

U.S. Business Should Leave South Africa

POINT OF VIEW

Investment Dollars Bolster Apartheid

To the Financial Editor:

As one who has been involved in United States-African relations for the last 17 years, I believe United States business should pull out of South Africa. In this opinion, I differ sharply with Ulric Haynes Jr., who criticized (March 28) the Episcopal Church's resolution calling on General Motors to end its work there.

Apparently all parties in this debate say they abhor apartheid. But there are obviously some basic differences on how this evil, racist practice can be eliminated.

Those who argue for continued or even expanded American business in South Africa say that a strengthened economy will ultimately destroy the system of apartheid, because there are not enough whites to fill the need for skilled workers, so the jobs will go to blacks. I disagree with this thesis for the following reasons:

First, as American investments have grown over the last 20 years, from \$148-million to about \$800-million and as the South African economy has expanded, apartheid practices have worsened.

During this time, non-whites have lost their last representation in the parliament; black opposition participation and leadership have been banned, and multiracial parties prohibited. Nonwhite unions (never recognized) have been virtually destroyed, laws have been enacted that permit arrest and punishment without charges, trial or appeal. An estimated million people have been forcibly removed from their homes and employment, often with the break-up of families, and half a million Africans are jailed annually.

In the light of these facts, it would take a great step of faith to believe the trend would be changed in the next few years.

Second, the argument that

an expanding South African economy opens up more skilled jobs with higher pay for some Africans is a dangerous half-truth. The laws make any fundamental change in the status of the African, such as the right to collective bargaining and striking, impossible.

Africans still constitute 68 per cent of the population and receive less than 20 per cent of all income. Whites who are 19 per cent of the population have 74 per cent of the income. In Soweto, where approximately 600,000 Africans live in a black ghetto of Johannesburg, 68 per cent of the families live below the poverty level. Only slightly more than 6 per cent of the Africans are in the skilled-worker category.

The Polaroid Corporation's agents in South Africa, Frank & Hirsch, when they heard that Polaroid wanted an equal employment policy, remarked candidly: "We are governed by the laws of the country. Would they (the government) allow the existence of such a policy? It is not possible."

Third, apartheid is designed to keep the African people in a permanent state of subservience and to keep a mobile labor force that can be controlled by the white minority in power. As industrialization has taken place, a massive police-state apparatus has been created to keep the mobile African labor force under control. Business reforms — some loosening of job categories and some minor pay increases — never bring trade-union or political rights.

Fourth, increased investment in South Africa not only strengthens the power of the white minority, but also aligns Americans politically and economically with the preservation of the status quo.

The United States has helped South Africa build a self-sufficient economy, and investment in the manufacturing, technological, nuclear and mining fields provides essential political and psychological support to apartheid and now helps South Africa expand into the rest of Africa. The United States automotive industry controls more than 50 per cent of the production in South Africa.

In a recent poll of American businessmen in South Africa, 74 per cent indicated they would favor one of the two major white parties, both of which support white control.

If United States business were to end its involvement in South Africa, undoubtedly other foreign companies would come in. The 17 per cent profit on investment is not to be ignored. But such an argument by the investor for staying in shades the true intent of its advocate.

Fundamental change will take place in South Africa, but it will not happen through slow evolution, created by pure economic tokenism. The white nineteen per cent of the population cannot control the 81 per cent nonwhite forever. The United States ought to be free to support the movements for real change, which are of necessity underground and latent.

Rather than listening to those who argue for increased American support for the status quo through business investments, we would do well to reflect on what Chief Albert J. Lutuli, Nobel Prize winner and president of the banned African National Congress 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."

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