capital in the U.S. They are stopping investments in companies involved with South Africa and are channeling money from anti-union companies towards investments that benefit union members and local economies.

We cannot depend on U.S. transnationals to protect the rights of workers in South Africa, nor to meet our needs as U.S. workers and taxpayers. But we can use our strength and leverage to insure that our interests are not sacrificed to the global strategy of transnationals. Joining with the broader community already concerned about apartheid, we can help to insure an independent union movement in South Africa and can strengthen our own movement here.

SPREAD THE WORD about U.S. support for and profit from apartheid. If your firm has a South African subsidiary or trade ties, demand that management open its books so that the treatment of workers can be evaluated. Pressure your firm to cease investing in South Africa.

PROTEST the bannings, arrests and exile of South African trade unionists. Establish links with the South African independent unions organizing within your industry.

PREVENT EXTERNAL FINANCING of South Africa's economy by withdrawing personal and organizational accounts from financial institutions lending to South Africa. In the U.S., major banks to avoid include Bank of America, Citibank, First National Bank of Boston, Wells Fargo, and First National Bank of Chicago. Redeposit that money in credit unions, in smaller savings and loans, and in those banks with good records of investing in your community.

DIVEST PENSION FUNDS from corporations involved in South Africa. Investments by your pension fund can be used to encourage jobs, local development, organizing and other measures which will benefit your community, while showing support for South African workers and their unions. Since divestment can take some time, make sure your pension fund supports stockholder actions concerning corporate links with South Africa.

STOP BANKING ON APARTHEID is a participant in the nationwide Campaign to Oppose Bank Loans to South Africa. For resources and more information, contact us at 464 19th Street, Oakland, California 94612, or call (415) 763-4998 or 763-8011.